City of High Point

Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260

Meeting Agenda

Thursday, November 15, 2018

4:00 PM

3rd Floor Conference Room

Finance Committee

FINANCE COMMITTEE - Council Member Britt W. Moore, Chair

2018-455 Contract - Transformers - Wesco
Council is requested to approve a contract awarding Bid No. 19 to WESCO in the amount of $177,850.00 for the purchase five pad mounted transformers to replenish the stock in the warehouse.

2018-456 Contract - Underground Cable - Anixter
Council is requested to approve a contract awarding Bid No. 21 to Anixter in the amount of $298,120.00 for the purchase of 750 MCM underground cable for the Boundary Street substation and to replenish the stock in the warehouse.

2018-457 Contract - Materials Recovery Facility Upgrade Phase III
Council is requested to approve a contract awarding the project to Holden Building Company, Inc. in the amount of $1,152,495.00 for (MRF) Materials Recovery Facility Upgrade.

2018-458 Contract - Materials Recovery Facility Upgrade Construction Administration
Council is requested to approve a contract to award a professional engineering services contract to CDM Smith, Inc. in the amount of $197,955.00 for the construction of mechanical, structural, and electrical upgrades to the existing (MRF) Materials Recovery Facility Upgrade.

2018-459 Contract - Microsoft Enterprise Agreement - SHI
Council is requested to renew the Microsoft Enterprise Agreement with the Office 365 component with SHI in the amount of $570,267.09 annually for three years.

2018-460 Contract - Cherry Bekaert LLP - Amend Audit Contract FY 2018 to Extend Timeframe for Completion
Council is requested to approve amendment to the audit contract with Cherry Bekaert, LLP for the fiscal year period July 1, 2017 and ending June 30, 2018 to extend the delivery date of the Comprehensive Annual Financial Report to the Local Government Commission until January 31, 2019. All other terms of the contract, including the audit fee, remain in force as originally proposed.

2018-461 FY 2018-2019 Financial and Compliance Audit Contract - Cherry Bekaert LLP
City Council is requested to approve the proposal to extend our audit relationship with Cherry Bekaert LLP, for a period of two fiscal years and approve a contract for audit services for the fiscal year ending June 30, 2019 in the amount of $72,500.

2018-463 Resolution - High Point Theatre/International Market Center HVAC Lease Amendment

Council is requested to adopt a resolution approving the Sixth Amendment to the original lease to standardize the HVAC expenses for the theatre to allow for consistent budgeting.

PENDING ITEMS

2018-169 Amendment to License Agreement - Cingular Wireless PSC, LLC (AT&T)
City Council is requested to approve an Amendment to the License Agreement with Cingular Wireless PCS, LLC (AT&T) which allows the location of communication equipment at the City's Ward Water Plant; and authorize the City Manager to execute the agreement.

Sponsors: Committee of the Whole

ADJOURNMENT

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

Finance Committee

Chaired by Britt Moore

Committee Members: Moore, Hudson, Ewing, and Jones

November 15, 2018, 2018 – 4:00 p.m.

3rd Floor Lobby Conference Room

PLEASE SIGN IN

(Please Print)

Name	Address (Residence) & E-mail address	
Steve Lingerfelt		
Allen Eudy		
Britt Moore		

CITY OF HIGH POINT
AGENDA ITEM

Title: Microsoft Enterprise Agreement

From: Steve Lingerfelt, Director of Information Technology Services

Meeting Date: November 19, 2018

Public Hearing: No

Advertising Date / Advertised By:

Attachments: SHI Enterprise Agreement Quote
Formal Bid Recommendation

PURPOSE:
The City needs to renew the Microsoft Enterprise Agreement with the Office 365 component. This is a three year contract.

BACKGROUND:
Information Technology Services is recommending the City of High Point renew the three year Microsoft Enterprise Agreement which includes the Office 365 component to efficiently provide email archival storage and take advantage of cloud based services.

This contract includes the software advantage feature which allows for product upgrades as they are released by Microsoft without any additional cost. This agreement also includes the employee purchase program.

BUDGET IMPACT:
The City of High Point will use existing funds in the FY 2018-19 budget to purchase the Microsoft Enterprise Agreement. The total cost of the agreement is $570,267.09 annually for three years. This purchase utilizes the North Carolina State contract number 208C pricing.

RECOMMENDATION / ACTION REQUESTED:
The Department of Information Technology Services recommends approval of the contract and that the appropriate City official be authorized to execute all necessary documents.

NORTH CAROLINA'S INTERNATIONAL CITY™

FORMAL BID RECOMMENDATION
REQUEST FOR COUNCIL APPROVAL

DEPARTMENT: Information Technology Services

COUNCIL AGENDA DATE: November 19, 2018

BID NO.: CONTRACT NO.: NC 208C DATE OPENED:

DESCRIPTION:

This is the Microsoft Enterprise Agreement for the City of High Point. It is a three year contract that licenses the Microsoft products used by the City.

PURPOSE:

This agreement licenses the Office 365 product suite as well as SQL server used by the City. It also includes software assurance for product updates.

COMMENTS:

RECOMMEND AWARD TO: SHI AMOUNT: $570,267.09

JUSTIFICATION:

Microsoft requires licensing to use it's office and server products. Utilizing an Enterprise Agreement reduces the cost of the licensing.

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
101241	527216			$570,267.09
TOTAL BUDGETED AMOUNT				$570,267.09

DEPARTMENT HEAD: Steve Lingerfelt Digitally signed by Steve Lingerfelt Date: 2018.11.12 13:44:41 -05'00' DATE: November 12, 2018

The Purchasing Division concurs with recommendation submitted by the Information Systems **and recommends award to the lowest responsible, responsive bidder** SHI **in the amount of $** 570,267.09.

PURCHASING MANAGER: Erik Conti Digitally signed by Erik Conti DN: cn=Erik Conti, o, ou, email=erik.conti@highpointnc.gov, c=US Date: 2018.11.12 13:58:43 -05'00' DATE: Nov 12, 2018

Approved for Submission to Council
FINANCIAL SERVICES DIRECTOR: Kelly Latham Digitally signed by Kelly Latham DN: cn=Kelly Latham, o, ou, email=kelly.latham@highpointnc.gov, c=US Date: 2018.11.12 14:31:21 -05'00' DATE: 11/12/2018

CITY MANAGER: Greg Demko Digitally signed by Greg Demko DN: cn=Greg Demko, o=High Point, ou=High Point, email=greg.demko@highpointnc.gov, c=US Date: 2018.11.12 14:39:08 -05'00' DATE: Nov 12, 2018

Pricing Proposal
Quotation #: 16170729
Reference #: EA# 48341687
Created On: 10/26/2018
Valid Until: 11/30/2018

City of High Point

Account Executive

Allen Eudy
211 S Hamilton St
High Point, NC 27261
UNITED STATES
Phone: 336.883.3698
Fax:
Email: allen.eudy@highpointnc.gov

Dean Blackmon
Phone: 910-538-6804
Fax:
Email: Dean_Blackmon@shi.com

All Prices are in US Dollar (USD)

	Product	Qty	Your Price	Total
1	M365 E3 FromSA GCC ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-11984 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	900	$295.82	$266,238.00
2	M365 E3 GCC ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-11982 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	300	$353.81	$106,143.00
3	O365GCCE1 ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: U4S-00002 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	420	$78.62	$33,020.40
4	EntMobandSecE3FromSAGCC ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-11235 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	420	$73.71	$30,958.20
5	VisioOnlnP2GCC ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: P3U-00001 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	25	$138.57	$3,464.25
6	ProjOnlnProfGCC ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: 7MS-00001 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	10	$276.17	$2,761.70
7	ExchgSvrStd ALNG SA MVL Microsoft - Part#: 395-02504 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	3	$712.53	$2,137.59
8	SQLSvrStdCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 7NQ-00292	60	$576.58	$34,594.80

	Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C			
9	VSProSubMSDN ALNG SA MVL Microsoft - Part#: 77D-00111 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	6	$302.21	$1,813.26
10	VSEntSubMSDN ALNG SA MVL Microsoft - Part#: MX3-00117 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	1	$1,054.05	$1,054.05
11	CISSteStdCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 9GA-00313 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	88	$33.58	$2,955.04
12	CISSteDCCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 9GS-00135 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	180	$163.80	$29,484.00
13	WinSvrDCCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 9EA-00278 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C **Note:** **Includes pending True Up	56	$124.49	$6,971.44
14	CISSteDCCore ALNG LicSAPk MVL 2Lic woWinSvrLic CoreLic Microsoft - Part#: 9GS-00735 Contract Name: Microsoft Software - Enterprise Agreement Contract #: 208C	56	$225.22	$12,612.32
			Subtotal	$534,208.05
			*Tax	$36,059.04
			Total	$570,267.09

*Tax is estimated. Invoice will include the full and final tax due.

Additional Comments

Thank you for choosing SHI International Corp! The pricing offered on this quote proposal is valid through the expiration date listed above. To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order. For any additional information including Hardware, Software and Services Contracts, please contact an SHI Inside Sales Representative at (888) 744-4084.

SHI International Corp. is 100% Minority Owned, Woman Owned Business.
TAX ID# 22-3009648; DUNS# 61-1429481; CCR# 61-243957G; CAGE 1HTF0

The Products offered under this proposal are resold in accordance with the SHI Online Customer Resale Terms and Conditions, unless a separate resale agreement exists between SHI and the Customer.

FILED
DAVIDSON COUNTY, NC
DAVID T. RICKARD
REGISTER OF DEEDS
January 23, 2018 03:11:20 PM
DEED BOOK 2301
PAGE 371 - 375
INSTRUMENT # 2018000001344
DOCTYPE: RESOL
RECORDING:$26.00

Deputy: MYATES

Return to: Joanne Carlyle, City Attorney
City of High Point
P.O. Box 230
High Point, NC 27261
Resolution No. 1743/18-05

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGH POINT, IN A REGULAR MEETING ASSEMBLED ON THE 16th DAY OF JANUARY, 2018, AT 5:30 P.M. IN THE COUNCIL CHAMBERS OF THE MUNICIPAL BUILDING, HIGH POINT, NORTH CAROLINA:

Street Abandonment (Closure) Case 17-05
(abandon a portion of the Westside Thoroughfare lying north of Hedgecock Road)

WHEREAS, Hedgecock Road, LLC has petitioned the City Council of the City of High Point to permanently abandon (close) that portion of the Westside Thoroughfare lying north of Hedgecock Road and west of the Phillips Soccer Complex, which is more specifically described as follows.

Commencing from an existing NCGS Monument "Trust", having NAD 83 (2011) coordinate (Observed) of N: 802,578.22 and E: 1,702,778.53, Thence leaving said "Trust", N 33°36'24 W 24,078.20 feet to an existing ½" iron rod, having NAD 83 (2011) coordinate of N: 822,631.90 and E: 1,689,451.51, said iron rod being located on the northern right-of-way of Hedgecock Road (SR 1892 – Public right-of-way varies), being the southwest corner of Vernon & Lois C. Shivers, Pin Id: 6882-04-92-5880 (Deed Book 1187, Page 298) and being the southeast corner of Hedgecock Rd, LLC, Pin Id: 6882-04-92-0856 (Deed Book 1894, Page 11 and Plat Book 50, Page 5, Lot A), Thence leaving said Hedgecock Road and along said Shivers and Hedgecock Rd, LLC property line, N 07°59'43" E 244.67

feet to an existing ½" iron rod, said iron rod being a point in the western property line of said Shivers, being the northeast corner of said Hedgecock Rd, LLC, being the southeast corner of the 200' Right-of-way Dedication for Future Westside Thoroughfare Abandonment and being The Point and Place of The **Beginning.** Thence leaving said Shivers and along said Hedgecock Rd, LLC the following two (2) courses and distances: 1) N 80°52'31" W 310.25 feet to an existing ½" iron rod, 2) with a curve to the left, having a radius of 1,000 feet, an arc length of 418.90 feet and a chord bearing and distance of S 87°06'18" W 415.84 feet to an existing ½" iron rod, said new iron pipe being located on the northern right-of-way of said Hedgecock Road and being the western corner of said Hedgecock Rd, LLC; Thence leaving said Hedgecock Rd, LLC and along Hedgecock Road the following three (3) courses and distances: 1) N 68°37'01" W 145.13 feet, 2) N 68°37'01" W 50.53 feet to a new iron pipe set; 3) N 64°18'08" W 95.28 feet to a new iron pipe set, said new iron pipe being a southern point of Heritage Ridge HOA, Inc., Pin Id: 6882-04-83-9221 (Deed Book 1779, Page 478 and Plat Book 50, Page 5 – Comment Element); Thence leaving said Hedgecock Road and along said Heritage Ridge HOA, Inc. the following two (2) courses and distances: 1) with a curve to the right, having a radius of 1,200 feet, an arc length of 734.29 feet and a chord bearing and distance of N 81°35'13" E 722.89 feet to a new iron pipe set; 2) S 80°52'41" E 316.87 feet to a new iron pipe set, said new iron pipe being the southeastern corner of said Heritage Ridge HOA, Inc. and being a point in the western property line of High Point Soccer Association, Inc. D/B/A Piedmont Soccer Alliance, Pin Id: 6882-04-93-7226 (Deed Book 1226, Page 451); Thence leaving said Heritage Ridge HOA, Inc. and along said High Point Soccer Association, Inc. D/B/A Piedmont Soccer Alliance the following two (2) courses and distances: 1) S 11°28'35" W 100.07 feet to a new iron pipe set; 2) S 11°28'35" W 73.80 feet to a new iron pipe set, said iron pipe being the southwest corner of said High Point Soccer Association, Inc. D/B/A Piedmont Soccer Alliance and being the northwest corner of said Shivers, Thence leaving said High Point Soccer Association, Inc. D/B/A Piedmont Soccer Alliance and along said Shiver, S 08°06'35" W 26.25 feet to the Point and Place of the **Beginning**. Containing 4.12 acres, more or less.

WHEREAS, the petition has been duly filed with this Council in a Regular meeting assembled on the 18th day of December, 2017, at 5:30 p.m. setting the 16th day of January, 2018 at 5:30 p.m., in the Council Chambers of the Municipal Building, as the time and place for a public hearing before said Council on said petition, and public notice of said time and place was ordered given, all pursuant to North Carolina G.S. 160A-299; and

WHEREAS, due and proper notice of said hearing to be heard on the petition at this meeting of City Council was made by publication in the High Point Enterprise for four (4) consecutive weeks, beginning December 22 & 29, 2017 and January 5 & 12, 2018; and,

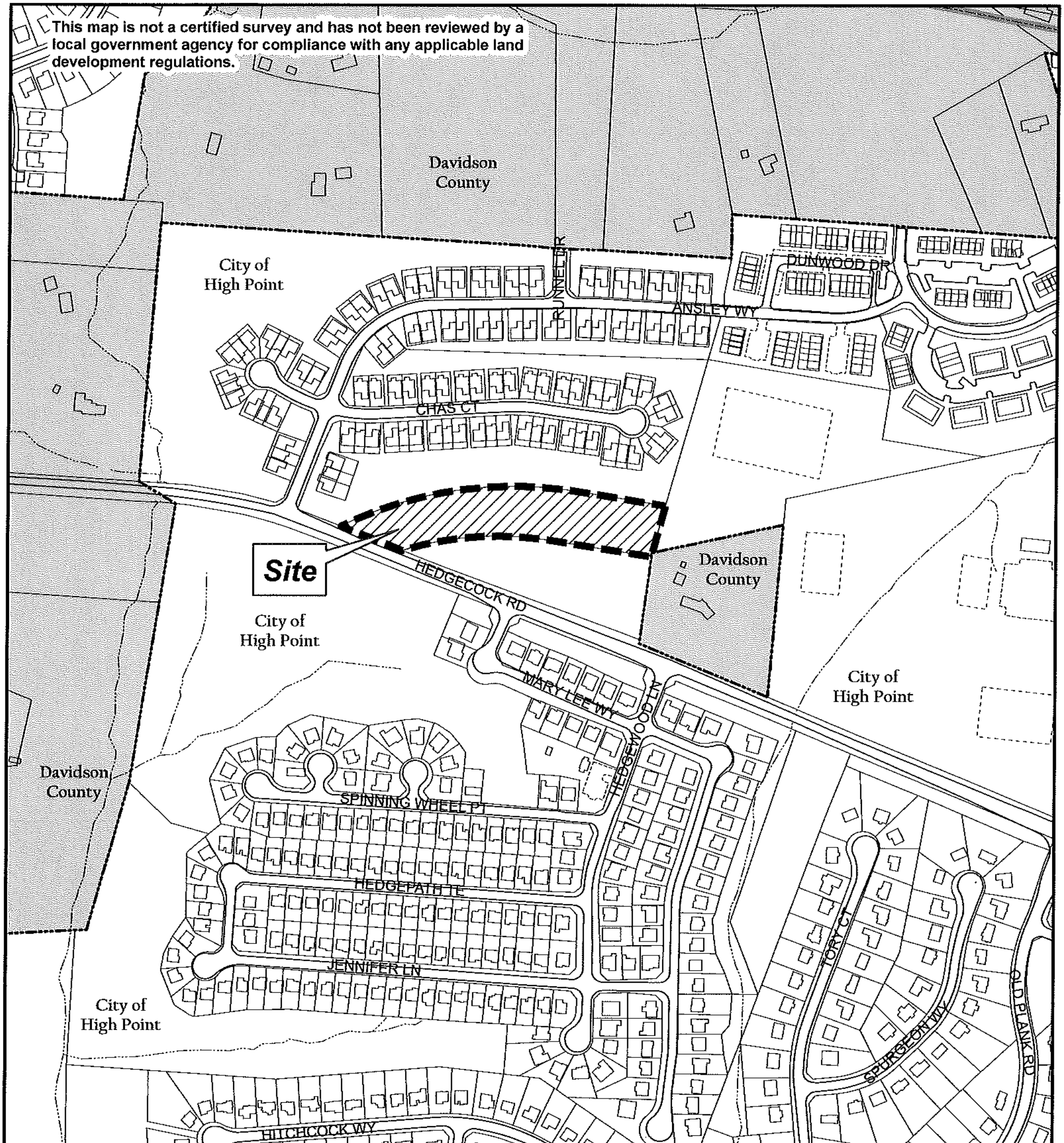
WHEREAS, the above entitled matter, pursuant to said resolution and notice was called for hearing before said Council at which time there was no objection or opposition offered on the part of any firm or corporation to abandon (closure) of the above described portions of the Westside Throughfare; and

WHEREAS, it appearing to the satisfaction of this Council and the Council finds as a fact that the said right-of-way as herein described is not necessary for ingress and egress to any land adjoining said street; that the closing of said street is not contrary to the public interest and that no other individual, firm or corporation owning property in the vicinity of said street, or in the subdivision in which said street is located, will be deprived of reasonable means of ingress or egress to this property.

NOW THEREFORE BE IT RESOLVED:

1. That the portion of Westside Thoroughfare right-of-way, as described above, be closed pursuant to North Carolina G.S. 160A-299;
2. That the City of High Point shall retain a 15-foot wide City of High Point electrical utility easement along the northern ROW line of Hedgecock Road; and
3. That a copy of this resolution be filed in the Office of the Register of Deeds for Davidson County, North Carolina.

By order of the City Council,
this the 16th day of January, 2018
Lisa B. Vierling, City Clerk



STREET ABANDONMENT SN-17-05

Applicant: Hedgecock Road LLC
Area: 3.05 acres

Location of requested street abandonment

Planning & Development Department

City of High Point

N

Scale: 1"=400'

G:/Planning/Secure/ba-pz/2017/pz/sa17-05.mxd

City of High Point
Municipal Office Building
211 South Hamilton Street
High Point, NC 27261

Certification

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, do hereby certify that the foregoing is a true and accurate Resolution adopted by the City Council in official Session on January 16, 2018 and upon approval by City Council will be recorded in Book 93 of the Official Minute Books and Resolution Book XX of this City, under my care, custody and control. As of this date, action to adopt said Resolution has not been amended, rescinded or repealed and is in full force and effect.

WITNESS my hand and the Corporate Seal of the City of High Point, this 19th day of January, 2018.

Lisa B. Vierling
Lisa B. Vierling, City Clerk

ACKNOWLEDGEMENT

I, Cynthia C. Duncan-Smith, a Notary Public of said County and State, do hereby certify that Lisa B. Vierling is known to me as City Clerk of the City of High Point; that this person personally appeared before me this date; and, upon authority duly given and as an act of said City, issued and executed the foregoing Certification.

WITNESS my hand and official Notarial Seal, this 19th day of January, 2018.

CYNTHIA C. DUNCAN-SMITH
NOTARY PUBLIC
GUILFORD COUNTY, NC

Cynthia C. Duncan-Smith
Cynthia C. Duncan-Smith, Notary Public

Commission Expires: 1/18/2020

CITY OF HIGH POINT
AGENDA ITEM

Title: Resolution - High Point Theatre/Int'l Market Center HVAC Lease Amendment

From: JoAnne Carlyle, City Attorney

Public Hearing: N/A

Attachments: Resolution
Sixth Amendment to Lease Agreement

Meeting Date: November 19, 2018

Advertising Date / October 17, 2018
Advertised By: High Point Enterprise

PURPOSE: To standardize the HVAC expenses for the theatre to allow for a consistent budgeting for HVAC service and preventative maintenance.

BACKGROUND:

The original lease between the City of High Point ("Lessor") and the Southern Furniture Exposition Building, Inc. ("Lessee") was entered into on June 1st, 1973. That agreement was amended on February 21st, 1974. Neither the original lease nor the first amendment established a set yearly rate for utility payments that the City would be responsible for as the pro rata share for the High Point Theatre area of the building.

The High Point Theatre receives HVAC service from IMC. Historically the payout to IMC and its predecessors was based on a formula that only IMC understood for billing the theatre for this service. As a way of controlling the budget process for this service the Director of the theatre looked at a 5 year average of expenses for HVAC and developed, along with IMC a plan to standardize the expense.

This sixth amendment to the original lease will provide for a set monthly payment share by the High Point Theatre to be paid to IHFC Properties, LLC, whose predecessor in the property interest was the original Lessor, Southern Furniture Exposition Building, Inc. The remaining terms of the lease shall remain as set forth in the original agreement and the first amendment.

BUDGET IMPACT: $90,000 annually

RECOMMENDATION / ACTION REQUESTED: Staff recommends adoption of a resolution approving the Sixth Amendment to the Lease.

RESOLUTION AUTHORIZING EXECUTION OF A SIXTH AMENDMENT TO LEASE BETWEEN THE HIGH POINT THEATRE AND IHFC PROPERTIES, LLC FOR HVAC USAGE

WHEREAS, the City of High Point ("Lessor") and IHFC Properties, LLC's ("Lessee") predecessor-in-interest, Southern Furniture Exposition Building, Inc. entered into an Indenture of Lease dated June 1, 1973, as amended by that certain Amendment to Lease dated February 21, 1974, and that certain Second Amendment to Lease dated July 1, 2014, the Third Amendment to Lease dated July 1, 2015, the Fourth Amendment to Lease dated July 1, 2016, and the Fifth Amendment to Lease dated July 1, 2017 (collectively the "Lease") for real estate more particularly described in Exhibit A to the Lease and recorded in Deed Book 2714, Page 483, such real estate general known as 210-220 E. Commerce Ave, High Point, North Carolina; and

WHEREAS, pursuant to the Lease as amended, Lessee, among other things, constructed and tendered to Lessor a theater and office complex ("Theater") in compliance with building plans and specification approved by Lessor in the Lease, and provides heating and cooling services ("HVAC Services") to the Theater pursuant to mutually agreed upon terms and conditions; and

WHEREAS, both parties wish to extend the period of time during which the HVAC Services will be provided.

THEREFORE, BE IT RESOLVED BY THE HIGH POINT CITY COUNCIL that the Mayor is hereby authorized to execute the Sixth Amendment to the Lease between the City of High Point and IHFC Properties, LLC, which allows Lessee to continue providing the HVAC services for the period of July 1, 2018 through June 30, 2019, and that the remaining terms of the lease remain as set forth in the original agreement and previous amendments.

Adopted, this the 19th day of November, 2018.

Mayor Jay W. Wagner

Lisa B. Vierling, MMC
City Clerk

CITY OF HIGH POINT
AGENDA ITEM

Title: Resolution - High Point Theatre/Int'l Market Center HVAC Lease Amendment

From: JoAnne Carlyle, City Attorney

Public Hearing: N/A

Attachments: Resolution
Sixth Amendment to Lease Agreement

Meeting Date: November 19, 2018

Advertising Date / October 17, 2018
Advertised By: High Point Enterprise

PURPOSE: To standardize the HVAC expenses for the theatre to allow for a consistent budgeting for HVAC service and preventative maintenance.

BACKGROUND:

The original lease between the City of High Point ("Lessor") and the Southern Furniture Exposition Building, Inc. ("Lessee") was entered into on June 1st, 1973. That agreement was amended on February 21st, 1974. Neither the original lease nor the first amendment established a set yearly rate for utility payments that the City would be responsible for as the pro rata share for the High Point Theatre area of the building.

The High Point Theatre receives HVAC service from IMC. Historically the payout to IMC and its predecessors was based on a formula that only IMC understood for billing the theatre for this service. As a way of controlling the budget process for this service the Director of the theatre looked at a 5 year average of expenses for HVAC and developed, along with IMC a plan to standardize the expense.

This sixth amendment to the original lease will provide for a set monthly payment share by the High Point Theatre to be paid to IHFC Properties, LLC, whose predecessor in the property interest was the original Lessor, Southern Furniture Exposition Building, Inc. The remaining terms of the lease shall remain as set forth in the original agreement and the first amendment.

BUDGET IMPACT: $90,000 annually

RECOMMENDATION / ACTION REQUESTED: Staff recommends adoption of a resolution approving the Sixth Amendment to the Lease.

RESOLUTION AUTHORIZING EXECUTION OF
A SIXTH AMENDMENT TO LEASE
BETWEEN THE HIGH POINT THEATRE AND IHFC PROPERTIES, LLC
FOR HVAC USAGE

WHEREAS, the City of High Point ("Lessor") and IHFC Properties, LLC's ("Lessee") predecessor-in-interest, Southern Furniture Exposition Building, Inc. entered into an Indenture of Lease dated June 1, 1973, as amended by that certain Amendment to Lease dated February 21, 1974, and that certain Second Amendment to Lease dated July 1, 2014, the Third Amendment to Lease dated July 1, 2015, the Fourth Amendment to Lease dated July 1, 2016, and the Fifth Amendment to Lease dated July 1, 2017 (collectively the "Lease") for real estate more particularly described in Exhibit A to the Lease and recorded in Deed Book 2714, Page 483, such real estate general known as 210-220 E. Commerce Ave, High Point, North Carolina; and

WHEREAS, pursuant to the Lease as amended, Lessee, among other things, constructed and tendered to Lessor a theater and office complex ("Theater") in compliance with building plans and specification approved by Lessor in the Lease, and provides heating and cooling services ("HVAC Services") to the Theater pursuant to mutually agreed upon terms and conditions; and

WHEREAS, both parties wish to extend the period of time during which the HVAC Services will be provided.

THEREFORE, BE IT RESOLVED BY THE HIGH POINT CITY COUNCIL that the Mayor is hereby authorized to execute the Sixth Amendment to the Lease between the City of High Point and IHFC Properties, LLC, which allows Lessee to continue providing the HVAC services for the period of July 1, 2018 through June 30, 2019, and that the remaining terms of the lease remain as set forth in the original agreement and previous amendments.

Adopted, this the 19th day of November, 2018.

Mayor Jay W. Wagner

Lisa B. Vierling, MMC
City Clerk

Read/Reviewed
Approved
SC 10/08/18

SIXTH AMENDMENT TO LEASE

THIS SIXTH AMENDMENT TO LEASE ("Agreement") made and entered into effective as of July 1, 2018 (the "Effective Date") by and between the City of High Point, ("Lessor"), and IHFC Properties SPE, LLC, a Delaware limited liability company ("Lessee") as successor-in-interest to IHFC Properties, LLC a Delaware limited liability company.

B A C K G R O U N D

WHEREAS, Lessor and Lessee's predecessor-in-interest, Southern Furniture Exposition Building, Inc., a North Carolina corporation, entered into an Indenture of Lease dated June 1, 1973 as amended by that certain Amendment to Lease dated February 21, 1974, that certain Second Amendment to Lease dated July 1, 2014, the Third Amendment to Lease dated July 1, 2015, the Fourth Amendment to Lease dated July 1, 2016, and the Fifth Amendment to Lease dated July 1, 2017 (collectively the "Lease") for real estate more particularly described in Exhibit A to the Lease and recorded at Deed Book 2714 page 483; such real estate generally known as 210-220 E. Commerce Avenue, High Point, North Carolina 27260;

WHEREAS, pursuant to the Lease as amended, Lessee, among other things, constructed and tendered to Lessor a theater and office complex (the "Theater") in compliance with building plans and specifications approved by Lessor in the Lease, and provides heating and cooling services to the Theater pursuant to mutually agreed upon terms and conditions;

WHEREAS, the parties wish to modify the agreement and to extend the period of time during which the HVAC Services will be provided;

NOW THEREFORE, for good and valuable consideration duly received and acknowledged by the parties to be adequate and sufficient for the terms contained herein Lessor and Lessee hereby agree that the Lease is modified and amended by this Agreement as follows:

1. **Duration of HVAC Services**

Lessee shall continue to provide the HVAC Services for the period July 1, 2018 through and including June 30, 2019 ("Service Period"). Any renewals or extensions of the Service Period shall be upon mutual agreement of the parties and shall be in writing.

2. **Cost of HVAC Services**

Effective as of July 1, 2018 through and including June 30, 2019 the cost of HVAC Services shall be $7,500.00 per month (collectively the "Service Charge") for a total annual cost of $90,000.00 for the Service Period. The monthly cost shall be subject to review each January 1st of any Service Period and, in the event it is determined that the cost shall be adjusted, such

adjustment shall be communicated to the Lessor in writing and shall take effect upon the renewal of the HVAC Services.

Cost of "After Hours" HVAC Services

Lessee shall be responsible for labor costs associated with a maintenance call that occurs "After Hours". "After Hours" is defined as those hours occurring within the period of 4:00PM EST through 7:00AM EST on Monday through Friday and, all day Saturday and Sunday. The cost of a maintenance call occurring during "After Hours" shall be billed at $52.00 per hour with a two-hour minimum. Landlord agrees to notify Lessee in writing of any change in the window defining "After Hours".

3. Payment for Services

Payment for HVAC Services shall be made payable to IHFC Properties, LLC and shall be remitted to the following payment address:

IHFC Properties SPE, LLC
P.O. Box 535595
Atlanta, GA 30353-5595

4. Notices

For purposes of this Agreement, any notice relative to the HVAC Services shall be given as follows:

If to Lessee:
International Market Centers
Mr. James Leatherwood
Director of Facilities
209 South Main Street
High Point, NC 27260
Phone: (336) 888-3730

If to Lessor:
High Point Theater
Mr. David S. Briggs
220 E. Commerce Avenue
High Point, NC 27260
Phone: (336) 883-3627

5. Lessor and Lessee each mutually covenant, represent and warrant to the other that it has had no dealings or communications with any broker or agent in connection with this Agreement and, to the extent permitted by law, each covenants and agrees to pay, hold harmless and indemnify the other from and against any and all cost, expense (including reasonable attorneys' fees) or liability for any compensation, commission or charges to any broker or agent claiming through the indemnifying party with respect hereto.

6. Lessor represents and warrants that it has taken all corporate, partnership or other action necessary to execute and deliver this Agreement, and that this Agreement constitutes the legally binding obligation of Lessor enforceable in accordance with its terms. Lessor shall save and

hold Lessee harmless from any claims, or damages including reasonable attorneys' fees arising from Lessor's misrepresentation of its authority to enter into and execute this Agreement.

7. Capitalized undefined terms used herein shall have the respective meanings given such terms in the Lease. In the event of a conflict between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall supersede and control.

8. The parties acknowledge and agree that all terms and conditions of the Lease shall remain in full force and effect, except as modified by the terms and conditions of this Agreement.

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY
SIGNATURE PAGE FOLLOWS

Read/Reviewed
Approved
SC 10/08/18

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto the day and year first above written.

LESSOR:
THE CITY OF HIGH POINT

By: ______________________________
Jay W. Wagner
Mayor

ATTEST:

By: ______________________________
Lisa Vierling
City Clerk

LESSEE
IHFC PROPERTIES SPE, LLC

By: ______________________________

Name: Scott Eckman
Its: President of Home Décor and Furniture Leasing

By: ______________________________

Name: Robert Maricich
Its: Chief Executive Officer

RESOLUTION AUTHORIZING EXECUTION OF A SIXTH AMENDMENT TO LEASE BETWEEN THE HIGH POINT THEATRE AND IHFC PROPERTIES, LLC FOR HVAC USAGE

WHEREAS, the City of High Point ("Lessor") and IHFC Properties, LLC's ("Lessee") predecessor-in-interest, Southern Furniture Exposition Building, Inc. entered into an Indenture of Lease dated June 1, 1973, as amended by that certain Amendment to Lease dated February 21, 1974, and that certain Second Amendment to Lease dated July 1, 2014, the Third Amendment to Lease dated July 1, 2015, the Fourth Amendment to Lease dated July 1, 2016, and the Fifth Amendment to Lease dated July 1, 2017 (collectively the "Lease") for real estate more particularly described in Exhibit A to the Lease and recorded in Deed Book 2714, Page 483, such real estate general known as 210-220 E. Commerce Ave, High Point, North Carolina; and

WHEREAS, pursuant to the Lease as amended, Lessee, among other things, constructed and tendered to Lessor a theater and office complex ("Theater") in compliance with building plans and specification approved by Lessor in the Lease, and provides heating and cooling services ("HVAC Services") to the Theater pursuant to mutually agreed upon terms and conditions; and

WHEREAS, both parties wish to extend the period of time during which the HVAC Services will be provided.

THEREFORE, BE IT RESOLVED BY THE HIGH POINT CITY COUNCIL that the Mayor is hereby authorized to execute the Sixth Amendment to the Lease between the City of High Point and IHFC Properties, LLC, which allows Lessee to continue providing the HVAC services for the period of July 1, 2018 through June 30, 2019, and that the remaining terms of the lease remain as set forth in the original agreement and previous amendments.

Adopted, this the 19th day of November, 2018.

Mayor Jay W. Wagner

Lisa B. Vierling, MMC
City Clerk

Read/Reviewed
Approved
SC 10/08/18

SIXTH AMENDMENT TO LEASE

THIS SIXTH AMENDMENT TO LEASE ("Agreement") made and entered into effective as of July 1, 2018 (the "Effective Date") by and between the City of High Point, ("Lessor"), and IHFC Properties SPE, LLC, a Delaware limited liability company ("Lessee") as successor-in-interest to IHFC Properties, LLC a Delaware limited liability company.

B A C K G R O U N D

WHEREAS, Lessor and Lessee's predecessor-in-interest, Southern Furniture Exposition Building, Inc., a North Carolina corporation, entered into an Indenture of Lease dated June 1, 1973 as amended by that certain Amendment to Lease dated February 21, 1974, that certain Second Amendment to Lease dated July 1, 2014, the Third Amendment to Lease dated July 1, 2015, the Fourth Amendment to Lease dated July 1, 2016, and the Fifth Amendment to Lease dated July 1, 2017 (collectively the "Lease") for real estate more particularly described in Exhibit A to the Lease and recorded at Deed Book 2714 page 483; such real estate generally known as 210-220 E. Commerce Avenue, High Point, North Carolina 27260;

WHEREAS, pursuant to the Lease as amended, Lessee, among other things, constructed and tendered to Lessor a theater and office complex (the "Theater") in compliance with building plans and specifications approved by Lessor in the Lease, and provides heating and cooling services to the Theater pursuant to mutually agreed upon terms and conditions;

WHEREAS, the parties wish to modify the agreement and to extend the period of time during which the HVAC Services will be provided;

NOW THEREFORE, for good and valuable consideration duly received and acknowledged by the parties to be adequate and sufficient for the terms contained herein Lessor and Lessee hereby agree that the Lease is modified and amended by this Agreement as follows:

1. **Duration of HVAC Services**

Lessee shall continue to provide the HVAC Services for the period July 1, 2018 through and including June 30, 2019 ("Service Period"). Any renewals or extensions of the Service Period shall be upon mutual agreement of the parties and shall be in writing.

2. **Cost of HVAC Services**

Effective as of July 1, 2018 through and including June 30, 2019 the cost of HVAC Services shall be $7,500.00 per month (collectively the "Service Charge") for a total annual cost of $90,000.00 for the Service Period. The monthly cost shall be subject to review each January 1st of any Service Period and, in the event it is determined that the cost shall be adjusted, such

adjustment shall be communicated to the Lessor in writing and shall take effect upon the renewal of the HVAC Services.

Cost of "After Hours" HVAC Services

Lessee shall be responsible for labor costs associated with a maintenance call that occurs "After Hours". "After Hours" is defined as those hours occurring within the period of 4:00PM EST through 7:00AM EST on Monday through Friday and, all day Saturday and Sunday. The cost of a maintenance call occurring during "After Hours" shall be billed at $52.00 per hour with a two-hour minimum. Landlord agrees to notify Lessee in writing of any change in the window defining "After Hours".

3. **Payment for Services**

Payment for HVAC Services shall be made payable to IHFC Properties, LLC and shall be remitted to the following payment address:

IHFC Properties SPE, LLC
P.O. Box 535595
Atlanta, GA 30353-5595

4. **Notices**

For purposes of this Agreement, any notice relative to the HVAC Services shall be given as follows:

If to Lessee:	If to Lessor:
International Market Centers	High Point Theater
Mr. James Leatherwood	Mr. David S. Briggs
Director of Facilities	220 E. Commerce Avenue
209 South Main Street	High Point, NC 27260
High Point, NC 27260	Phone: (336) 883-3627
Phone: (336) 888-3730	

5. Lessor and Lessee each mutually covenant, represent and warrant to the other that it has had no dealings or communications with any broker or agent in connection with this Agreement and, to the extent permitted by law, each covenants and agrees to pay, hold harmless and indemnify the other from and against any and all cost, expense (including reasonable attorneys' fees) or liability for any compensation, commission or charges to any broker or agent claiming through the indemnifying party with respect hereto.

6. Lessor represents and warrants that it has taken all corporate, partnership or other action necessary to execute and deliver this Agreement, and that this Agreement constitutes the legally binding obligation of Lessor enforceable in accordance with its terms. Lessor shall save and

Read/Reviewed
Approved
SC 10/08/18

hold Lessee harmless from any claims, or damages including reasonable attorneys' fees arising from Lessor's misrepresentation of its authority to enter into and execute this Agreement.

7. Capitalized undefined terms used herein shall have the respective meanings given such terms in the Lease. In the event of a conflict between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall supersede and control.

8. The parties acknowledge and agree that all terms and conditions of the Lease shall remain in full force and effect, except as modified by the terms and conditions of this Agreement.

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SIGNATURE PAGE FOLLOWS

Read/Reviewed
Approved
SC 10/08/18

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto the day and year first above written.

LESSOR:
THE CITY OF HIGH POINT

By: ______________________________
Jay W. Wagner
Mayor

ATTEST:

By: ______________________________
Lisa Vierling
City Clerk

LESSEE
IHFC PROPERTIES SPE, LLC

By: ______________________________

Name: Scott Eckman
Its: President of Home Décor and Furniture Leasing

By: ______________________________

Name: Robert Maricich
Its: Chief Executive Officer

CONTRACT TO AUDIT ACCOUNTS

The	Governing Board City Council
of	Primary Government Unit City of High Point, North Carolina
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Cherry Bekaert LLP
	Auditor Address 2626 Glenwood Avenue, Suite 200, Raleigh, North Carolina, 27608

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/19	Audit Report Due Date 10/31/19
		Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

County and Multi-County Health Departments: The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards,* 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards.* The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified).* The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved 'with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 12).

10. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

13. The Auditor shall submit the report of audit in PDF format to LGC Staff when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

If the OSA designates certain programs to be audited as major programs, as discussed in Item 2, a turnaround document and a representation letter addressed to the OSA shall be submitted to LGC Staff.

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

15. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

17. Special provisions should be limited. Please list any special provisions in an attachment.

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

19. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

21. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

22. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

23. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

24. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

25. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

26. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

27. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx.

28. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

FEES FOR AUDIT SERVICES

For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter, but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8, 9, and 12 for details on other allowable and excluded fees.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

20 NCAC 03 .0505: All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law.

PRIMARY GOVERNMENT FEES

Primary Government Unit	City of High Point, North Carolina
Audit	$ 72,500.00
Writing Financial Statements	$ N/A
All Other Non-Attest Services	$ $3,000 per single audit program over 4 major programs
75% Cap for Interim Invoice Approval	$ 54,375.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit	$ N/A
Writing Financial Statements	$ N/A
All Other Non-Attest Services	$ N/A
75% Cap for Interim Invoice Approval	$ 0.00

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Cherry Bekaert LLP	
Authorized Firm Representative (typed or printed) Eddie Burke, CPA	Signature
Date 11/06/18	Email Address EBurke@cbh.com

GOVERNMENTAL UNIT

Governmental Unit City of High Point, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed) Jay W. Wagner	Signature
Date 11/26/2018	Email Address jay.wagner@highpointnc.gov

Chair of ~~Audit~~ Finance Committee (typed or printed, or "NA") Britt Moore	Signature Britt Moore
Date 11/26/2018	Email Address britt.moore@highpointnc.gov

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed) N/A	Signature
Date	Email Address N/A

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address N/A

DPCU – PRE-AUDIT CERTIFICATE
(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed) N/A	Signature
Date of Pre-Audit Certificate	Email Address N/A

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

Read/Reviewed
Approved
SC 10/08/18

SIXTH AMENDMENT TO LEASE

THIS SIXTH AMENDMENT TO LEASE ("Agreement") made and entered into effective as of July 1, 2018 (the "Effective Date") by and between the City of High Point, ("Lessor"), and IHFC Properties SPE, LLC, a Delaware limited liability company ("Lessee") as successor-in-interest to IHFC Properties, LLC a Delaware limited liability company.

BACKGROUND

WHEREAS, Lessor and Lessee's predecessor-in-interest, Southern Furniture Exposition Building, Inc., a North Carolina corporation, entered into an Indenture of Lease dated June 1, 1973 as amended by that certain Amendment to Lease dated February 21, 1974, that certain Second Amendment to Lease dated July 1, 2014, the Third Amendment to Lease dated July 1, 2015, the Fourth Amendment to Lease dated July 1, 2016, and the Fifth Amendment to Lease dated July 1, 2017 (collectively the "Lease") for real estate more particularly described in Exhibit A to the Lease and recorded at Deed Book 2714 page 483; such real estate generally known as 210-220 E. Commerce Avenue, High Point, North Carolina 27260;

WHEREAS, pursuant to the Lease as amended, Lessee, among other things, constructed and tendered to Lessor a theater and office complex (the "Theater") in compliance with building plans and specifications approved by Lessor in the Lease, and provides heating and cooling services to the Theater pursuant to mutually agreed upon terms and conditions;

WHEREAS, the parties wish to modify the agreement and to extend the period of time during which the HVAC Services will be provided;

NOW THEREFORE, for good and valuable consideration duly received and acknowledged by the parties to be adequate and sufficient for the terms contained herein Lessor and Lessee hereby agree that the Lease is modified and amended by this Agreement as follows:

1. **Duration of HVAC Services**

Lessee shall continue to provide the HVAC Services for the period July 1, 2018 through and including June 30, 2019 ("Service Period"). Any renewals or extensions of the Service Period shall be upon mutual agreement of the parties and shall be in writing.

2. **Cost of HVAC Services**

Effective as of July 1, 2018 through and including June 30, 2019 the cost of HVAC Services shall be $7,500.00 per month (collectively the "Service Charge") for a total annual cost of $90,000.00 for the Service Period. The monthly cost shall be subject to review each January 1st of any Service Period and, in the event it is determined that the cost shall be adjusted, such

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adjustment shall be communicated to the Lessor in writing and shall take effect upon the renewal of the HVAC Services.

Cost of "After Hours" HVAC Services

Lessee shall be responsible for labor costs associated with a maintenance call that occurs "After Hours". "After Hours" is defined as those hours occurring within the period of 4:00PM EST through 7:00AM EST on Monday through Friday and, all day Saturday and Sunday. The cost of a maintenance call occurring during "After Hours" shall be billed at $52.00 per hour with a two-hour minimum. Landlord agrees to notify Lessee in writing of any change in the window defining "After Hours".

3. Payment for Services

Payment for HVAC Services shall be made payable to IHFC Properties, LLC and shall be remitted to the following payment address:

IHFC Properties SPE, LLC
P.O. Box 535595
Atlanta, GA 30353-5595

4. Notices

For purposes of this Agreement, any notice relative to the HVAC Services shall be given as follows:

If to Lessee:
International Market Centers
Mr. James Leatherwood
Director of Facilities
209 South Main Street
High Point, NC 27260
Phone: (336) 888-3730

If to Lessor:
High Point Theater
Mr. David S. Briggs
220 E. Commerce Avenue
High Point, NC 27260
Phone: (336) 883-3627

5. Lessor and Lessee each mutually covenant, represent and warrant to the other that it has had no dealings or communications with any broker or agent in connection with this Agreement and, to the extent permitted by law, each covenants and agrees to pay, hold harmless and indemnify the other from and against any and all cost, expense (including reasonable attorneys' fees) or liability for any compensation, commission or charges to any broker or agent claiming through the indemnifying party with respect hereto.

6. Lessor represents and warrants that it has taken all corporate, partnership or other action necessary to execute and deliver this Agreement, and that this Agreement constitutes the legally binding obligation of Lessor enforceable in accordance with its terms. Lessor shall save and

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Approved
SC 10/08/18

hold Lessee harmless from any claims, or damages including reasonable attorneys' fees arising from Lessor's misrepresentation of its authority to enter into and execute this Agreement.

7. Capitalized undefined terms used herein shall have the respective meanings given such terms in the Lease. In the event of a conflict between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall supersede and control.

8. The parties acknowledge and agree that all terms and conditions of the Lease shall remain in full force and effect, except as modified by the terms and conditions of this Agreement.

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY
SIGNATURE PAGE FOLLOWS

Read/Reviewed
Approved
SC 10/08/18

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto the day and year first above written.

LESSOR:
THE CITY OF HIGH POINT

By: ______________________________
Jay W. Wagner
Mayor

ATTEST:

By: Lisa Vierling
Lisa Vierling
City Clerk

City of High Point
North Carolina

LESSEE
IHFC PROPERTIES SPE, LLC

By: DocuSigned by: Scott Eckma
04701AD1FEFB4D4...

Name: Scott Eckman
Its: President of Home Décor and Furniture Leasing

By: DocuSigned by: Robert M Maricich
0A9DEB7FCF1042F...

Name: Robert Maricich
Its: Chief Executive Officer

RESOLUTION AUTHORIZING EXECUTION OF A SIXTH AMENDMENT TO LEASE BETWEEN THE HIGH POINT THEATRE AND IHFC PROPERTIES, LLC FOR HVAC USAGE

WHEREAS, the City of High Point ("Lessor") and IHFC Properties, LLC's ("Lessee") predecessor-in-interest, Southern Furniture Exposition Building, Inc. entered into an Indenture of Lease dated June 1, 1973, as amended by that certain Amendment to Lease dated February 21, 1974, and that certain Second Amendment to Lease dated July 1, 2014, the Third Amendment to Lease dated July 1, 2015, the Fourth Amendment to Lease dated July 1, 2016, and the Fifth Amendment to Lease dated July 1, 2017 (collectively the "Lease") for real estate more particularly described in Exhibit A to the Lease and recorded in Deed Book 2714, Page 483, such real estate general known as 210-220 E. Commerce Ave, High Point, North Carolina; and

WHEREAS, pursuant to the Lease as amended, Lessee, among other things, constructed and tendered to Lessor a theater and office complex ("Theater") in compliance with building plans and specification approved by Lessor in the Lease, and provides heating and cooling services ("HVAC Services") to the Theater pursuant to mutually agreed upon terms and conditions; and

WHEREAS, both parties wish to extend the period of time during which the HVAC Services will be provided.

THEREFORE, BE IT RESOLVED BY THE HIGH POINT CITY COUNCIL that the Mayor is hereby authorized to execute the Sixth Amendment to the Lease between the City of High Point and IHFC Properties, LLC, which allows Lessee to continue providing the HVAC services for the period of July 1, 2018 through June 30, 2019, and that the remaining terms of the lease remain as set forth in the original agreement and previous amendments.

Adopted, this the 19th day of November, 2018.

Mayor Jay W. Wagner

Lisa B. Vierling, MMC
City Clerk

City of High Point North Carolina

Read/Reviewed
Approved
SC 10/08/18

SIXTH AMENDMENT TO LEASE

THIS SIXTH AMENDMENT TO LEASE ("Agreement") made and entered into effective as of July 1, 2018 (the "Effective Date") by and between the City of High Point, ("Lessor"), and IHFC Properties SPE, LLC, a Delaware limited liability company ("Lessee") as successor-in-interest to IHFC Properties, LLC a Delaware limited liability company.

BACKGROUND

WHEREAS, Lessor and Lessee's predecessor-in-interest, Southern Furniture Exposition Building, Inc., a North Carolina corporation, entered into an Indenture of Lease dated June 1, 1973 as amended by that certain Amendment to Lease dated February 21, 1974, that certain Second Amendment to Lease dated July 1, 2014, the Third Amendment to Lease dated July 1, 2015, the Fourth Amendment to Lease dated July 1, 2016, and the Fifth Amendment to Lease dated July 1, 2017 (collectively the "Lease") for real estate more particularly described in Exhibit A to the Lease and recorded at Deed Book 2714 page 483; such real estate generally known as 210-220 E. Commerce Avenue, High Point, North Carolina 27260;

WHEREAS, pursuant to the Lease as amended, Lessee, among other things, constructed and tendered to Lessor a theater and office complex (the "Theater") in compliance with building plans and specifications approved by Lessor in the Lease, and provides heating and cooling services to the Theater pursuant to mutually agreed upon terms and conditions;

WHEREAS, the parties wish to modify the agreement and to extend the period of time during which the HVAC Services will be provided;

NOW THEREFORE, for good and valuable consideration duly received and acknowledged by the parties to be adequate and sufficient for the terms contained herein Lessor and Lessee hereby agree that the Lease is modified and amended by this Agreement as follows:

1. **Duration of HVAC Services**

Lessee shall continue to provide the HVAC Services for the period July 1, 2018 through and including June 30, 2019 ("Service Period"). Any renewals or extensions of the Service Period shall be upon mutual agreement of the parties and shall be in writing.

2. **Cost of HVAC Services**

Effective as of July 1, 2018 through and including June 30, 2019 the cost of HVAC Services shall be $7,500.00 per month (collectively the "Service Charge") for a total annual cost of $90,000.00 for the Service Period. The monthly cost shall be subject to review each January 1st of any Service Period and, in the event it is determined that the cost shall be adjusted, such

Read/Reviewed
Approved
SC 10/08/18

adjustment shall be communicated to the Lessor in writing and shall take effect upon the renewal of the HVAC Services.

Cost of "After Hours" HVAC Services

Lessee shall be responsible for labor costs associated with a maintenance call that occurs "After Hours". "After Hours" is defined as those hours occurring within the period of 4:00PM EST through 7:00AM EST on Monday through Friday and, all day Saturday and Sunday. The cost of a maintenance call occurring during "After Hours" shall be billed at $52.00 per hour with a two-hour minimum. Landlord agrees to notify Lessee in writing of any change in the window defining "After Hours".

3. **Payment for Services**

Payment for HVAC Services shall be made payable to IHFC Properties, LLC and shall be remitted to the following payment address:

IHFC Properties SPE, LLC
P.O. Box 535595
Atlanta, GA 30353-5595

4. **Notices**

For purposes of this Agreement, any notice relative to the HVAC Services shall be given as follows:

If to Lessee:
International Market Centers
Mr. James Leatherwood
Director of Facilities
209 South Main Street
High Point, NC 27260
Phone: (336) 888-3730

If to Lessor:
High Point Theater
Mr. David S. Briggs
220 E. Commerce Avenue
High Point, NC 27260
Phone: (336) 883-3627

5. Lessor and Lessee each mutually covenant, represent and warrant to the other that it has had no dealings or communications with any broker or agent in connection with this Agreement and, to the extent permitted by law, each covenants and agrees to pay, hold harmless and indemnify the other from and against any and all cost, expense (including reasonable attorneys' fees) or liability for any compensation, commission or charges to any broker or agent claiming through the indemnifying party with respect hereto.

6. Lessor represents and warrants that it has taken all corporate, partnership or other action necessary to execute and deliver this Agreement, and that this Agreement constitutes the legally binding obligation of Lessor enforceable in accordance with its terms. Lessor shall save and

hold Lessee harmless from any claims, or damages including reasonable attorneys' fees arising from Lessor's misrepresentation of its authority to enter into and execute this Agreement.

7. Capitalized undefined terms used herein shall have the respective meanings given such terms in the Lease. In the event of a conflict between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall supersede and control.

8. The parties acknowledge and agree that all terms and conditions of the Lease shall remain in full force and effect, except as modified by the terms and conditions of this Agreement.

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SIGNATURE PAGE FOLLOWS

Read/Reviewed
Approved
SC 10/08/18

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto the day and year first above written.

LESSOR:
THE CITY OF HIGH POINT

By: ______________________
Jay W. Wagner
Mayor

ATTEST:

By: ______________________
Lisa Vierling
City Clerk

LESSEE
IHFC PROPERTIES SPE, LLC

By: ______________________

Name: Scott Eckman
Its: President of Home Décor and Furniture Leasing

By: ______________________

Name: Robert Maricich
Its: Chief Executive Officer

LGC-205 Amended **AMENDMENT TO CONTRACT TO AUDIT ACCOUNTS** Rev. 10/2018

Whereas	Primary Government Unit City of High Point, North Carolina
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A
and	Auditor Cherry Bekaert LLP

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending 06/30/18	and originally due on	Audit Report Due Date 10/31/18

hereby agree that it is now necessary that the contract be modified as follows.

☑ Modification to due date:	Original due date 10/31/18	Modified due date 01/31/19
☐ Modification to fee:	Original fee	Modified fee

EXPLANATION OF MODIFIED CONTRACT TERMS

Please provide an explanation for the modification of terms. If the amendment is submitted to extend the due date, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years.

The City of High Point Financial Services Department has experienced significant turnover. Four positions were vacated between July 1 and October 31, one of those being the Director of Financial Services, and the other 2 positions were highly critical Accountant positions. The Director played a large role in completion of our CAFR, as did our Accountants. Due to the significant loss of staff resources during our most difficult time of year, we are unable to complete our CAFR timely and expect completion by 1-31-19. The City is currently recruiting for a new Director. In addition, discussions are in progress as to the possibility of additional staff or other resources to assist with the CAFR in the future, in order to ensure more timely completion.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Cherry Bekaert LLP	
Authorized Firm Representative (typed or printed) Eddie Burke	Signature
Date 11/08/18	Email Address EBurke@cbh.com

GOVERNMENTAL UNIT

Governmental Unit City of High Point, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed) Jay W. Wagner	Signature
Date 11/26/2018	Email Address jay.wagner@highpointnc.gov

Chair of ~~Audit~~ Finance Committee (typed or printed, or "NA") Britt Moore	Signature Britt Moore
Date 11/26/2018	Email Address britt.moore@highpointnc.gov

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE
ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT

(Pre-audit certificate not required for charter schools or hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer	Signature
Date of Pre-Audit Certificate	Email Address

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed) N/A	Signature
Date	Email Address N/A

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address N/A

DPCU – PRE-AUDIT CERTIFICATE
ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT

(Pre-audit certificate not required for charter schools or hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed) N/A	Signature
Date of Pre-Audit Certificate	Email Address N/A

Profile

Daniel | Gardner
First Name | Last Name

dcgardner0@bankofnc.com
Email Address

2620-2A Ingleside Drive
Street Address

Suite or Apt

High Point | NC | 27265
City | State | Postal Code

What district do you live in? *

☑ Within High Point Corporate Limits

Mobile: (336) 689-6310 | Home:
Primary Phone | Alternate Phone

Bank of North Carolina
Employer

Which Boards would you like to apply for?

Board of Adjustment: Submitted
Citizens Advisory Council: Submitted
Historic Preservation Commission: Submitted
Housing Authority Board: Submitted
Human Relations Commission: Submitted
Planning & Zoning Commission: Submitted
Guilford County Historic Preservation Commission: Submitted

4
Ward you reside in?

Interests & Experiences

Please list any work, volunteer, and/or educational experience that you would like us to consider in the review of your application.

I have a resume I will be happy to send, I just don't have it currently on my work computer.

Upload a Resume

Have you participated in Leadership High Point?

○ Yes ◉ No

If yes, please list the year in which you participated in Leadership High Point:

Gender

☑ Male

Daniel C. Gardner

2620 Ingleside Drive, High Point, NC 27265 • Home: 336-689-6310 • dgardner0@hotmail.com

Professional Summary

Seasoned Customer Service Professional with more than seven years of experience in a fast-paced retail and customer based type of environment. Excellent people skills and problem solving skills. Track record of achieving exceptional results in sales, multitasking duties and managing over 30 associates at any given time. Banker with high levels of integrity and accuracy.

Skills

- Cash handling expertise
- Advanced clerical knowledge
- Compliance, banking laws and regulations
- Savvy relationship-builder
- Goal-oriented
- Self-sufficient
- Detail-oriented
- Excellent time management skills
- Exceptional telephone etiquette
- Effective problem solver

Work History

Community Branch Banker , 12/2016 to Current
BB&T – Greensboro

- Maintained friendly and professional customer interactions.
- Executed customer transactions, including deposits, withdrawals, money orders and checks.
- Rapidly and efficiently prepared customer and ATM cash and change orders.
- Organized, stocked and maintained the teller window area.
- Sold cashier's checks and money orders.
- Receive checks and cash for deposit, verify amounts, and check accuracy of deposit slips.
- Answered telephone inquiries on banking products including checking, savings, loans and lines of credit.
- Greet visitors or callers and handle their inquiries or direct them to the appropriate persons according to their needs.

Personal Banker, 12/2015 to 10/2016
Bank of North Carolina – Asheboro, NC

- Determine customers' financial services needs and prepare proposals to sell services that address these needs.
- Prepare forms or agreements to complete sales.
- Enter customers' transactions into computers to record transactions and issue computer-generated receipts.
- Count currency, coins, and checks received, by hand or using currency- counting machine, to prepare them for deposit or shipment to branch banks or the Federal Reserve Bank.
- Examine checks for endorsements and to verify other information such as dates, bank names, identification of the persons receiving payments and the legality of the documents.
- Prepare and verify cashier's checks.
- Sort and file deposit slips and checks.
- Identify transaction mistakes when debits and credits do not balance.
- Inform customers about foreign currency regulations and different currency fees.

Assistant Customer Service Manager, 09/2008 to 12/2015
Harris Teeter – High Point, NC

- Check to ensure that appropriate changes were made to resolve customers' problems.
- Investigated and resolved customer inquires and complaints in an emphatic manner.
- Conducted annual performance reviews.
- Collaborated on hiring and termination decisions with upper management.
- Resolve customers' service or billing complaints by performing activities such as exchanging merchandise, refunding money, or adjusting bills.
- Direct and supervise employees engaged in sales, inventory-taking, reconciling cash receipts, or in performing

services for customers.
- Assign employees to specific duties.
- Perform work activities of subordinates, such as cleaning and organizing shelves and displays and selling merchandise.
- Plan and prepare work schedules and keep records of employees' work schedules and time cards.
- Instruct staff/associates on how to handle difficult and complicated sales.

Server/Cashier/Host, 02/2005 to 08/2008
Libby Hill Seafood – High Point, NC
- Check with customers to ensure that they are enjoying their meals and take action to correct any problems.
- Collect payments from customers.
- Greet guests and seat them at tables or in waiting areas.
- Speak with patrons to ensure satisfaction with food and service, to respond to complaints, or to make conversation.
- Take and prepare to-go orders.
- Operate cash registers to accept payments for food and beverages.
- Trained new employees Built loyal clientele through friendly interaction with customers, Prepare staff work schedules.
- Maintain sanitation, health, and safety standards in work areas.
- Clean, stock, and restock workstations and display cases.

Education
High School Diploma: Jun 2009
Southwest Guilford High School - High Point, NC

Associate of Arts: Hospitality/Hotel Management,
Guilford Technical Community College - Jamestown, NC
Hospitality/Hotel Management

CITY OF HIGH POINT
AGENDA ITEM

Title: **Street Abandonment 17-05**
(Hedgecock Road, LLC)

From: Lee Burnette, Planning & Development Director

Meeting Date: January 16, 2018

Public Hearing: Yes

Advertising Date: December 22 & 29, 2017 and January 5 & 12, 2018

Advertised By: Planning & Development

Attachments:
A. Planning and Zoning Commission Recommendation
B. Staff Report
C. Resolution of Abandonment

PURPOSE:
A request by Hedgecock Road, LLC to abandon that portion of the Westside Thoroughfare lying north of Hedgecock Road and west of the Phillips Soccer Complex.

BACKGROUND:
The staff report and the Planning & Zoning Commission's recommendation are enclosed.

BUDGET IMPACT:
There is no budget impact.

RECOMMENDATION / ACTION REQUESTED:

A. Staff recommended ***approval*** of this request, as outlined in the attached staff report.

B. On December 12, 2017, a public hearing was held before the Planning and Zoning Commission regarding Street Abandonment 17-05. The Planning & Zoning Commission recommended ***approval*** of this request, by a vote of 9-0, as outlined in the staff report and recommended by staff.

PLANNING AND ZONING COMMISSION RECOMMENDATION

Hedgecock Road, LLC **Street Abandonment 17-05**

At its December 12, 2017 public hearing, the Planning and Zoning Commission reviewed Street Abandonment 17-05. All members of the Commission were present. Mr. Herbert Shannon, Senior Planner, presented the case and recommended approval of the request as outlined in the staff report.

Speaking in favor of the request:

Speaking in favor of the request was the applicant, Mr. Brian Craven, 1942 Spring Garden Street, Greensboro, N.C. Mr. Craven stated that he owns the property south of the Westside Thoroughfare easement and he has future plans for development of the site, which is why he applied to have the right-of-way abandoned.

Speaking in opposition of the request:

No one spoke in opposition to this request.

Planning & Zoning Commission Action

The Commission recommended ***approval*** of Street Abandonment 17-05, as recommended by staff, by a vote of 9-0.

CITY OF HIGH POINT
PLANNING AND DEVELOPMENT DEPARTMENT

STAFF REPORT
STREET ABANDONMENT CASE 17-05
December 12, 2017

Request	
Applicant: Hedgecock Road, LLC	**Proposal:** To abandon that portion of the right-of-way for the proposed Westside Thoroughfare lying north of Hedgecock Road and west of the Phillips Soccer Complex.

Adjacent Streets		
Name	**Classification**	**Right-of-Way and Pavement Width**
Hedgecock Road	Major Thoroughfare	84-foot wide right-of-way; 24-foot wide ribbon paved street

Adjacent Property Zoning and Current Land Use		
North	Conditional Use Residential Multifamily-16 (CU RM-16) District	Common area of the Heritage Ridge townhome subdivision
East	Parks & Natural Resources (PNR) District Rural Agricultural (RA-3) District *(Davidson County)*	Phillips soccer complex and a single-family dwelling
South	Conditional Use Residential Multifamily-16 (CU RM-16) District	Undeveloped parcel and Hedgecock Road right-of-way
West	Conditional Use Residential Multifamily-16 (CU RM-16) District	Common area of the Heritage Ridge townhome subdivision

Analysis

This is a request to abandon a portion of an unimproved right-of-way (ROW) originally set aside for the proposed Westside Thoroughfare that is lying north of Hedgecock Road, submitted by Hedgecock Road, LLC which owns a parcel lying south of this ROW. The ROW was recorded in April 2007, as part of the final plat for Phase 2 of the Heritage Ridge Subdivision. It's 200 feet wide with a length of approximately 887 feet, containing approximately 4.1 acres. If the abandonment request is approved, the ROW will be divided along its centerline and added to the abutting parcels. The applicant, who owns the property to the south, will obtain the southern half of this ROW (approximately 1.8 acres) and the property owner to the north, Heritage Ridge HOA, will receive the northern half of the ROW (approximately 2.3 acres).

The Westside Thoroughfare is a current long-range road improvement project, proposed to be a 200-foot wide ROW consisting of a 4-lane roadway with a grass median that will loop around the western portion of the High Point planning area. This roadway was initially envisioned to run in a westerly direction from the intersection of N. Main Street and Old Plank Road, and then turn southward and continue to the southwestern portion of the City's planning area, connecting to National Highway near the High Point/Thomasville city limits. The location of the northern portion of the roadway was reevaluated and moved further to the west, making the section of the ROW no longer needed for the project.

All parcels abutting this ROW have frontage to adjacent improved public streets, Therefore, abandonment of the City's interest in this ROW will not deprive any owner of access to their property. Advertisement of the public hearing was completed per requirements of the Development Ordinance by sending mailed notices to abutting property owners, placing a notice in the High Point Enterprise and the posting of public hearing signs at both ends of the ROW proposed to be abandoned.

Findings & Recommendations

The Technical Review Committee (TRC) reviewed this request and identified no concerns related to the abandonment subject to the following issues being addressed.

a) The Transportation Department noted that where this ROW abuts the Hedgecock Road ROW, abandonment should not reduce the width of the Hedgecock Road ROW. To address this concern the legal description in the resolution of abandonment will note termination of abandonment along the northern ROW line of Hedgecock Road, 42 feet from the centerline of the Hedgecock Road ROW.
b) A 15-foot wide electrical utility easement runs across this ROW along the northern ROW of Hedgecock Road. A 15-foot wide electric utility easement shall be retained.
c) Duke Power has a 150-foot wide power transmission easement/ROW which impacts the eastern portion of the area of abandonment. This private utility easement was in place prior to the plating of this ROW, and the abandonment will not impact or remove this previously established private utility easement.

This abandonment of the public's interest and conveyance of the right-of-way to the abutting property owners, as provided by state statutes, is found not to be contrary to the public's interest and is found not to deprive owners in the vicinity of the right-of-way reasonable means of ingress and egress to their property.

The Planning and Development Department recommends approval of the request with the retention of a 15-foot wide electrical utility easement along the southern limits of this ROW where it abuts the northern Hedgecock Road ROW.

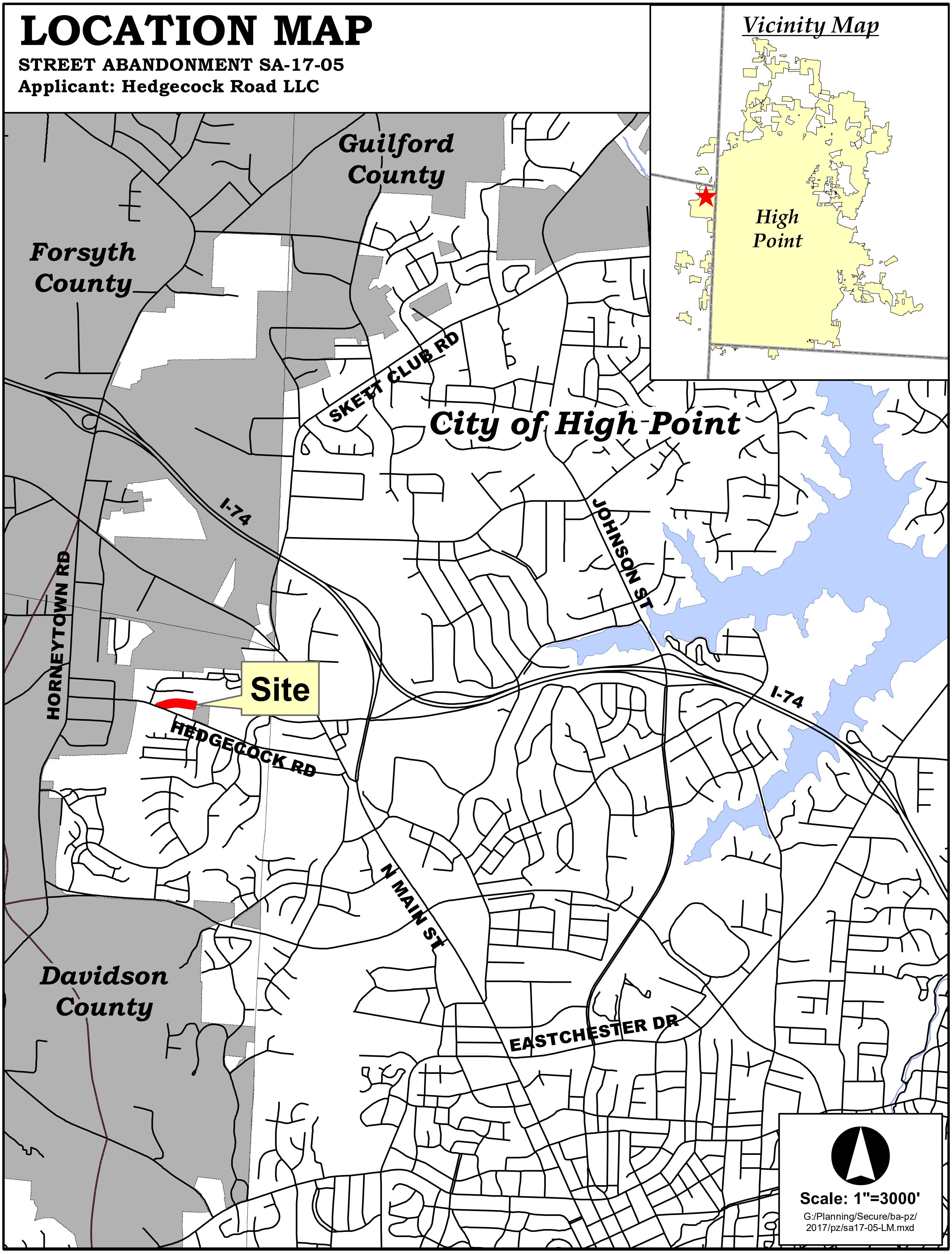
Report Preparation

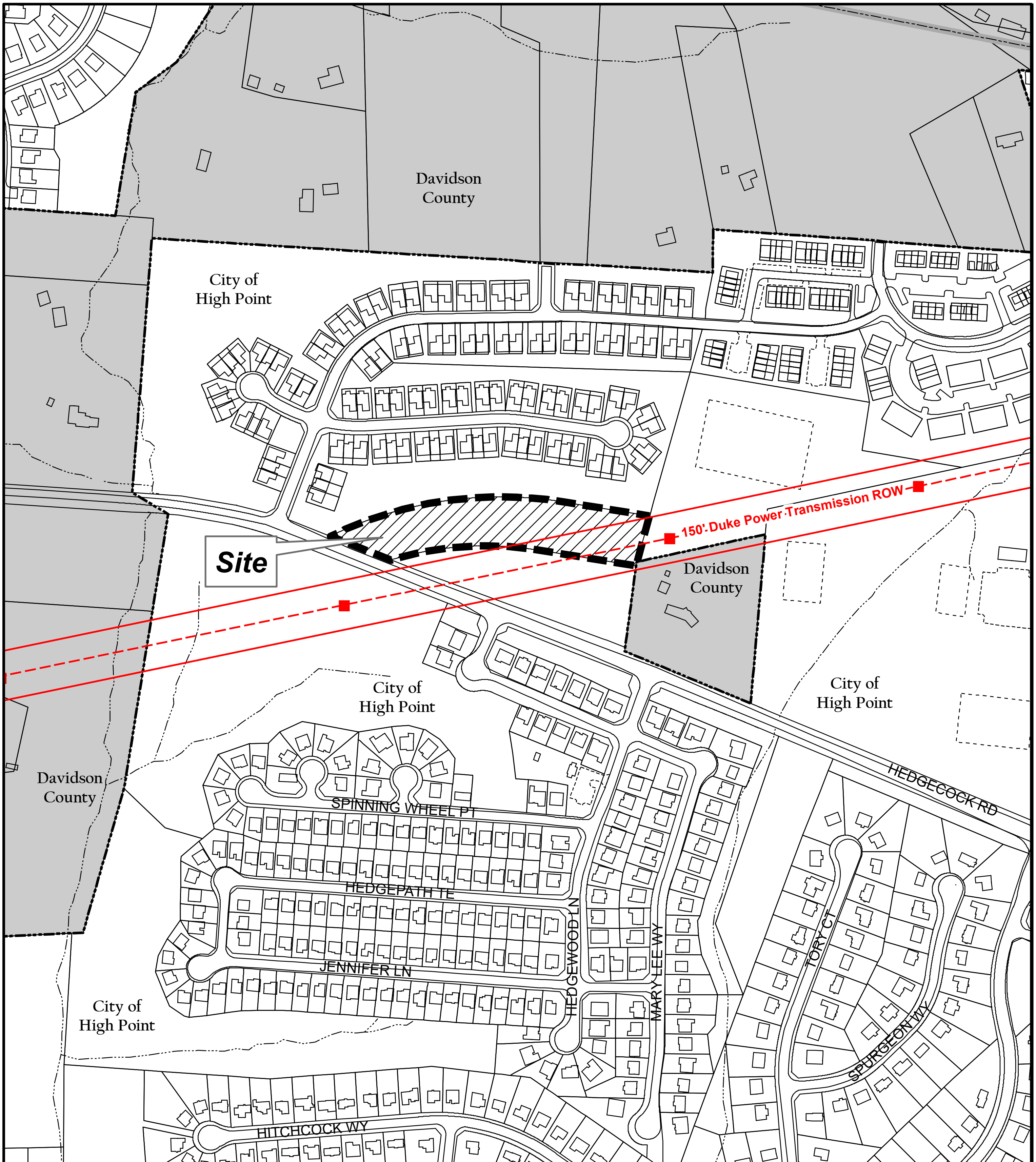
This report was prepared by Planning and Development Department staff member Herbert Shannon Jr. AICP, Senior Planner, and reviewed by Robert Robbins AICP, Development Services Administrator and Lee Burnette AICP, Director.

LOCATION MAP

STREET ABANDONMENT SA-17-05

Applicant: Hedgecock Road LLC





STREET ABANDONMENT SN-17-05

Applicant: Hedgecock Road LLC
Area: 3.05 acres

Location of requested street abandonment

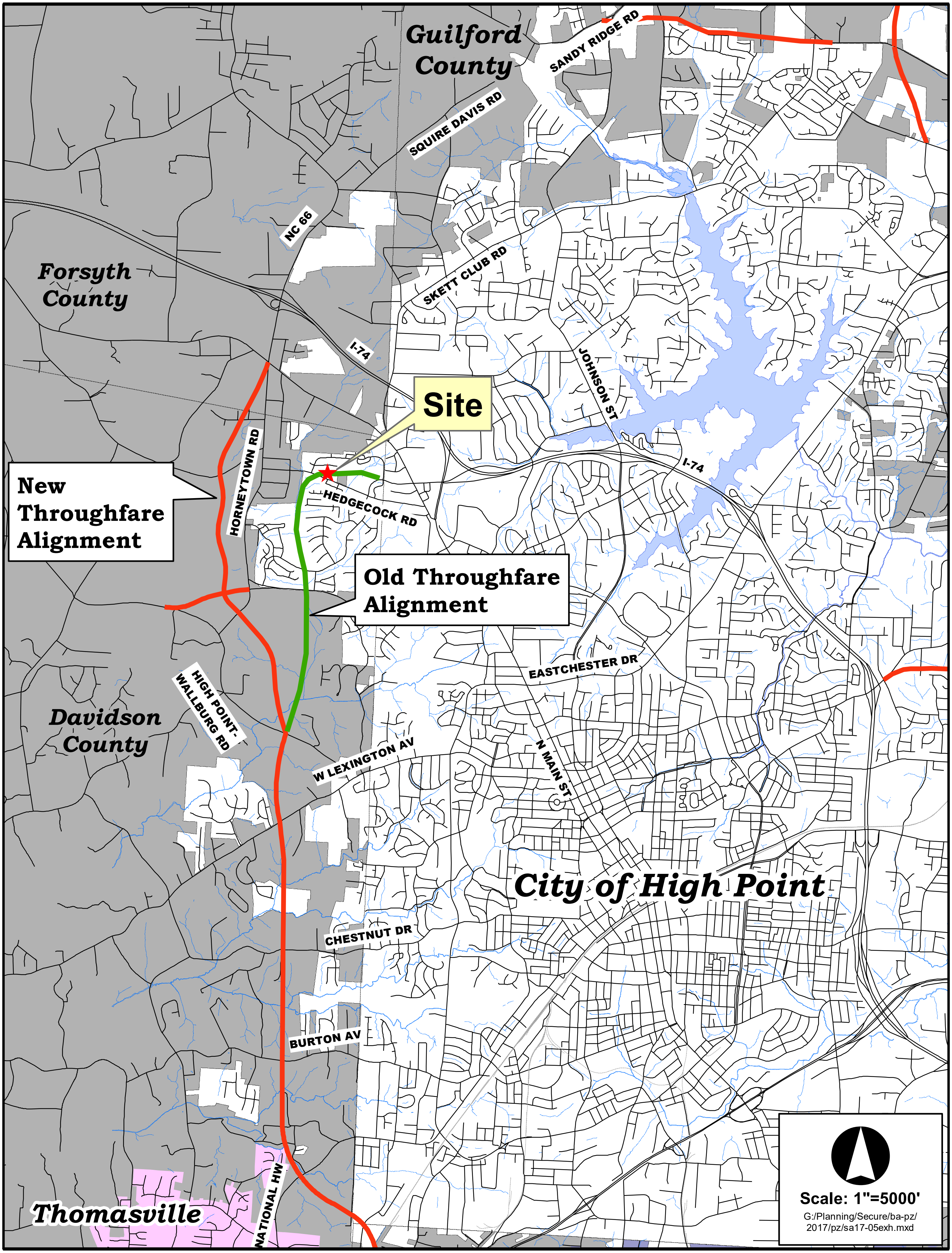
Planning & Development Department

City of High Point

N

Scale: 1"=400'

G:/Planning/Secure/ba-pz/2017/pz/sa17-05exhB.mxd



Guilford County
Forsyth County
Davidson County
Thomasville
City of High Point
Site
New Throughfare Alignment
Old Throughfare Alignment
SANDY RIDGE RD
SQUIRE DAVIS RD
NC 66
SKETT CLUB RD
I-74
JOHNSON ST
I-74
HORNEYTOWN RD
HEDGECOCK RD
HIGH POINT-WALLBURG RD
EASTCHESTER DR
W LEXINGTON AV
N MAIN ST
CHESTNUT DR
BURTON AV
NATIONAL HW
Scale: 1"=5000'
G:/Planning/Secure/ba-pz/2017/pz/sa17-05exh.mxd

Attachments: Photographs (November 2017) and Aerial (February, 2014)

Looking north of Hedgecock Road towards the ROW to be abandoned.

Looking west of the Phillips Soccer Complex towards the ROW to be abandoned

STREET ABANDONMENT SN-17-05

Applicant: Hedgecock Road LLC
Area: 3.05 acres

Location of requested street abandonment

Planning & Development Department

City of High Point

N

Scale: 1"=400'

G:/Planning/Secure/ba-pz/2017/pz/sa17-05photo.mxd

Return to: Joanne Carlyle, City Attorney
City of High Point
P.O. Box 230
High Point, NC 27261
Resolution No. xxxx / 18-xx

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGH POINT, IN A REGULAR MEETING ASSEMBLED ON THE 18th DAY OF DECEMBER, 2017, AT 5:30 P.M. IN THE COUNCIL CHAMBERS OF THE MUNICIPAL BUILDING, HIGH POINT, NORTH CAROLINA:

Street Abandonment (Closure) Case 17-05
(abandon a portion of the Westside Thoroughfare lying north of Hedgecock Road)

WHEREAS, Hedgecock Road, LLC has petitioned the City Council of the City of High Point to permanently abandon (close) that portion of the Westside Thoroughfare lying north of Hedgecock Road and west of the Phillips Soccer Complex, which is more specifically described as follows.

Commencing from an existing NCGS Monument “Trust”, having NAD 83 (2011) coordinate (Observed) of N: 802,578.22 and E: 1,702,778.53, Thence leaving said “Trust”, N 33°36’24 W 24,078.20 feet to an existing ½” iron rod, having NAD 83 (2011) coordinate of N: 822,631.90 and E: 1,689,451.51, said iron rod being located on the northern right-of-way of Hedgecock Road (SR 1892 – Public right-of-way varies), being the southwest corner of Vernon & Lois C. Shivers, Pin Id: 6882-04-92-5880 (Deed Book 1187, Page 298) and being the southeast corner of Hedgecock Rd, LLC, Pin Id: 6882-04-92-0856 (Deed Book 1894, Page 11 and Plat Book 50, Page 5, Lot A), Thence leaving said Hedgecock Road and along said Shivers and Hedgecock Rd, LLC property line, N 07°59’43” E 244.67 feet to an existing ½” iron rod, said iron rod being a point in the western property line of said Shivers, being the northeast corner of said Hedgecock Rd, LLC, being the southeast corner of the 200’ Right-of-way Dedication for Future Westside Thoroughfare Abandonment and being The Point and Place of The **Beginning.** Thence leaving said Shivers and along said Hedgecock Rd, LLC the following two (2) courses and distances: 1) N 80°52’31” W 310.25 feet to an existing ½” iron rod, 2) with a curve to the left, having a radius of 1,000 feet, an arc length of 418.90 feet and a chord bearing and distance of S 87°06’18” W 415.84 feet to an existing ½” iron rod, said new iron pipe being located on the northern right-of-way of said Hedgecock Road and being the western corner of said Hedgecock Rd, LLC; Thence leaving said Hedgecock Rd, LLC and along Hedgecock Road the following three (3) courses and distances: 1) N 68°37’01” W 145.13 feet, 2) N 68°37’01” W 50.53 feet to a new iron pipe set; 3) N 64°18’08” W 95.28 feet to a new iron pipe set, said new iron pipe being a southern point of Heritage Ridge HOA, Inc., Pin Id: 6882-04-83-9221 (Deed Book 1779, Page 478 and Plat Book 50, Page 5 – Comment Element); Thence leaving said Hedgecock Road and along said Heritage Ridge HOA, Inc. the following two (2) courses and distances: 1) with a curve to the right, having a radius of 1,200 feet, an arc length of 734.29 feet and a chord bearing and distance of N 81°35’13” E 722.89 feet to a new iron pipe set; 2) S 80°52’41” E 316.87 feet to a new iron pipe set, said new iron pipe being the southeastern corner of said Heritage Ridge HOA, Inc. and being a point in the western property line of High Point Soccer Association, Inc. D/B/A Piedmont Soccer Alliance, Pin Id: 6882-04-93-7226 (Deed Book 1226, Page 451); Thence leaving said Heritage Ridge HOA, Inc. and along said High Point Soccer Association, Inc. D/B/A Piedmont Soccer Alliance the following two (2) courses and distances: 1) S 11°28’35” W 100.07 feet to a new iron pipe set; 2) S 11°28’35” W 73.80 feet to a new iron pipe set, said iron pipe being the southwest corner of said High Point Soccer Association, Inc. D/B/A Piedmont Soccer Alliance and being the northwest corner of said Shivers, Thence leaving said High Point Soccer Association, Inc. D/B/A Piedmont Soccer Alliance and along said Shiver, S 08°06’35” W 26.25 feet to the Point and Place of the **Beginning**. Containing 4.12 acres, more or less.

WHEREAS, the petition has been duly filed with this Council in a Regular meeting assembled on the 18th day of December, 2017, at 5:30 p.m. setting the 16th day of January, 2018 at 5:30 p.m., in the Council Chambers of the Municipal Building, as the time and place for a public hearing before said Council on said petition, and public notice of said time and place was ordered given, all pursuant to North Carolina G.S. 160A-299; and

WHEREAS, due and proper notice of said hearing to be heard on the petition at this meeting of City Council was made by publication in the High Point Enterprise for four (4) consecutive weeks, beginning December 22 & 29, 2017 and January 5 & 12, 2018; and,

WHEREAS, the above entitled matter, pursuant to said resolution and notice was called for hearing before said Council at which time there was no objection or opposition offered on the part of any firm or corporation to abandon (closure) of the above described portions of the Westside Throughfare; and

WHEREAS, it appearing to the satisfaction of this Council and the Council finds as a fact that the said right-of-way as herein described is not necessary for ingress and egress to any land adjoining said street; that the closing of said street is not contrary to the public interest and that no other individual, firm or corporation owning property in the vicinity of said street, or in the subdivision in which said street is located, will be deprived of reasonable means of ingress or egress to this property.

NOW THEREFORE BE IT RESOLVED:

1. That the portion of Westside Thoroughfare right-of-way, as described above, be closed pursuant to North Carolina G.S. 160A-299;
2. That the City of High Point shall retain a 15-foot wide City of High Point electrical utility easement along the northern ROW line of Hedgecock Road; and
3. That a copy of this resolution be filed in the Office of the Register of Deeds for Guilford County, North Carolina.

By order of the City Council,
this the 16th day of January, 2018
Lisa B. Vierling, City Clerk

AFFP
PUBLIC NOTICE LEASE OF CITY OW

Affidavit of Publication

STATE OF NORTH CAROLINA } SS
COUNTY OF GUILFORD }

Lisa Robertson, being duly sworn, says:

That she is the billing clerk of the The High Point Enterprise, a daily newspaper of general circulation, printed and published in High Point, Guilford County, North Carolina; that the publication, a copy of which is attached hereto, was published in the said newspaper on

October 17, 2018

That said newspaper was regularly issued and circulated on those dates.
SIGNED:

Lisa Robertson

the billing clerk

Subscribed to and sworn to me this 17th day of October 2018.

Barbara M Daniels

Barbara Daniels, Notary, Guilford County, North Carolina

My commission expires: February 01, 2022

30145612 30837512

GREG DEMKO
CITY OF HP CITY MANAGER
PO BOX 230
HIGH POINT, NC 27261

BARBARA M DANIELS NOTARY MY COMMISSION EXPIRES 2-1-22 PUBLIC GUILFORD COUNTY, NC

PUBLIC NOTICE LEASE OF CITY OWNED PROPERTY

The High Point City Council intends to authorize the Sixth Amendment to the Indenture of Lease dated June 1, 1973 ("Lease") with IHFC Properties SPE, LLC ("IHFC") to extend the period of time for a period of one year which IHFC to continue providing HVAC services to the High Point Theatre. In consideration of the Lease, the City will pay an annual rental fee of $90,000.00.

All persons interested in this matter are invited to attend the meeting of the City Council to be held in the Council Chambers, City Hall, 211 South Hamilton Street, High Point, NC, at 5:30 p.m. on November 19, 2018. At that time the Council intends to authorize the Lease of the property described above.

Lisa B. Vierling, City Clerk
City of High Point
Oct. 17, 2018

EXCLUSIVE USE AREA LEASE AGREEMENT

THIS EXCLUSIVE USE AREA LEASE AGREEMENT (the "Lease") is made and entered into as of the 31 day of January, 2018, by and between **THE CITY OF HIGH POINT, NORTH CAROLINA** (hereinafter called "City" or "Landlord"), **HIGH POINT BASEBALL, INC.** ("Team"), a non-profit corporation organized and existing under the laws of the State of North Carolina and **HIGH POINT DOWNTOWN STADIUM FOUNDATION** ("Operator"), a non-profit corporation organized and existing under the laws of the State of North Carolina. City, Team and Operator are sometimes each referred to herein individually as a "Party" and collectively as the "Parties."

WITNESSETH:

In consideration of the mutual covenants and agreements contained herein, the Parties agree for themselves and their successors and assigns as follows:

1. DESCRIPTION OF DEMISED PREMISES

(a) Use and Operating Agreement. The Parties have entered into a "Use and Operating Agreement" dated January 31, 2018 ("Agreement"), that governs the construction and management of a Stadium (as that term is defined in the Agreement) on certain Land (as that term is defined in the Agreement) within the City of High Point, North Carolina. The Agreement is attached to this Lease as Exhibit A and is incorporated into this Lease by reference. Defined terms used in this Lease shall have the meanings assigned to them in the Agreement.

(b) Demised Premises Defined. The Agreement states the Exclusive Use Areas are those areas of Stadium, identified in this Lease, which shall be reserved for the exclusive use of Team and Operator during the Term. The Exclusive Use Area is comprised of the following spaces, and any necessary space associated with use of such spaces:

(i) Team Locker Room
(ii) Showers and Toilets
(iii) Trainer's Office
(iv) Training Room
(v) Equipment Manager/Storage Room
(vi) Laundry
(vii) Weight Room
(viii) Coaches Locker Room
(ix) Manager's Office and Locker Room
(x) Coaches and Manager's Shower and Toilet Room
(xi) Custodial
(xii) Team Lounge/Buffet area (including kitchenette)
(xiii) Major League Storage
(xiv) Batboy Lockers
(xv) Family Waiting Lounge (including toilet)
(xvi) Circulation
(xvii) Ticketing Room
(xviii) Video Production Room

The Exclusive Use Area comprised of those spaces listed in this Paragraph 1(b)(i)-(xvi), shall be referred to collectively as the "Demised Premises" in this Lease.

(c) Lease of Demised Premises. Landlord hereby leases to Team and Operator, and Team and Operator hereby accept and rent from Landlord, in accordance with this Lease's terms and conditions, the "Demised Premises."

2. TERM

(a) Initial Term. The term of this Lease shall commence on the date (the "Lease Commencement Date") that is the Commencement Date under the Agreement and shall continue for a period of ten (10) years from the Lease Commencement Date (the "Initial Term"). Once the Lease Commencement Date is established, Landlord, Team and Operator agree to execute a document confirming the Lease Commencement Date, and the Memorandum of Lease to be recorded as required by Paragraph 21 of this Lease shall reflect the Lease Commencement Date and scheduled expiration date of this Lease. Upon expiration of the Initial Term and provided that the Agreement is still in effect, City, Team and Operator shall use their best efforts to enter into a new lease agreement on substantially the same terms and conditions as contained herein.

(b) Occupancy of the Demised Premises. During each calendar year during the Initial Term and during any Renewal Periods, Team and Operator shall have the right to control, occupy, and use the Demised Premises pursuant to this Lease at all times, and Landlord shall not have the right to control, occupy, and use (and grant to others the right to control, occupy, and use) the Demised Premises. Nothing in this paragraph, however, shall affect any rights that Team, Operator or Landlord may have with respect to the Demised Premises by virtue of the Agreement.

(c) Automatic Termination. Notwithstanding anything herein to the contrary, this Lease shall terminate automatically upon the termination of the Agreement.

3. RENTAL AND OTHER TENANT PAYMENTS

(a) Rental.

(i) Initial Term Rental. During the Initial Term, on or before the Lease Commencement Date and then each year on or before the anniversary of that date, Team or Operator shall pay to Landlord, without notice, demand, reduction, setoff or any defense in accordance with the payment instructions set forth in Paragraph 3(f) below, an annual rental (the "Initial Term Rental") equal to a market rate lease payment calculated and agreed to by the parties for the Exclusive Use Areas based on the square footage of the Exclusive Use Areas to be determined after final plans and construction drawings for the Project are agreed to by the Parties and the exact nature and square footage of the Exclusive Use Areas is determined. It is the Parties' intention that after final plans and construction drawings for the Project are agreed to by the Parties and the exact nature and square footage of the Exclusive Use Areas is determined, this Paragraph 3(a)(i) will be amended to reflect the actual amount of the Initial Term Rental.

(ii) The Initial Term Rental and any extension or holdover period are sometimes hereinafter referred to as "Rental."

(b) Taxes. Team or Operator shall pay all ad valorem taxes (or any tax hereafter imposed in lieu thereof) assessed against this Lease pursuant to applicable provisions of North Carolina law. Team and Operator shall further pay all taxes assessed against its respective personal property in the Demised Premises. Team and Operator shall have the right to contest the applicability or amount of any tax by appropriate proceedings.

(c) Operating and Maintenance Costs. The Parties' obligations with respect to the payment of operating expenses, including maintenance costs, with respect to the Stadium, including the Demised Premises, are set forth in the Agreement.

(d) Documentary Tax. In the event that any documentary stamp tax, sales tax or any other tax or similar charge (exclusive of any income tax payable by the Landlord as a result hereof) levied on the rental, leasing or letting of the Demised Premises, whether local, state or federal, is required to be paid due to the execution hereof or otherwise with respect to this Lease or the payments due hereunder, the cost thereof shall be borne by Team and Operator and shall be paid promptly and prior to same becoming past due. Team or Operator shall provide Landlord with copies of all paid receipts respecting such tax or charge promptly after payment of same.

(e) Late Payment. All unpaid Rental and other sums of whatever nature owed by Team and Operator to Landlord under this Lease shall bear interest from the due date thereof until paid at an interest rate per annum (the "Default Rate") that is two percent (2%) per annum over the "prime rate" of interest announced, reported or published from time to time in *The Wall Street Journal* on the Money Rates Page (or a similar publication if *The Wall Street Journal* is no longer published or no longer announces, reports or publishes such rate), changing as and when said "prime rate" changes, unless a lesser rate is then the maximum rate permitted by law with respect thereto, in which event said lesser rate shall apply. Acceptance by Landlord of any payment from Team or Operator hereunder in an amount less than that which is currently due shall in no way affect Landlord's rights under this Lease and shall in no way constitute an accord and satisfaction. In the event Landlord reasonably determines no "prime rate" may be attained as set forth in this subparagraph, Parties agree to negotiate in good faith to determine a reasonable interest rate for late payments.

(f) Payment Instructions. All rental and other payments required of Team and Operator hereunder shall be made payable to Landlord and mailed or hand delivered to Landlord at the address for notices set forth in Section 13.4 of the Agreement or at such other address as shall be designated in writing by Landlord.

4. DELIVERY OF POSSESSION

Landlord will deliver the Demised Premises to Team and Operator on or before the Lease Commencement Date with Landlord's work on the Stadium completed as and to the extent required by the Agreement.

5. ALTERATIONS AND IMPROVEMENTS BY OPERATOR

Except as set forth in the Agreement, Team and Operator shall make no permanent changes or other alterations, additions, or improvements to the Demised Premises without the prior written consent of City.

6. USE OF DEMISED PREMISES

(a) Compliance. Team and Operator shall comply with all laws, ordinances, orders, regulations or zoning classifications of any lawful governmental authority, agency or other public or private regulatory authority (including insurance underwriters or rating bureaus) having jurisdiction over the Demised Premises. Team and Operator shall not do any act or follow any practice relating to the Demised Premises that shall constitute a nuisance or detract in any way from the reputation of Stadium as a first-class facility. Team's and Operator's duties in this regard shall include allowing no material noxious or offensive odors, fumes, gases, smoke, dust, steam or vapors, or any unusual loud or disturbing noise or vibrations to emit from Stadium. City acknowledges that Team or Operator plans to utilize fireworks displays on multiple occasions throughout each Agreement Year, subject to applicable permit approvals and Governmental Rule.

(b) Toxic or Hazardous Waste. Without limiting the generality of (a) above, the Demised Premises shall not be used for the treatment, storage, transportation to or from, use or disposal of toxic or hazardous wastes, materials, or substances in violation of law.

(c) Due Care. Team and Operator shall exercise due care in their respective use and occupancy of the Demised Premises and shall not commit or allow waste to be committed on any portion of the Demised Premises; and at the expiration or earlier termination of this Lease, subject to the provisions of Paragraph 3(c) hereof, Team and Operator shall deliver the Demised Premises to City in as good condition as on the Commencement Date, ordinary wear and tear and acts of God alone excepted.

(d) Indemnification. Team and Operator shall indemnify, defend, and save Landlord harmless from any claims, liabilities, penalties, fines, costs, expenses or damages resulting from the failure of Team or Operator to comply with the provisions of this Section 6. This indemnification shall survive the termination or expiration of this Lease.

7. TAXES

Team and Operator shall pay any taxes or assessments of any nature imposed or assessed upon this Lease or upon Team's or Operator's respective trade fixtures, equipment, machinery, inventory, merchandise or other personal property located on the Demised Premises and owned by or in the custody of Team or Operator (as applicable) as promptly as all such taxes or assessments may become due and payable without any delinquency.

8. INSURANCE COVERAGE

The Parties' obligations with respect to insurance shall be governed by the Agreement.

9. REPAIRS AND MAINTENANCE

The Parties' obligations with respect to the repair and maintenance of Stadium, including the Demised Premises, are set forth in the Agreement.

10. UTILITIES

The Agreement requires Operator to pay for the utilities of Stadium, which includes the Demised Premises.

11. DAMAGE OR DESTRUCTION OF DEMISED PREMISES

Damage or destruction of all or any portion of the demised premises shall be governed by Article XII of the Agreement.

12. COMPLIANCE WITH LAWS

Team and Operator agree, at their own expense, to comply promptly with all laws that may be in effect from time to time that are applicable to Team's and Operator's use or occupancy of the Demised Premises.

13. INDEMNIFICATION

(a) Indemnification by Team and Operator. Team and Operator shall, except as otherwise provided in this Section 13, defend, protect, indemnify and hold City and its officers, directors, employees, and agents harmless from and against any and all liabilities, damages, suits, claims and judgments of any nature (including, without limitation, reasonable attorneys' fees and expenses), arising from or in connection with any injury to or death of a Person or any damage to property resulting from, arising out of or in connection with (i) the use or occupancy of the Demised Premises by Team or Operator, or by Team's or Operator's respective contractors, employees, officers, directors, agents on or after the Commencement Date, (ii) Team's or Operator's failure to comply with its obligations under this Agreement or (iii) the gross negligence or willful misconduct of Team or Operator, or of Team's or Operator's respective contractors, employees, officers, directors or agents. Notwithstanding the provisions of the preceding paragraph, Team and Operator shall not be liable for any liabilities, damages, suits, claims and judgments of any nature (including, without limitation, reasonable attorneys' fees and expenses) arising from or in connection with:

(i) Any injury to or death of a person or any damage to property (including loss of use) to the extent of the gross negligence or willful misconduct of City, its employees, officers, directors, contractors, agents or invitees;

(ii) City's violation of any provisions of this Agreement or any applicable Governmental Authority or deed restriction or insurance policy, now or hereafter in effect and applicable to City;

(iii) The existence of any Hazardous Materials in, on or under the Demised Premises prior to the Commencement Date; or

(iv) Any environmental event caused by City or any of its employees, officers, directors, contractors, agents or invitees.

(b) Indemnification by City. To the maximum extent permitted by applicable Governmental Rule, City shall, except as otherwise provided in this Paragraph 13(b), defend, protect, indemnify and hold Team and Operator and their respective officers, directors, employees, and agents harmless from and against any and all liabilities, damages, suits, claims and judgments of any nature (including, without limitation, reasonable attorneys' fees and expenses), arising from or in connection with any injury to or death of a person or any damage to property resulting from, arising out of or in connection with (i) the use or occupancy of the Demised Premises prior to the Commencement Date, (ii) City's failure to comply with its obligations under this Agreement, or (iii) the gross negligence or willful act of City or City's contractors, employees, officers, directors or agents. Notwithstanding the provisions of the preceding paragraph, City shall not be liable for any liabilities, damages, suits, claims and judgments of any nature (including, without limitation, reasonable attorneys' fees and expenses) arising from or in connection with:

(i) Any injury to or death of a person or any damage to property (including loss of use) to the extent of the gross negligence or willful act of Team or Operator, or of their respective employees, officers, directors, contractors, agents or invitees;

(ii) Team's or Operator's violation of any provisions of this Agreement or any applicable Governmental Rules or deed restriction or insurance policy, now or hereafter in effect and applicable to Operator;

(iii) Any Hazardous Materials that are introduced to the Demised Premises after the Commencement Date by Team or Operator, or any of their respective employees, officers, directors, contractors, or agents; or

(iv) Any environmental event caused by Team or Operator, or any of their respective employees, officers, directors, contractors, or agents.

The provisions of this Section 13 are solely for the benefit of City, Team and Operator and are not intended to create or grant any rights, contractual or otherwise, to any other person.

(c) Indemnification Procedures. In case any claim shall be brought or, to the knowledge of any indemnitee, threatened against any indemnitee in respect of which indemnity may be sought, such indemnitee shall promptly notify the other in writing; provided, however, that any failure so to notify shall not relieve the indemnitor of its obligations under this Paragraph 13(a) or (b), as applicable, unless (i) such failure so to notify precludes investigation and defense of such claims as a matter of law, and (ii) the indemnitor does not otherwise have knowledge, either actual or constructive, of such claim. The indemnitor shall have the right (and obligation, subject to the terms below) to assume the investigation and defense of all claims, including the employment of counsel, reasonably acceptable to the indemnitee, and the payment of all expenses. Each indemnitee shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by such indemnitee unless (i) the employment of such counsel has been specifically authorized by indemnitor, in writing, (ii) indemnitor has failed after receipt of notice of such claim to assume the defense and to employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both parties, and the indemnitee, after consultation with its counsel, reasonably believes that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnitor (in which case, if such indemnitee notifies the indemnitor in writing that it elects to employ separate counsel at indemnitee's expense, indemnitor shall not have the right to assume the defense of the action on behalf of such indemnitee; provided, however, that indemnitor shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegation or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the indemnitee, which firm shall be designated in writing by the indemnitees). Each indemnitee shall cooperate with the indemnitor in the defense of any action or claim. The indemnitor shall not be liable for any settlement of any action or claim without its consent, but if any such action or claim is settled with the consent of the indemnitor or there be final judgment or agreement for the plaintiff in any such action or with respect to any such claim, the indemnitor shall indemnify and hold harmless the indemnitees from and against any damages by reason of such settlement or judgment.

(d) Survival Right to Enforce. The provisions of this Section 13 shall survive the termination of this Agreement. In the event of failure by an indemnitor to observe the covenants, conditions and agreements contained in this Section 13, any indemnitee may take any action at law or in equity to collect amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the indemnitor under this Section 13. Except as otherwise provided herein, the obligations of the parties under this Section 13 shall not be affected by any assignment or other transfer of its rights, titles or interests under this Agreement and will continue to inure to the benefit of the indemnitees after any such transfer.

14. LANDLORD'S RIGHT OF ENTRY

Landlord, and those persons authorized by it, shall have the right to enter the Demised Premises at all reasonable times and upon reasonable notice for any reasonable purpose, including making inspections or showing the same to lenders and other interested parties, as well as at any time in the event of emergency involving possible injury to property or persons in or around the Demised Premises or the Stadium. Except in the case of any emergency, Team and Operator shall have the right to have a representative of Team or Operator accompany Landlord or persons authorized by Landlord while in the Demised Premises. Further, during the last six (6) months of the Initial Term or of any Renewal Period, Landlord and those persons authorized by it shall have the right at reasonable times and upon reasonable notice to show the Demised Premises to prospective tenants.

15. EVENTS OF DEFAULT AND REMEDIES

(a) The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

(i) Team's or Operator's failure to pay when due any rental or other sum of money payable hereunder and such failure is not cured within thirty (30) days after written notice thereof;

(ii) Team's or Operator's failure to perform any other of the material terms, covenants or agreements contained in this Lease to be performed by Team or Operator if not remedied within thirty (30) days after receipt of written notice thereof, or if such default cannot be remedied within such period, Team or Operator does not within thirty (30) days after written notice thereof commence such act or acts as shall be necessary to remedy the default and shall not thereafter complete such act or acts within a reasonable time;

(iii) Team or Operator shall commit an Act of Bankruptcy (as such term is defined in the Agreement); or

(iv) There is an Operator or Team Default under the Agreement.

(b) Upon the occurrence and during the continuation of any Event of Default by Team or Operator hereunder, City shall have the following rights and remedies, it being understood that, notwithstanding anything to the contrary in this Lease, City shall not have any right to terminate this Lease as a result of an Event of Default by Team or Operator hereunder unless such Event of Default causes a termination of the Agreement in accordance with the Agreement's provisions:

(i) To institute any and all proceedings or claims permitted by law or equity to recover all unpaid sums and amounts then due and payable by Team or Operator under this Lease, and any and all amounts necessary to compensate City for all the damage proximately caused by Team or Operator's failure to perform its obligations under this Lease; and/or

(ii) To institute any and all proceedings or claims permitted by law or equity to compel specific performance with respect to Team's or Operator's obligations under this Lease and one or more actions to seek and obtain a temporary restraining order, together with such other temporary, preliminary and permanent injunctive or other equitable relief, from any court of competent jurisdiction capable of issuing or granting such relief, to compel Team or Operator to comply with or refrain or cease from breaching or violating the terms, covenants and conditions of this Lease.

(c) Notwithstanding anything contained herein to the contrary, if a court of competent jurisdiction has determined pursuant to a final non-appealable order that an Event of Default has occurred under this Lease and such Event of Default is continuing under this Lease, Landlord shall have the right, in addition to any other rights it may have pursuant to this Lease, to cure such Event of Default on behalf of Team or Operator, and Team or Operator (as applicable) shall reimburse the Landlord upon demand for any sums paid or costs incurred by Landlord in curing such Event of Default, including interest thereon at the Default Rate and reasonable attorneys' fees and other legal expenses.

16. PRIORITY OF LIEN OF LEASE

This Lease and any permitted or approved subleases shall at all times be superior and senior in lien to the lien of any and all mortgages or deeds of trust now or hereafter placed on the property of which the Demised Premises are a part.

17. ASSIGNING AND SUBLETTING

Except to the extent authorized by this paragraph, Team and Operator may not assign, sublet, mortgage, pledge or encumber this Lease, the Demised Premises, or any interest in the whole or in any portion thereof, directly or indirectly, without the prior written consent of Landlord, which Landlord may withhold in its sole discretion. Notwithstanding the foregoing, Team or Operator may assign its interest in this Lease without Landlord's consent to the same extent, and to the same assignee, that Team or Operator may assign its interest in the Agreement without Landlord's consent in accordance with Article X of the Agreement. Landlord's consent to one assignment or sublease will not waive the requirement of its consent to any subsequent assignment or sublease as required herein.

18. COVENANT OF QUIET ENJOYMENT

Landlord represents that Landlord has full right and authority to lease the Demised Premises and Team and Operator shall peacefully and quietly hold and enjoy the Demised Premises for the full term hereof, subject to the provisions of this Lease.

19. ESTOPPEL CERTIFICATES

Within ten (10) days after a request by Landlord, Team or Operator shall deliver a written estoppel certificate, in form supplied by or acceptable to the landlord, certifying, to the extent true, that this Lease is in full force and effect, that, to Team's or Operator's knowledge, no default exists on the part of Landlord, Team or Operator, that Team and Operator are in possession, that Team or Operator has commenced the payment of Rental, that Team and Operator claim no defenses or offsets with respect to payment of Rental under this Lease, and such other matters as may reasonably be requested. Likewise, within ten (10) days after a request by Team or Operator, Landlord shall deliver to Team or Operator a similar estoppel certificate covering such matters as are reasonably required by Team or Operator.

20. PROTECTION AGAINST LIENS

Team and Operator shall do all things necessary to prevent the filing of any mechanics, materialmen's or other types of liens whatsoever, against all or any part of the Demised Premises by reason of any claims made by, against, through or under Team or Operator. If any such lien is filed against the Demised Premises, Team and Operator shall either cause the same to be discharged of record within thirty (30) days after filing or, if Team or Operator in its discretion and in good faith determines that such lien should be contested, it shall furnish such security as may be necessary to prevent any foreclosure proceedings against the Demised Premises during the pendency of such contest. If Team or

Operator shall fail to discharge such lien within said time period or fail to furnish such security, then Landlord may at its election, in addition to any other right or remedy available to it, discharge the lien by paying the amount claimed to be due or by procuring the discharge by giving security or in such other manner as may be allowed by law. If Landlord acts to discharge or secure the lien then Team or Operator shall immediately reimburse Landlord for all sums paid and all costs and expenses (including reasonable attorneys' fees) incurred by Landlord involving such lien together with interest on the total expenses and costs at the maximum lawful rate.

21. MEMORANDUM OF LEASE

Landlord, Team and Operator shall execute a recordable Memorandum of Lease specifying the term of this Lease and such other terms as the parties shall mutually determine, and the Memorandum of Lease shall be recorded in the Office of the Register of Deeds of Guilford County, North Carolina.

22. FORCE MAJEURE

In the event Landlord, Team or Operator shall be delayed, hindered or prevented from the performance of any act required hereunder, by reason of Force Majeure (as defined in the Agreement), the performance of such act shall be excused for the period of delay, and the period for performance of any such act shall be extended as necessary to complete performance after the delay period. However, the provisions of this paragraph shall in no way be applicable to Team's or Operator's obligations to pay Rental or any other sums, monies, costs, charges or expenses required by this Lease.

23. REMEDIES CUMULATIVE – NONWAIVER

Unless otherwise specified in this Lease, no remedy of Landlord, Team or Operator shall be considered exclusive of any other remedy, but each shall be distinct, separate and cumulative with other available remedies. Each remedy available under this Lease or at law or in equity may be exercised by Landlord, Team or Operator from time to time as often as the need may arise. No course of dealing among Landlord, Team and Operator or any delay or omission of Landlord, Team or Operator in exercising any right arising from the other party's default shall impair such right or be construed to be a waiver of a default.

24. HOLDING OVER

If Team or Operator remains in possession of the Demised Premises or any part thereof after the expiration of the term of this Lease, whether with or without Landlord's acquiescence, Team or Operator (as applicable) shall be deemed only a tenant at will and there shall be no renewal of this Lease without a written agreement signed by both parties specifying such renewal. The annual rental payable by Team or Operator during any such tenancy at will period shall be one hundred percent (100%) of the Rental being paid in the most recent period until the thirtieth anniversary of the date hereof, after which the annual rental payable by Team or Operator during any such tenancy at will period shall be two hundred percent (200%) of the Rental being paid in the most recent period. Team or Operator (as applicable) shall also remain liable for any and all damages, direct and consequential, suffered by the Landlord as a result of any holdover without Landlord's unequivocal written acquiescence.

25. NOTICES

Any notice allowed or required by this Lease shall be deemed to have been sufficiently served if the same shall be in writing and placed in the United States mail, via certified mail or registered mail, return receipt requested, with proper postage prepaid and addressed as provided in Section 13.4 of the Agreement.

26. LEASING COMMISSION

Landlord, Team and Operator represent and warrant each to the other that they have not dealt with any broker(s) or any other person claiming any entitlement to any commission in connection with this transaction. Landlord, Team and Operator agree to indemnify and save each other harmless from and against any and all claims, suits, liabilities, costs, judgments and expenses, including reasonable attorneys' fees, for any leasing commissions or other commissions, fees, charges or payments resulting from or arising out of their respective actions in connection with this Lease.

27. MISCELLANEOUS

(a) Evidence of Authority. If requested by Landlord, Team and Operator shall furnish appropriate legal documentation evidencing the valid existence and good standing of Team and Operator and the authority of any parties signing this Lease to act for Team and Operator.

(b) Nature and Extent of Agreement. This Lease, together with the Agreement, contain the complete agreement of the parties concerning the lease by Team and Operator of the Demised Premises, and there are no oral or written understandings, representations, or agreements pertaining thereto which have not been incorporated herein or therein. This Lease creates only the relationship of landlord and tenant between the parties, and nothing herein shall impose upon either party any powers, obligations or restrictions not expressed herein.

(c) Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

(d) Captions and Headings. The captions and headings in this Lease are for convenience and reference only, and they shall in no way be held to explain, modify, or construe the meaning of the terms of this Lease.

(e) Governing Law. This Lease shall be governed by the laws of the State of North Carolina.

(f) Counterparts. This Lease may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one instrument. All signatures need not be on the same counterpart.

(g) Conflicting Terms. In the event of any conflict or inconsistency between the terms set forth in this Lease and the terms set forth in the Agreement, the terms set forth in the Agreement shall govern and control.

(h) Severability. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be ruled by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law notwithstanding the invalidity of any other term or provision hereof.

[Signature Pages to Follow]

CITY:

ATTEST:

Lisa B. Vierling, City Clerk

Date: 1/31-2018

CITY OF HIGH POINT, NORTH CAROLINA

Jay W. Wagner, Mayor

Date: 1/31-2018

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

1/31/2018

Jeff Moore, Financial Services Director

OPERATOR:

By: ______________________

Date: 1-31-18

TEAM:

By: ______________________

Date: 1-31-18

[Add pre-audit certificate.]

EXHIBIT A

Use and Operating Agreement

CHARLOTTE 205606.5

CHARITABLE GRANT AGREEMENT

This CHARITABLE GRANT AGREEMENT (this "Agreement"), is made and entered into as of the 31st day of January, 2018 (the "Execution Date") by and among The Winston-Salem Foundation, on behalf of its BB&T Charitable Fund ("WSF"), Branch Banking and Trust Company, with principal offices located at Winston-Salem, North Carolina ("BB&T"), High Point Downtown Stadium Foundation ("HPDSF"), High Point Community Foundation ("HPCF") and the City of High Point, North Carolina (the "City").

RECITALS

A. The City is a governmental unit which plans to develop a baseball stadium and community entertainment facility in High Point, North Carolina, located at ______________________ (collectively, the "Stadium"), which Stadium, pursuant to that certain Use and Operating Agreement by and between the City and HPDSF dated January 31, 2018 (the "Use Agreement"), will be exclusively operated by HPDSF on behalf of the City. The Stadium will, among other events and functions, be the home venue for a minor-league professional baseball team which will be owned or controlled by HPDSF or its Affiliates (the "Team").

B. HPDSF is a North Carolina nonprofit corporation which will apply for Federal tax exemption under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). HPDSF has every expectation that its tax exempt status as described above will be granted by the Internal Revenue Service.

C. HPCF is a North Carolina nonprofit corporation formed as a community foundation which has received its Federal tax exemption and is described under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code.

D. WSF is a North Carolina charitable trust formed as a community foundation which has received its Federal tax exemption and is described under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code. The BB&T Charitable Fund at WSF is a donor-advised fund whose grants must be made to governmental units or charitable organizations described under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code. BB&T is the advisor to the BB&T Charitable Fund.

E. Pursuant to a grant request made by BB&T, WSF, on behalf of the BB&T Charitable Fund, desires to make a grant from the BB&T Charitable Fund in the amount of $7,500,000 to be paid to HPDSF, so long as it has received its tax exemption under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code at the time each grant is made, or to HPCF if HPDSF has not received its tax exemption, for the use and benefit of the City and its citizens.

F. Pursuant to the Use Agreement, HPDSF has the right and authority to name the Stadium and wishes to name the Stadium after the BB&T Charitable Fund, all in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the above recitals, the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties, intending to be legally bound, agree as follows:

SECTION 1. INCORPORATION BY REFERENCE

1.1 Incorporation By Reference. The foregoing recitals in this Agreement are hereby incorporated herein by this reference.

SECTION 2. TERM

2.1 TERM. The term of this Agreement (the "Term") shall commence on the Execution Date and shall continue in full force and effect until October 31, 2033, unless otherwise terminated in accordance with the terms and conditions of this Agreement.

SECTION 3. CHARITABLE GRANT

3.1 GRANT. At the request of BB&T, WSF hereby pledges to make a grant in the aggregate amount of Seven Million Five Hundred Thousand and 00/100 Dollars ($7,500,000) (the "Grant") to HPDSF, so long as it has received its tax exemption under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code and is the operator of the Stadium at the time each grant is made, or to HPCF if HPDSF has not received its tax exemption at that time or HPDSF is not the operator of the Stadium (referred to herein as the "Recipient Charity"), for the use and benefit of the City and its citizens. As a condition of making the grant, the Recipient Charity shall provide the WSF with a copy of its IRS determination letter declaring the Recipient Charity is tax exempt under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code. BB&T shall have the option, at its sole election, to satisfy any part or all of the WSF's pledge hereunder, and the WSF shall be relieved of its obligations hereunder to the extent of such gift(s) by BB&T.

3.2 PAYMENT OF THE GRANT. The Grant is an irrevocable pledge that will be paid to the Recipient Charity in annual installments over the Term (each an "Annual Grant") and used for charitable purposes as described in Section 501(c)(3) of the Code. Subject to the terms of this Agreement, the initial Annual Grant, in an amount equal to Five Hundred Thousand and 00/100 Dollars ($500,000), shall be paid by WSF (or BB&T if it so elects as stated in Section 3.1 above) on or before April 1, 2019, and payments will continue annually thereafter according to the following schedule:

Year	**Annual Grant**
2020	$500,000
2021	$500,000
2022	$500,000
2023	$500,000
2024	$500,000
2025	$500,000
2026	$500,000
2027	$500,000

2028	$500,000
2029	$500,000
2030	$500,000
2031	$500,000
2032	$500,000
2033	$500,000
Total (including initial Annual Grant payment)	**$7,500,000**

3.3 INVOICES. Each Annual Grant shall be paid on or before April 1st of such applicable year. HPDSF shall submit an invoice to WSF by January 31st of such year. Failure by HPDSF to send such invoice on or before January 31st shall not constitute an HPDSF Default or otherwise constitute a breach of this Agreement, but instead WSF shall have sixty (60) days from the date of such invoice to make the Annual Grant payment.

3.4 MEANS OF PAYMENT.

(a) Each payment hereunder shall be made by electronic funds transfer of immediately available United States' funds to such account as the Recipient Charity may specify from time to time, or such other means as may be mutually agreed to by WSF and the Recipient Charity. For purposes of this Agreement, payment shall be deemed made once WSF has initiated the wire transfer to the designated account.

(b) The parties acknowledge that the Annual Grant payments can only be made to an entity determined by the Internal Revenue Service to be a public charity exempt from federal income taxes under Sections 501(c)(3), 509(a) and 170(b)(1)(A) of the Code (a "501(c)(3) Organization"). As such, each Annual Grant shall be made to the Recipient Charity, who will then pay such funds to the City in accordance with the terms of the Use Agreement.

(c) With regard to the Annual Grant payments made pursuant to Section 3.4(b) of this Agreement, the City shall have the right (i) to receive payment of the Annual Grant in accordance with the terms of this Agreement, and (ii) upon the occurrence of an Event of Default with respect thereto (and as noted in Section 8.1(a), herein), to avail itself of the rights and remedies set forth in Section 8.3, herein.

3.5 CHARITABLE GRANT. The parties intend each Annual Grant to qualify as a charitable grant to a public charity, and the terms and provisions of this Agreement shall be interpreted consistently therewith. The Recipient Charity shall provide WSF with a formal written acknowledgment of each charitable contribution and otherwise cooperate with WSF in substantiating the charitable contribution. The Recipient Charity shall use each Annual Grant for charitable purposes as described in Section 501(c)(3) of the Code. Upon WSF's request, the

Recipient Charity shall provide evidence satisfactory to WSF that each Annual Grant has been used for charitable purposes and in a manner consistent with the terms of this Agreement.

SECTION 4. NAMING RIGHTS AND LOGO

4.1 NAMING RIGHTS AND LOGO. The parties agree that the name of the Stadium shall be "BB&T ______________" with the foregoing blank being filled in with one word to reflect the type of facility (e.g., "BB&T Park" or "BB&T Stadium" or "BB&T Field") (the "Stadium Name"), which shall be the full and complete name of the Stadium. The parties further agree that the second word in the Stadium Name shall be as determined by WSF, subject to the consent of HPDSF, the City and BB&T, which consent will not be unreasonably conditioned, withheld or delayed. HPDSF further agrees to develop a Stadium logo to be mutually agreed to by HPDSF, the City, WSF and BB&T (the "BB&T Stadium Logo") pursuant to the terms of Section 5. HPDSF shall not provide naming rights to any other entities or persons for the field or the Stadium as a whole; provided, however, that WSF agrees that HPDSF may grant sponsorship rights to other persons and entities for certain discrete portions of the Stadium (by way of example only and without limitation, picnic areas, concourses, and specialized seating or entertainment areas).

4.2 BROADCAST REFERENCES; NUMBER OF GAMES. To the extent the Stadium is identified during broadcasts and announcements, the full and complete Stadium Name shall be used. Further, HPDSF shall use all commercially reasonable efforts to cause other non-employee broadcasters and announcers to use the full and complete Stadium Name if mentioned during broadcasts of the games and to avoid any abbreviated, shorthand or slang term for the Stadium Name.

4.3 DIRECTIONAL SIGNS. The City shall, and shall use all reasonable commercial efforts to coordinate with the State of North Carolina and federal transportation authorities to, install and erect roadway, traffic and pedestrian directional signs identifying the Stadium as per the Stadium Name and providing directions for reaching the Stadium.

4.4 DESIGN, INSTALLATION, FABRICATION, MAINTENANCE AND REPAIR OF SIGNAGE. The City shall be responsible for the initial fabrication and installation of all Stadium signage described herein. Maintenance and repair of such signage shall be the responsibility of the City or HPDSF, in accordance with the Use Agreement. WSF and BB&T shall have no responsibility for the initial fabrication, initial installation, maintenance or repair of the signs, billboards or other similar structures installed. The parties hereby acknowledge and agree that signs to be installed initially (as of Stadium's opening) shall be created, fabricated and installed at the sole cost and expense of the City. Prior to fabrication, the City shall prepare for WSF's approval, not to be unreasonably withheld, conditioned or delayed, three-dimensional (to the extent practicable), full-color renderings of the intended displays ("Stadium Renderings"), and BB&T agrees to cooperate reasonably in provision of any BB&T intellectual property to the City so that the City may fulfill this obligation. If WSF desires to re-design such signage for any reason then WSF shall be solely responsible for the expenses associated with the design, fabrication and installation of such signage. Any signage is subject to the City's and HPDSF's prior approval, which shall not be unreasonably withheld.

4.5 RIGHT TO RENAME THE STADIUM. WSF shall be entitled to change the Stadium Name, subject to the prior approval of HPDSF, BB&T and the City which approval shall not be unreasonably withheld; provided, however, that WSF shall not rename the Stadium if such name is lewd, vulgar, sexually explicit, offensive, discriminatory against a protected class, or offensive to the sensibilities of the community at large (as determined in the City's reasonable discretion). Any and all reasonable and customary costs associated with such changing of the Stadium Name shall be the responsibility of WSF.

4.6 TYPE OF AGREEMENT. The parties understand, intend and agree that this Agreement is not a license to use real property. It is understood and agreed that WSF shall not have the right to access the advertising signage or the devices, scoreboards or other surfaces upon which such signage shall be placed without the permission of HPDSF, which may be granted or withheld by HPDSF in its reasonable discretion. If such signage requires replacement, removal, repair or modification during the Term, HPDSF has the right to exclusively perform the same, but shall cooperate with WSF in assuring that the display of signage is constructed, created and maintained consistent with industry standards.

4.7 APPROVALS AND COMPLIANCE. The parties acknowledge and agree that all signage that is intended to be displayed in or on the Stadium and its surrounding areas and approaching roadways may be subject to applicable governmental requirements and approvals. Accordingly, all such signage shall comply with, and HPDSF's obligations hereunder are subject to, all applicable governmental rules, regulations and approvals.

SECTION 5. INTELLECTUAL PROPERTY.

5.1 OWNERSHIP AND USE

(a) BB&T grants to WSF, HPDSF and the City a non-exclusive, non-transferable, revocable license, without the right to sublicense, to use BB&T's trademarks and service marks identified in Exhibit A (the "BB&T Intellectual Property") solely in connection with the Stadium; *provided, however*, that BB&T or its Affiliates shall not own any City Intellectual Property (defined in Section 5.1(e)), to the extent that any City Intellectual Property is incorporated into the Stadium Name, the BB&T Stadium Logo or other Identifying Characteristics. WSF, HPDSF and the City shall use the BB&T Intellectual Property in strict conformance with BB&T's then-current trademark guidelines available at https://www.bbt.com/sites/bbtdotcom/bbt/documents/legal/trademark.pdf. WSF, HPDSF and the City acknowledge BB&T's right, title, and interest in and to the BB&T Intellectual Property and acknowledge that nothing herein shall be construed to accord to WSF, HPDSF or the City any rights in the BB&T Intellectual Property other than expressly enumerated in this Section. At the direction of BB&T, WSF, HPDSF and the City shall cease all use of the BB&T Intellectual Property. HPDSF agrees that nothing herein shall otherwise give to HPDSF any right, title or interest in the BB&T Intellectual Property, or any other mark of BB&T, except the right to use the BB&T Intellectual Property solely in accordance with the terms hereof; that the BB&T Intellectual Property are the sole property of BB&T; and that all goodwill and common law rights derived from any and all uses by HPDSF and its approved sublicensees of the BB&T Intellectual Property, whether or not done pursuant to this Agreement, shall inure solely to the benefit of BB&T. HPDSF hereby assigns any rights, including copyrights, it may acquire through joint development of any BB&T Intellectual Property to BB&T.

(b) For purposes of this Agreement, (i) "Affiliate" means with respect to any particular entity, any current or future corporation, limited liability company or other entity Controlled by that entity, any corporation, limited liability company or other entity which Controls that entity ("Parent") and any current or future corporation, limited liability company or other entity Controlled by such Parent; and (ii) "Controlled" and "Controls" means (x) ownership, either directly or indirectly, of more than fifty percent (50%) of all equity interests in such entity or (y) possession of such voting power sufficient to permit the election of a majority of all individuals holding the office of director, governor and other office having comparable powers under the laws of the jurisdiction under which such entity is organized and, directly or indirectly, to appoint and remove from time to time each executive officer of such entity (including its chief executive officer).

(c) BB&T or its Affiliates may file applications for copyright, trademark or service mark registration or otherwise protect the BB&T Intellectual Property and may continue or renew such registrations as required by law. HPDSF and the City agree not to raise or cause to be raised any questions concerning or objections to the validity of the BB&T Intellectual Property or to the rights of BB&T in the BB&T Intellectual Property. HPDSF, at BB&T's request and expense, shall provide BB&T with any specimens and execute all documents necessary to protect and confirm BB&T's rights in the BB&T Intellectual Property including without limitation any act reasonably necessary for BB&T to secure or maintain trademark and service mark rights for the BB&T Intellectual Property.

(d) HPDSF shall retain exclusive ownership of any HPDSF-related and/or Team-related trademarks, service marks, logos, brands or names as specifically designated by HPDSF as well as any copyrights relating thereto (collectively, the "HPDSF Intellectual Property").

(e) The City shall retain exclusive ownership of any City-related trademarks, service marks, logos, brands or names as specifically designated by City as well as any copyrights relating thereto (collectively, the "City Intellectual Property").

(f) BB&T reserves all rights to BB&T Intellectual Property not expressly granted herein.

5.2 DEVELOPMENT OF INTELLECTUAL PROPERTY. All identifying characteristics of the Stadium Name and the BB&T Stadium Logo including, without limitation, color schemes, logos, distinctive formats, fonts and trade dress ("Identifying Characteristics") shall be developed by HPDSF, subject to the approval of BB&T, which shall not be unreasonably withheld, conditioned or delayed. HPDSF will pay all costs associated with the development of the Identifying Characteristics.

5.3 COMMUNITY STANDARDS. All advertising, publication, display or other use of the BB&T Intellectual Property shall be in good taste and shall not violate community standards so as not to damage the reputation of any party.

5.4 CONTROL OF INTELLECTUAL PROPERTY.

(a) Except as otherwise provided in this Agreement, HPDSF shall not use the BB&T Intellectual Property or the City Intellectual Property, the City shall not use the BB&T Intellectual Property or the HPDSF Intellectual Property, and neither WSF nor BB&T shall use the HPDSF Intellectual Property (HPDSF, the City, WSF and BB&T are also hereinafter referred to individually as the "User" and the BB&T Intellectual Property, the City Intellectual Property and the HPDSF Intellectual Property are also hereinafter referred to individually as the "Intellectual Property") for any purpose, without the prior written consent of the other party (the "Owner"), provided, however, that any proposed use of the Intellectual Property by a User shall be deemed consented to by the Owner if the Owner receives notice of such proposed use within a reasonable time before such use will begin and does not object to the proposed use within a reasonable time period (based on, in particular, the time constraints, if any, associated with such proposed use) following the Owner's receipt of materials describing and, as appropriate to the intended use, demonstrating such intended use. Once such consent has been obtained, a User may produce the identical materials on future occasions without seeking any further consent from the Owner. Once the Stadium Renderings and BB&T Stadium Logo have been developed by HPDSF to the mutual satisfaction of the parties (pursuant to Sections 3.1 and 3.7), HPDSF may use the Stadium Renderings and BB&T Stadium Logo or derivative (as to size and placement) works thereof without first seeking further consent so long as such use is in accord with the approved Stadium Renderings and BB&T Stadium Logo.

(b) All use of the Intellectual Property shall be in accordance with the specifications of the Owner as communicated from time to time pursuant to this Agreement. Without limiting the generality of the foregoing, the Intellectual Property shall be used in conformity with the form, font, typeface and colors as communicated by the Owner, and except as to the size of reproduction, the Intellectual Property shall not be altered in any way. Each use is to be accompanied by the appropriate trademark, service mark, copyright, or other designation required by the Owner. The User shall make whatever change is required by the Owner to comply with the Owner's specifications.

(c) The User shall not make any changes to any item bearing the Intellectual Property of the Owner without the prior written consent of the Owner. All errors in the use of the Owner's Intellectual Property will be corrected promptly by the User after notification thereof by the Owner.

(d) Notwithstanding the foregoing, as for HPDSF's use of BB&T Intellectual Property, BB&T acknowledges and agrees that it would be impossibly cumbersome for HPDSF's personnel to seek BB&T's consent for each and every instance in which HPDSF proposes to use the BB&T Intellectual Property. Accordingly, the parties agree that subject to the restrictions on the uses of Intellectual Property set forth in this Section 4, BB&T consents to the use of the Stadium Name by HPDSF as follows:

(i) Game-day event publications;

(ii) Game-day print advertisements;

(iii) Scoreboard messages;

(iv) Press releases;

(v) Internal employee memos and notification;

(vi) Temporary banner, easel and identification signage used for booked meeting space or special events; and

(vii) Tickets, announcements and collateral materials related to non-baseball events taking place at the Stadium.

In no event shall the name "BB&T" be used in isolation by HPDSF, the City or the Recipient Charity; rather the name "BB&T" shall only be used in conjunction with the Stadium Name.

(e) HPDSF shall, upon actual knowledge thereof, promptly notify WSF and BB&T in writing of any adverse use by a third party of the BB&T Intellectual Property or of a mark or name which HPDSF reasonably deems confusingly similar to the BB&T Intellectual Property, but agrees to take no further action of any kind with respect thereto without BB&T's prior written consent. HPDSF further agrees to provide full cooperation with any legal or equitable action by BB&T to protect their respective rights and interest in and to the BB&T Intellectual Property, at the reasonable cost and expense of BB&T. In the event of infringement of the BB&T Intellectual Property by a third party, BB&T shall have the sole right in its discretion to initiate and conduct proceedings (including modifications to customs or other government officials objecting to the importation of infringing goods) against the infringing party, to initiate and conduct negotiations with respect thereto, including, but not limited to settlement discussions and to retain any damages recovered in such proceedings.

(f) The parties acknowledge and agree that the violation by any of the parties or any permitted sublicensees of the terms of this Agreement would result in irreparable injury to the other, for which money damages would not be a sufficient remedy; therefore, in addition to any other remedies that may be available, the non-defaulting party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for such breach.

(g) To the extent such items incorporate any BB&T Intellectual Property, HPDSF shall submit to WSF and BB&T or their designee samples of printed tickets, business cards and stationery, signage, uniforms, packaging and merchandise before any initial use thereof. BB&T may make reasonable objections to any such sample within twenty-one (21) days of its receipt thereof on the grounds that BB&T reasonably believes that the use of such items by HPDSF will have a detrimental effect upon the BB&T Intellectual Property or upon BB&T as the owner of the BB&T Intellectual Property or that the samples do not meet its quality standards. In the event of such an objection, HPDSF shall modify the items in accordance with the objection of BB&T prior to the use of such items. Upon BB&T's reasonable request, HPDSF will provide BB&T with samples of any materials that incorporate the BB&T Intellectual Property.

5.5 NO DISPUTE. The User will not, directly or indirectly, at any time dispute or contest the ownership, validity and enforceability of any Intellectual Property of the Owner, nor attempt or propose any act which may have the effect of depreciating the goodwill associated therewith.

5.6 INFRINGEMENT. With the exception of WSF, each party (the "Indemnifying Party") agrees to indemnify and hold the other party (the "Indemnified Party") harmless from all loss, cost and expense, including attorneys' fees, arising out of any claim by a third party that the intellectual property of the Indemnifying Party infringes on any property right of such third party, but only on the condition that:

(a) The Indemnifying Party shall have sole conduct of all proceedings and negotiations connected with such claims;

(b) The Indemnified Party will promptly notify the Indemnifying Party of all such claims and will not make any admissions regarding them; and

(c) The Indemnified Party will provide the Indemnifying Party with reasonable assistance and authority in connection with such claims.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE PARTIES.

Each party to this Agreement represents and warrants to the other party as follows, which representations and warranties shall survive the execution and delivery of this Agreement:

6.1 DUE ORGANIZATION AND GOOD STANDING. Such party is duly organized and validly existing under the laws of the jurisdiction in which it was formed, and is in good standing under such laws. Such party has all requisite power and authority to execute, deliver and perform its obligations under this Agreement.

6.2 BINDING EFFECT. This Agreement has been duly authorized, executed and delivered by such party and constitutes the legal, valid and binding obligation of such party, enforceable against it, in accordance with the terms hereof, except to the extent enforceability is limited by bankruptcy, reorganization and other similar laws affecting the rights of creditors generally and by general principles of equity.

6.3 NO CONFLICT. The execution, delivery and performance of this Agreement by such party does not conflict with, nor will they result in, a breach or violation of any material agreement to which such party is a party.

SECTION 7. EXIGENCIES.

7.1 FORCE MAJEURE. In the event compliance with any of the parties' obligations under this Agreement is impractical or impossible due to any emergency, including, but not limited to, embargoes, flood, hurricane, tornado, earthquake, strike, lockout or other labor dispute, fire, epidemic, acts of God, war, national emergency, civil disturbance or disobedience, riot, sabotage or terrorism, restraint by court order or public authority, failure of machinery or equipment, delay in delivery of the Stadium for occupancy and use by the Team for a full 2019 playing season, or any other occurrence beyond the parties' reasonable control (each such occurrence being an "Event of Force Majeure"), then the time for performance of such obligations shall be extended for a period equal to the duration and equivalent in kind to the period of the Event of Force Majeure. However, in no event shall any act or omission by or on the part of any party or any inability on the part of any party to pay money be, constitute or be deemed or considered an event beyond a party's reasonable control. "Rainouts" of games due to storm, lightning or other ordinary weather event shall not constitute Events of Force Majeure; provided, however, that extraordinary weather events such as tornadoes and hurricanes may, under certain circumstances, constitute Events of Force Majeure.

7.2 DAMAGE OR DESTRUCTION. The parties acknowledge that in the event the Stadium or any part thereof shall be damaged or destroyed by fire or other casualty (the "Damaged Facilities"), the City has the sole obligation and authority to determine whether to repair and restore the Damaged Facilities. In the event that the City elects not to repair and restore the Damaged Facilities, then this Agreement will terminate simultaneously with the delivery of notice of such election by the City, and WSF will have no further obligation to pay any remaining Annual Grants.

SECTION 8. DEFAULT AND TERMINATION.

8.1 WSF DEFAULT. The occurrence of any of the following constitutes a default by WSF (a "WSF Default"): (a) so long as a Recipient Charity exists, failure to pay any Annual Grant or any other amount due to the Recipient Charity within sixty (60) days after receipt by WSF of written notice thereof from HPDSF or the City; (b) WSF's or BB&T's material breach of any of its covenants, agreements, representations or warranties contained in this Agreement, if such breach has not been waived in writing, if such breach is not cured or remedied by WSF or BB&T (as the case may be) to HPDSF's reasonable satisfaction within thirty (30) days after delivery of written notice specifying the nature of the breach; or (c) if HPDSF or the City determines, in its sole discretion, that WSF or BB&T's name, reputation or conduct is immoral, criminal, offensive or otherwise of such nature as to bring disrepute to HPDSF, the City or HPCF as a result of its association with WSF or BB&T.

8.2 HPDSF DEFAULT. The occurrence of any of the following shall constitute a default by HPDSF (a "HPDSF Default"): (a) upon HPDSF's, the Recipient Charity's or the City's material breach of any of its covenants, agreements, representations or warranties contained in this Agreement, if such breach has not been waived in writing, if such breach is not cured or remedied by HPDSF, the Recipient Charity or the City (as the case may be) to WSF's reasonable satisfaction within thirty (30) days after delivery of written notice specifying the nature of the breach; (b) if WSF or BB&T determines, in its sole discretion, that the Recipient Charity, HPDSF, HPCF or the City's name, reputation or conduct is immoral, criminal, offensive or otherwise of such nature as to bring disrepute to WSF or BB&T as result of its association with the Stadium; (c) if the plans for construction of the Stadium are abandoned by the City for any reason, or if construction of the Stadium is not substantially completed by April 1, 2020; (d) if HPDSF or its permitted assignee is no longer the operator of the Stadium; (e) if neither HPDSF nor HPCF is a public charity which has received and maintains its Federal tax exemption as described under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code; (f) if the Team refuses or otherwise fails to commence its utilization of the Stadium to play its home games by the beginning of the 2020 League season, or if the Team commences such utilization but later discontinues its utilization of the Stadium for such purpose; or (g) if a successor operator of the Stadium refuses to agree to the terms of this Agreement.

8.3 RIGHTS AND REMEDIES. Upon the occurrence of either a WSF Default or an HPDSF Default, the non-defaulting party may, at its option, upon written notice to the defaulting party and subject to the limitations in Section 10.13:

(a) Terminate this Agreement at which point WSF will have no further obligation to pay any remaining Annual Grants;

(b) Enforce the provisions of this Agreement and enforce and protect the rights of the non-defaulting party by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein; or

(c) Obtain any other available legal or equitable remedy or relief, including, but not limited to, injunctive relief.

8.4 TERMINATION. This Agreement may be terminated by WSF or HPDSF in the event that the other party makes an assignment of its assets for the benefit of its creditors, files a voluntary petition in bankruptcy, is, following the filing of an involuntary petition in bankruptcy, adjudicated to be bankrupt or insolvent, or any receiver is appointed for its business or assets.

8.5 NO CONTINUED USE OF NAME. Upon expiration or earlier termination of this Agreement:

(a) HPDSF shall be free to rename the Stadium in accordance with HPDSF's rights pursuant to any agreements between HPDSF and third parties;

(b) HPDSF shall cease all use of the BB&T Intellectual Property;

(c) No party shall refer to the Stadium Name or use the BB&T Stadium Logo or any other party's Intellectual Property in its advertising or promotional materials or any other communications, without the prior written consent of the other parties herein;

(d) All parties shall make reasonable efforts to notify third parties with whom it has arranged to use, promote or feature the Stadium Name or the BB&T Stadium Logo not to use such name or BB&T Stadium Logo after the termination of this Agreement;

(e) Notwithstanding the foregoing, HPDSF shall have a period of six (6) months after the termination of this Agreement to remove any references to, or displays of, the BB&T Intellectual Property, the Stadium Name or the BB&T Stadium Logo from the signs or advertisements provided for hereunder, the costs and expenses of which shall be borne by HPDSF;

(f) WSF, BB&T and their Affiliates shall cease all use of the HPDSF Intellectual Property and shall no longer refer to the Stadium Name or use the BB&T Stadium Logo in its or their advertising or promotional materials or other communications by or on behalf of WSF, BB&T or their Affiliates.

SECTION 9. NOTICES.

9.1 REQUIRED NOTICES. All notices, demands and other communications among the parties required hereunder shall be in writing and deemed given upon personal delivery, or if sent by recognized express carrier, to the respective addresses as set forth below. WSF and HPDSF may specify another address from the one set forth below by notice to the other as provided herein.

If to HPDSF:	High Point Downtown Stadium Foundation Attention: Coy O. Williard, Jr. 449 S. Wrenn Street High Point, NC 27260
If to WSF:	The Winston-Salem Foundation Attn: Mr. Scott F. Wierman 751 West Fourth St., Suite 200 Winston-Salem, NC 27101-2702
If to BB&T:	Branch Banking and Trust Company Attn: Jennifer Randall 2400 Reynolda Road, 2nd Floor Winston-Salem, NC 27104-4606
If to the City:	City of High Point 211 South Hamilton High Point, NC 27260 Attention: City Attorney and City of High Point 211 South Hamilton High Point, NC 27260 Attention: City Manager

9.2 REQUIRED DESIGNEE. Each party agrees to provide (by notice to the other party from time to time) a single person designated to act as the point of contact for the other party in the administration of this Agreement throughout the Term. Each party agrees to work with the other in the event of a change in management to assure continuous efforts to work cooperatively to fulfill such party's obligations under this Agreement.

SECTION 10. MISCELLANEOUS.

10.1 EXPENSES. All expenses of the preparation of this Agreement and of the transactions provided for hereby shall be borne by the respective parties incurring such expense, whether or not such transactions are consummated.

10.2 CHOICE OF LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina, without regard to the conflicts of laws principles thereof.

10.3 DISPUTE RESOLUTION. Except as otherwise set forth below, any dispute, controversy or claim (including without limitation tort claims, requests for provisional remedies or other interim legal relief, and issues as to the ability to arbitrate any matter) arising out of or relating to this Agreement, or the breach thereof, that cannot be settled through negotiation shall be settled (a) first, by the parties trying in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association ("AAA") (such mediation session to be held in Winston-Salem, North Carolina and to commence within thirty (30) days of the appointment of the mediator by the AAA), and (b) if the dispute, controversy or claim cannot be settled by mediation, then by arbitration administered by the AAA under its Commercial Arbitration Rules (such arbitration to be held in Winston-Salem, North Carolina before a single arbitrator and to commence within sixty (60) days of the appointment of the arbitrator by the AAA), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Notwithstanding the preceding sentence, any party may apply directly, without a need to first pursue mediation or arbitration, to any court of competent jurisdiction for protection, enforcement, an order or other equitable relief relating to such party's rights pursuant to this Agreement. Such protection, enforcement, order or other equitable relief may include, in such party's sole discretion, application for and enforcement of temporary, preliminary and permanent injunctive relief or any other equitable relief to which such party may be entitled. Notwithstanding the foregoing, the City shall be exempt from the application of this section and the provisions of this section shall not apply to the City.

10.4 LEAGUE RULES. This Agreement shall in all respects be subject to (in each case to the extent applicable):

(a) the constitution, bylaws, and all other rules, regulations and policies of the Atlantic League, or other professional baseball league of which the Team may be a member from time to time during the Term;

(b) any collective bargaining agreement to which the Team is now or in the future subject to; and

(c) any national corporate marketing, licensing, sponsorship or similar agreements between the Atlantic League, or other professional baseball league of which the Team may be a member, and third parties, all as the same may now or hereafter exist (collectively, the "League Rules").

10.5 CONFIDENTIALITY. Each party agrees to treat as confidential all information regarding the other party or any Affiliate furnished, or to be furnished, pursuant to this Agreement, (collectively, the "Information"), in accordance with the provisions of this section, and to take, or abstain from taking, other actions set forth herein. The Information will be used solely for the purpose of fulfilling each party's obligations hereunder, and will be kept confidential by the receiving party, its Affiliates and their respective officers, directors members, employees, representatives, agents, and advisors, provided, however, that: (a) any of such Information may be disclosed to officers, directors, members, employees, representatives, agents, and advisors of the receiving party or an Affiliate who need to know such Information for the purpose of fulfilling such party's obligations hereunder, (b) the receiving party may disclose any Information to which the disclosing party previously and expressly consents to in writing, and (c) a party may disclose that portion of the Information to the extent and in the manner required to satisfy its obligations under federal and state laws and regulations. A party intending to make any such required disclosure shall provide to the disclosing party reasonable advance notice of such requirement and reasonable opportunity to seek a court order or other relief preventing such disclosure. Subject to applicable law, upon termination or expiration of this Agreement, each party will return to the disclosing party all materials containing or reflecting the Information and will not retain any copies, extracts, or other reproductions thereof. These obligations of confidentiality shall survive the termination of this Agreement for any reason whatsoever for a period of three (3) years. In addition to the foregoing, any documents that come into possession of the City pursuant to this Agreement may be "public records" as defined and regulated under Chapter 132 of the General Statutes of North Carolina. Specifically, if any party desires to protect the confidentiality of any document or record shared with the City that party must comply with the labeling of such document as a "trade secret" or as "confidential" pursuant to the terms of NCGS 132-1.2. If a request for any record or document properly labeled is requested as a public record by any person, the City shall notify the party claiming protection as a trade secret or confidential record, and that party shall have five (5) working days to notify the City that the party claiming protection will provide a defense to the release of the record at the expense of the party desiring to protect the record from public disclosure pursuant to the laws of the State of North Carolina. If no such notice is delivered in writing to the City, the City will release the record pursuant to the statute and shall have no liability to the party claiming protection.

10.6 INTERPRETATION. The parties agree that the Agreement is jointly drafted and that the Agreement has been reviewed with the advice and input of legal counsel for each party, respectively. Accordingly, the parties agree further that if any issue arises as to the meaning or construction of any word, phrase or provision hereof, then no party shall be entitled to the benefit of the principles of the construction and interpretation of contracts or written instruments that provide that any ambiguity is to be construed in favor of the party who did not draft the disputed word, phrase or provisions.

10.7 [Reserved.]

10.8 WAIVER. No waiver by any party of any covenant or condition of this Agreement shall constitute a waiver by the waiving party of any subsequent breach of such covenant or condition or authorize the breach or non-observance on any other occasion of the same or any other covenant or condition of this Agreement.

10.9 BINDING EFFECT AND ASSIGNABILITY OF RIGHTS. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. No party may assign any rights or obligations hereunder unless it receives the prior written approval of the other parties (such approval to not be unreasonably withheld). Notwithstanding the prior sentence, no party may withhold its approval to an assignment or other transfer of this Agreement, in whole or in part, in the event of a consolidation of a party with any of its Affiliates, so long as such transferee agrees to be bound by all of the transferor party's rights and obligations pursuant to this Agreement which are thereby transferred, and in the case where the transferor is HPDSF, such transferee is a 501(c)(3) Organization with a charitable purpose(s) similar to that of HPDSF.

10.10 <u>SURVIVAL</u>. The expiration of the Term does not affect or in any way limit the provisions of this Agreement that are by their terms or nature intended to survive the expiration of the Term.

10.11 <u>ENTIRE AGREEMENT AND AMENDMENT</u>. This Agreement represents the entire agreement by the parties and may be modified or amended in writing only, signed by the parties. Solely as between HPDSF and the City, nothing herein is intended to amend, modify or in any way supersede the Use Agreement, any exhibits or agreements ancillary thereto, and/or the rights and obligations of HPDSF and the City thereunder.

10.12 <u>COUNTERPARTS</u>. This Agreement may be executed in one or more counterparts.

10.13 <u>LIMITATION ON LIABILITY</u>. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY AND EXCEPT TO THE EXTENT RESULTING FROM FRAUD, BAD FAITH OR MALICE, UNDER NO CIRCUMSTANCES SHALL ANY PARTY BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER ARISING FROM OR RELATED TO THIS AGREEMENT OR ANY PARTY'S PERFORMANCE HEREUNDER.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed on the day and year first written above.

THE WINSTON-SALEM FOUNDATION,
on behalf of its BB&T Charitable Fund

By: ______________________________
Scott F. Wierman, President

BRANCH BANKING AND TRUST COMPANY

By: ______________________________
Jennifer L. Randall, Vice President

HIGH POINT DOWNTOWN STADIUM FOUNDATION

By: ______________________________
Coy O. Williard, Jr., President

HIGH POINT COMMUNITY FOUNDATION

By: ______________________________
Paul Lessard, President

CITY OF HIGH POINT NORTH CAROLINA

By: ______________________________
Jay W. Wagner, Mayor

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed on the day and year first written above.

THE WINSTON-SALEM FOUNDATION,
on behalf of its BB&T Charitable Fund

By: ______________________
Scott F. Wierman, President

BRANCH BANKING AND TRUST COMPANY

By: ______________________
Jennifer L. Randall, Vice President

HIGH POINT DOWNTOWN STADIUM
FOUNDATION

By: ______________________
Coy O. Williard, Jr., President

HIGH POINT COMMUNITY FOUNDATION

By: ______________________
Paul Lessard, President

CITY OF HIGH POINT NORTH CAROLINA

By: ______________________
Jay W. Wagner, Mayor

EXHIBIT A

Licensed Marks

Logo | PROMOTIONAL SIGNATURE

All Logo Options

BB&T

1 inch

1 inch

Halo Logo Spot
BB&T_HALO_burg+K.eps

BB&T

1/4 inch

1 inch

1 inch

Halo Logo Spot - Bleed
BB&T_HALO_burg+K_bleed.eps

BB&T

1 inch

1 inch

Halo Logo CMYK
BB&T_HALO_CMYK.eps

BB&T

1/4 inch

1 inch

1 inch

Halo Logo CMYK - Bleed
BB&T_HALO_CMYK_bleed.eps

BB&T

1 inch

1 inch

Flat Logo BB&T Burgundy
BB&T_FLAT_burg.eps

BB&T

1/4 inch

1 inch

1 inch

Flat Logo BB&T Burgundy
BB&T_FLAT_burg_bleed.eps

BB&T

1 inch

1 inch

Flat Logo Black & White
BB&T_FLAT_K.eps

BB&T

1/4 inch

1 inch

1 inch

Flat Logo Black & White - Bleed
BB&T_FLAT_K_bleed.eps

6

Logo | CORPORATE SIGNATURE

Corporate Signature

The Halo Logo of the promotional signature is the preferred BB&T logo, but when there are size constraints or limited printing methods, the corporate signature may be used.

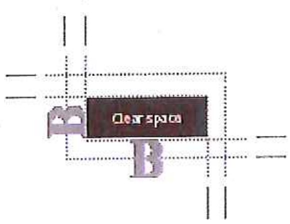
The most common applications for this signature include stationery, forms and most corporate communication materials, as well as signs, ATMs and promotional items.

BB&T Burgundy
BB&T_burg

BB&T CMYK (four-color uses only)
BB&T_CMYK

BB&T Black and White
BB&T_K

BB&T Reverse
BB&T_reverse



The clear space is equal to half the letter height of the logotype.

CITY OF HIGH POINT
AGENDA ITEM

Title: Purchase of 750 MCM Underground Cable
Bid No 21-110518

From: Garey S. Edwards, Electric Utilities Director

Public Hearing: N/A

Meeting Date: November 19, 2018
Advertising Date: November 5, 2018
Advertised By: N/A

Attachments: Attachment A: Formal bid Recommendation
Attachment B: Bid Tabulation

PURPOSE:
To purchase 750 MCM underground cable for the Boundary Substation and re-stock the warehouse.

BACKGROUND:
The Electric Department stocks this item in inventory, however, with recent projects normal inventory amounts have been exhausted.

BUDGET IMPACT:
Funds are available in the 2018-2019 Annual Budget.

RECOMMENDATION / ACTION REQUESTED:
Council is requested to award contract to ANIXTER in the amount of $298,120.00 and authorize the appropriate City Official to execute all necessary documents.

HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY™

FORMAL BID RECOMMENDATION
REQUEST FOR COUNCIL APPROVAL

DEPARTMENT: ELECTRIC

COUNCIL AGENDA DATE: 11/19/2018

BID NO.: 21-110518 CONTRACT NO.: DATE OPENED: Nov 5, 2018

DESCRIPTION:

WHS#113
WIRE - PRIMARY UG -750 MCM CU 1/C 15KV- PER SECIFICATIONS

PURPOSE:

TO REPLENISH STOCK IN THE WAREHOUSE .

COMMENTS:

IT IS MY RECOMMENDATION THAT THE ENTIRE BID BE AWARDED TO ANIXTER FOR THE TOTAL PRICE OF $298,120.00 . THEY ARE THE LOWEST RESPONSIVE BIDDER MEETING SPECIFICATIONS .

RECOMMEND AWARD TO: ANIXTER AMOUNT: $298,120.00

JUSTIFICATION:

ANIXTER HAD THE LOWEST PRICE OUT OF TWO BIDDERS , SO IT IS MY RECOMMENDATION THAT THE BID BE AWARDED TO ANIXTER .

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
631795	533504			$298,120.00
TOTAL BUDGETED AMOUNT				

DEPARTMENT HEAD: Garey S. Edwards Digitally signed by Garey S. Edwards Date: 2018.11.06 11:25:25 -05'00' DATE: Nov 6, 2018

The Purchasing Division concurs with recommendation submitted by the Electric **and recommends award to the lowest responsible, responsive bidder** ANIXTER **in the amount of $** 298,120.00 .

PURCHASING MANAGER: Erik Conti Digitally signed by Erik Conti DN: cn=Erik Conti, o, ou, email=erik.conti@highpointnc.gov, c=US Date: 2018.11.06 15:53:57 -05'00' DATE: Nov 6, 2018

Approved for Submission to Council
FINANCIAL SERVICES DIRECTOR: Kelly Latham Digitally signed by Kelly Latham DN: cn=Kelly Latham, o, ou, email=kelly.latham@highpointnc.gov, c=US Date: 2018.11.07 11:58:56 -05'00' DATE: 11/7/2018

CITY MANAGER: Greg Demko Digitally signed by Greg Demko DN: cn=Greg Demko, o=High Point, ou=High Point, email=greg.demko@highpointnc.gov, c=US Date: 2018.11.07 13:38:14 -05'00' DATE: Nov 7, 2018

BIDDERS LIST & TABULATION

* * AWARDED TO ANIXTER * *

FORMAL BID #21-110518 – WIRE #113					
VENDOR NAME & ADDRESS	**ITEM #**	**QTY.**	**UNIT PRICE (UOM=FT)**	**TOTAL PRICE**	**DELIVERY A.R.O.**
ANIXTER 5031 UNICON DR. WAKE FOREST, NC 27587	**113**	**20,000**	**$14.906**	**$298,120.00**	**96 DAYS**
IRBY P.O. BOX 7457 ROCKY MOUNT, NC 27804	**113**	**20,000**	**-**	**NO QUOTE**	**-**
SHEALY ELEC. WHOLESALERS P.O. BOX 8597 COLUMBIA, SC 29202	**113**	**20,000**	**-**	**NO QUOTE**	**-**
WESCO 3025 STONYBROOK DR. RALEIGH, NC 27604	**113**	**20,000**	**$14.91**	**$298,200.00**	**12-14 WKS.**

*Bids emailed October 18, 2018.

CITY OF HIGH POINT
AGENDA ITEM

Title: Amend Audit Contract FY 2018 to Extend Timeframe for Completion

From: Kelly Latham

Meeting Date: November 19, 2018

Public Hearing:

Advertising Date / Advertised By:

Attachments: Amendment to Contract to Audit Accounts

PURPOSE:

The Local Government Commission requires an amended audit contract for FY 2018 audit completion dates after December 1, 2018.

BACKGROUND:

The Financial Services Department has experienced significant turnover in four key positions during the last four months in the areas of general accounting / grants, payroll, accounts payroll, and management / reporting. The timeframe between July 1 and October 31 is critical for timely completion of the audit. Due to the level of turnover experienced during this timeframe, it has not been possible or us to stay on track to ensure timely completion of the audit and Comprehensive Annual Financial Report.

BUDGET IMPACT:

N/A

RECOMMENDATION / ACTION REQUESTED:

Council is requested to approve to amend the audit contract with Cherry Bekaert, LLP for the fiscal year period June 30, 2018 to extend the delivery date of the Comprehensive Annual Financial Report to the Local Government Commission until January 31, 2019. All other terms of the contract, including the audit fee, remain in force as originally proposed.

AMENDMENT TO CONTRACT TO AUDIT ACCOUNTS

Whereas	Primary Government Unit City of High Point, North Carolina
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A
and	Auditor Cherry Bekaert LLP

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending 06/30/18	and originally due on	Audit Report Due Date 10/31/18

hereby agree that it is now necessary that the contract be modified as follows.

☑ Modification to due date:	Original due date 10/31/18	Modified due date 01/31/19
☐ Modification to fee:	Original fee	Modified fee

EXPLANATION OF MODIFIED CONTRACT TERMS

Please provide an explanation for the modification of terms. If the amendment is submitted to extend the due date, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years.

The City of High Point Financial Services Department has experienced significant turnover. Four positions were vacated between July 1 and October 31, one of those being the Director of Financial Services, and the other 2 positions were highly critical Accountant positions. The Director played a large role in completion of our CAFR, as did our Accountants. Due to the significant loss of staff resources during our most difficult time of year, we are unable to complete our CAFR timely and expect completion by 1-31-19. The City is currently recruiting for a new Director. In addition, discussions are in progress as to the possibility of additional staff or other resources to assist with the CAFR in the future, in order to ensure more timely completion.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Cherry Bekaert LLP	
Authorized Firm Representative (typed or printed) Eddie Burke	Signature
Date 11/08/18	Email Address EBurke@cbh.com

GOVERNMENTAL UNIT

Governmental Unit City of High Point, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE
ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT

(Pre-audit certificate not required for charter schools or hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer	Signature
Date of Pre-Audit Certificate	Email Address

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed) N/A	Signature
Date	Email Address N/A

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address N/A

DPCU – PRE-AUDIT CERTIFICATE
ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT

(Pre-audit certificate not required for charter schools or hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed) N/A	Signature
Date of Pre-Audit Certificate	Email Address N/A

CITY OF HIGH POINT
AGENDA ITEM

Title: Amendment to License Agreement - Cingular Wireless PCS, LLC (AT&T)

From: Terry Houk – Public Services Director
Derrick Boone – Asst. Public Services Director

Meeting Date: May 21, 2018

Public Hearing: No

Advertising Date: N/A
Advertised By: N/A

Attachments: N/A

PURPOSE & BACKGROUND:
Cingular Wireless PCS, LLC (AT&T) has requested an amendment to the current license agreement with the City that allows them to use space at the Ward Water plant for the installation of communication equipment. The amendment would result in the following changes:

1. Extend the term of the License by 15 years, resulting in a termination date of October 19, 2042; and
2. Provide Cingular first right of refusal.

BUDGET IMPACT:
No impact to the budget.

RECOMMENDATION / ACTION REQUESTED:
Public Services is recommending that City Council approve the Amendment to License Agreement with Cingular Wireless PCS, LLC and authorize the City Manager to execute the agreement.

Profile

Sarah
First Name

Otte
Last Name

sarah.j.otte@gmail.com
Email Address

1718 Carolina Ct.
Street Address

Suite or Apt

High Point
City

NC
State

27265
Postal Code

What district do you live in? *

☑ Within High Point Corporate Limits

Home: (864) 650-7775
Primary Phone

Home:
Alternate Phone

Wake Forest School of Medicine
Employer

Which Boards would you like to apply for?

Citizens Advisory Council: Submitted
Historic Preservation Commission: Submitted
Human Relations Commission: Submitted
Library Board of Trustees: Submitted
Parks and Recreation Commission: Submitted

1
Ward you reside in?

Interests & Experiences

Please list any work, volunteer, and/or educational experience that you would like us to consider in the review of your application.

Americorps VISTA for Habitat for Humanity through the Corporation of National and Community Service, ran a farmer's market in college, volunteered at a urgent care while in high school. Committed to serving in local government and listening to constituents. Brings in young blood to a community while still having respect for the past and the values of the area. I did run for At-Large because I love this town and have made it my home. Since I was unable to move forward in the election, I want to still help out the town in whatever way I can. I will not lose momentum and I will make sure that whatever role you put me in, I will do our town and citizens justice.

Sarah_Otte_Resume-2.doc.docx

Upload a Resume

Have you participated in Leadership High Point?

○ Yes ◉ No

If yes, please list the year in which you participated in Leadership High Point:

Gender

☑ Female

Sarah Jane Otte 864.650.7775

1718 Carolina Court, High Point, North Carolina 27265 sotte@g.clemson.edu

WORK EXPERIENCE

Wake Forest Baptist Health **Winston-Salem, North Carolina**
Department: Undergraduate Medical Education August 2015 to Present

Enrollment Services Coordinator January 2017 to Present
Invite MD applicants to interview day, manage the Visiting Student Application Service for host fourth year students, create process documents for a variety of daily operations, assist with the committee of admissions meetings, process holding fees and refunds for prospective MD students, maintain criminal background checks for applicants and current students, coordinate special events, run the MD interview day on the faculty side, process transcript and other requests for alumni and current students, manage social media and webpage updates, assist with MMI implementation

Enrollment Services Specialist September 2016 to December 2016
Ran the MD interview day on the applicant side, maintained the School of Medicine social media presence and website, archived student records, processed and scheduled tours of the Bowman Gray Center for Medical Education, coordinated and released the administrative updates monthly newsletter, completed a variety of tasks for Student Records and Admissions in PeopleSoft, kept up to date process documentation on standard operating procedures, assisted in the visiting student host process through the VSAS service

Secretary II August 2015 to September 2016
Assisted with admissions process, onboarded the Graduate School interns, completed various tasks in PeopleSoft, greeted visitors and faculty, directed traffic, ran errands for the deans, maintained the webpages for the Office of Enrollment Services, planned and executed the monthly administrative update newsletter for all departments in the medical school

Corporation for National and Community Service **Winston-Salem, North Carolina**
AmeriCorps VISTA August 2014 to August 2015

Served as the ReStore Volunteer Coordinator for the Habitat for Humanity of Forsyth County affiliate, developed a volunteer training and retention program, recruited volunteers to fill different positions throughout the ReStore, staffed the ReStore with volunteers in high traffic hours and organized volunteer shifts to keep the process as efficient and low-cost as possible, coordinated the yearly volunteer appreciation gala which included procuring the catering and decorations along with managing the event, created a social media presence to obtain new volunteers and increase sales, represented the organization in a variety of community events, attended national conferences

Clemson University Summer Sessions **Clemson, South Carolina**
Social Media Marketing Intern January 2014 to March 2014

Developed social media strategies to promote summer programs, worked with faculty members to make marketing material for new programs, contacted other institutions to find out their methods of improving summer school attendance

Clemson University Professional Internships and Co-op **Clemson, South Carolina**
Publication Intern January 2014 to March 2014

Contacted print companies to gain quotes on mass print publications, learned skills in Adobe Creative Suite to develop articles, researched other university publications and reached out to their respective publication departments

Clemson University **Clemson, South Carolina**
Bid Archivist June 2012 to August 2012

Archived old bids and purchase orders, edited/reformatted spreadsheets, scanned purchase orders, provided administrative support for coworkers, maintained records and managed the document retention process

Gibson Organic Beef Farm **Westminster, South Carolina**
Intern April 2012 to June 2012

Helped sell organic beef at local farmers markets while also learning about farm operations, assisted with farm events that showcased the methods of organic beef farming at the only USDA certified organic beef producer in the state

Harbor Freight Tools **Columbia, South Carolina**
Sales Associate June 2011 to August 2011

Operated cash registers, cleaned the floor, answered questions, registered customer warranties, maintained a clean and organized work space

University of Kentucky **Lexington, Kentucky**
Night Desk Clerk August 2010 to December 2010

Signed students into the dorms, checked in guests, coordinated with security to ensure the safety of the students, filled in for resident assistants during their meetings and rounds

Belk **Columbia, South Carolina**
Seasonal Sales Associate October 2009 to December 2009

Cleaned and organized displays, operated cash register, answered customer's questions in person and on the phone

EDUCATION

North Carolina State University **Raleigh, North Carolina**
Master of Education, Training and Development August 2017 to Present

Clemson University **Clemson, South Carolina**
Bachelor of Science, Management with an Emphasis in Human Resources August 2014

- LIFE Scholarship Recipient
- Agricultural and Biological Engineering Scholarship Recipient
- Thelma Crook Witt and Lee Harold Witt Scholarship Recipient

UNDERGRADUATE RESEARCH

Clemson Farm-Fresh Market **Clemson, South Carolina**
Faculty Advisor: Dr. Angela Fraser August 2011 to October 2012

Market Manager May 2012 to October 2012
Found new vendors through multiple avenues including cold calling and visiting other markets, created budgets, dealt with public relations, organized a group of twelve undergrads to put on successful markets during the fall and spring semesters, oversaw the management of USDA grant funds

Financial Director August 2011 to May 2012
Kept track of expenses and sales, provided a budget, approved purchases, researched grants to help the farmers market cover costs, managed USDA grant funds, researched a variety of grant opportunities

CO-CURRICULAR ACTIVITIES

- **Member,** Winston-Salem Jaycees, joined in March 2015
- **Member,** Carolina Farm Stewardship Association, joined in June 2012
- **Treasurer,** Tau Sigma honors society, April 2012 to August 2014, joined in October 2011
- **First Vice President,** Sigma Alpha sorority, November 2012 to December 2013
- **Chapter Delegate for National Congress,** Sigma Alpha sorority, October 2013
- **Historian,** Sigma Alpha sorority, January 2012 to November 2012, joined in September 2011
- **Member,** Sigma Alpha Lambda Leadership and Honors Organization, joined in May 2012
- **On-Air DJ,** WSBF FM, January 2011 to December 2011

CERTIFICATIONS

- **Notary Public,** State of North Carolina, valid through December 2019

SKILLS

- Microsoft Office adept
- Apple iLife adept
- Adobe Creative Suite proficient
- Google Drive adept
- Microsoft Visio proficient
- Ektron adept
- PeopleSoft competent
- Advanced knowledge of Microsoft Excel
- Event planning
- Customer service
- Data management
- Social media marketing

CITY OF HIGH POINT
AGENDA ITEM

Title: Appointments/Reappointment –- Boards & Commissions – Human Relations Commission

From: Council Member Golden
Council Member Hudson
Mayor Pro Tem Williams

Meeting Date: January 16, 2018

Public Hearing: N/A

Advertising Date / Advertised By:

Attachments: Bio of Sarah Otte and Daniel Gardner

PURPOSE:
To make the following appointments/reappointment to the Human Relations Commission.

BACKGROUND:
Council Member Jeff Golden is recommending the appointment of Sarah Otte as the Ward 1 appointment (term expires 11/1/2019); Council Member Wesley Hudson is recommending the appointment of Daniel Gardner as the Ward 4 appointment (term expires 11/1/2020); Council Member Chris Williams is requesting the reappointment of Latishia Bahena as the Ward 2 appointment (term expires 1/1/2020).

BUDGET IMPACT:
N/A

RECOMMENDATION / ACTION REQUESTED:
Council is requested to confirm these appointments and reappointment to the Human Relations Commission.

SMITH MOORE
LEATHERWOOD
ATTORNEYS AT LAW

Suite 1300
101 N. Tryon Street
Charlotte, NC 28246

March 6, 2018

Via Federal Express

Greg Demko
City Manager

City of High Point
P.O. Box 230
High Point, NC 27261

Re: Client-Matter No. City of High Point

Dear Greg:

Enclosed please find the City's original fully-executed Charitable Grant Agreement.

Please let us know if you have any questions or need anything further.

Very truly yours,

SMITH MOORE LEATHERWOOD LLP

Jonathan M. Fine

JMF/lmh
Enclosures

Direct: 704.384.2694 | Fax: 704.384.2922 | jonathan.fine@smithmoorelaw.com | www.smithmoorelaw.com

ATLANTA | CHARLOTTE | GREENSBORO | GREENVILLE | RALEIGH | WILMINGTON

Execution Version

CHARITABLE GRANT AGREEMENT

This CHARITABLE GRANT AGREEMENT (this "Agreement"), is made and entered into as of the 31st day of January, 2018 (the "Execution Date") by and among The Winston-Salem Foundation, on behalf of its BB&T Charitable Fund ("WSF"), Branch Banking and Trust Company, with principal offices located at Winston-Salem, North Carolina ("BB&T"), High Point Downtown Stadium Foundation ("HPDSF"), High Point Community Foundation ("HPCF") and the City of High Point, North Carolina (the "City").

RECITALS

A. The City is a governmental unit which plans to develop a baseball stadium and community entertainment facility in High Point, North Carolina, located at a site bordered by Elm Street, Gatewood Avenue, Lindsay Street and Pine Street (collectively, the "Stadium"), which Stadium, pursuant to that certain Use and Operating Agreement by and between the City and HPDSF dated January 31, 2018 (the "Use Agreement"), will be exclusively operated by HPDSF on behalf of the City. The Stadium will, among other events and functions, be the home venue for a minor-league professional baseball team which will be owned or controlled by HPDSF or its Affiliates (the "Team").

B. HPDSF is a North Carolina nonprofit corporation which will apply for Federal tax exemption under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). HPDSF has every expectation that its tax exempt status as described above will be granted by the Internal Revenue Service.

C. HPCF is a North Carolina nonprofit corporation formed as a community foundation which has received its Federal tax exemption and is described under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code.

D. WSF is a North Carolina charitable trust formed as a community foundation which has received its Federal tax exemption and is described under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code. The BB&T Charitable Fund at WSF is a donor-advised fund whose grants must be made to governmental units or charitable organizations described under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code. BB&T is the advisor to the BB&T Charitable Fund.

E. Pursuant to a grant request made by BB&T, WSF, on behalf of the BB&T Charitable Fund, desires to make a grant from the BB&T Charitable Fund in the amount of $7,500,000 to be paid to HPDSF, so long as it has received its tax exemption under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code at the time each grant is made, or to HPCF if HPDSF has not received its tax exemption, for the use and benefit of the City and its citizens.

F. Pursuant to the Use Agreement, HPDSF has the right and authority to name the Stadium and wishes to name the Stadium after the BB&T Charitable Fund, all in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the above recitals, the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties, intending to be legally bound, agree as follows:

SECTION 1. INCORPORATION BY REFERENCE

1.1 Incorporation By Reference. The foregoing recitals in this Agreement are hereby incorporated herein by this reference.

SECTION 2. TERM

2.1 TERM. The term of this Agreement (the "Term") shall commence on the Execution Date and shall continue in full force and effect until October 31, 2033, unless otherwise terminated in accordance with the terms and conditions of this Agreement.

SECTION 3. CHARITABLE GRANT

3.1 GRANT. At the request of BB&T, WSF hereby pledges to make a grant in the aggregate amount of Seven Million Five Hundred Thousand and 00/100 Dollars ($7,500,000) (the "Grant") to HPDSF, so long as it has received its tax exemption under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code and is the operator of the Stadium at the time each grant is made, or to HPCF if HPDSF has not received its tax exemption at that time or HPDSF is not the operator of the Stadium (referred to herein as the "Recipient Charity"), for the use and benefit of the City and its citizens. As a condition of making the grant, the Recipient Charity shall provide WSF with a copy of its IRS determination letter declaring the Recipient Charity is tax exempt under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code. BB&T shall have the option, at its sole election, to satisfy any part or all of WSF's pledge hereunder, and WSF shall be relieved of its obligations hereunder to the extent of such gift(s) by BB&T.

3.2 PAYMENT OF THE GRANT. The Grant is an irrevocable pledge that will be paid to the Recipient Charity in annual installments over the Term (each an "Annual Grant") and used for charitable purposes as described in Section 501(c)(3) of the Code. Subject to the terms of this Agreement, the initial Annual Grant, in an amount equal to Five Hundred Thousand and 00/100 Dollars ($500,000), shall be paid by WSF (or BB&T if it so elects as stated in Section 3.1 above) on or before April 1, 2019, and payments will continue annually thereafter according to the following schedule:

Year	Annual Grant
2020	$500,000
2021	$500,000
2022	$500,000
2023	$500,000
2024	$500,000

2025	$500,000
2026	$500,000
2027	$500,000
2028	$500,000
2029	$500,000
2030	$500,000
2031	$500,000
2032	$500,000
2033	$500,000
Total (including initial Annual Grant payment)	**$7,500,000**

3.3 INVOICES. Each Annual Grant shall be paid on or before April 1st of such applicable year. HPDSF shall submit an invoice to WSF by January 31st of such year. Failure by HPDSF to send such invoice on or before January 31st shall not constitute an HPDSF Default or otherwise constitute a breach of this Agreement, but instead WSF shall have sixty (60) days from the date of such invoice to make the Annual Grant payment.

3.4 MEANS OF PAYMENT.

(a) Each payment hereunder shall be made by electronic funds transfer of immediately available United States' funds to such account as the Recipient Charity may specify from time to time, or such other means as may be mutually agreed to by WSF and the Recipient Charity. For purposes of this Agreement, payment shall be deemed made once WSF has initiated the wire transfer to the designated account.

(b) The parties acknowledge that the Annual Grant payments can only be made to an entity determined by the Internal Revenue Service to be a public charity exempt from federal income taxes under Sections 501(c)(3), 509(a) and 170(b)(1)(A) of the Code (a "501(c)(3) Organization"). As such, each Annual Grant shall be made to the Recipient Charity, who will then pay such funds to the City in accordance with the terms of the Use Agreement.

(c) With regard to the Annual Grant payments made pursuant to Section 3.4(b) of this Agreement, the City shall have the right (i) to receive payment of the Annual Grant in accordance with the terms of this Agreement, and (ii) upon the occurrence of an Event of Default with respect thereto (and as noted in Section 8.1(a), herein), to avail itself of the rights and remedies set forth in Section 8.3, herein.

3.5 CHARITABLE GRANT. The parties intend each Annual Grant to qualify as a charitable grant to a public charity, and the terms and provisions of this Agreement shall be interpreted consistently therewith. The Recipient Charity shall provide WSF with a formal written acknowledgment of each charitable contribution and otherwise cooperate with WSF in substantiating the charitable contribution. The Recipient Charity shall use each Annual Grant for charitable purposes as described in Section 501(c)(3) of the Code. Upon WSF's request, the Recipient Charity shall provide evidence satisfactory to WSF that each Annual Grant has been used for charitable purposes and in a manner consistent with the terms of this Agreement.

SECTION 4. NAMING RIGHTS AND LOGO

4.1 NAMING RIGHTS AND LOGO. The parties agree that the name of the Stadium shall be "BB&T ____________" with the foregoing blank being filled in with one word to reflect the type of facility (e.g., "BB&T Park" or "BB&T Stadium" or "BB&T Field") (the "Stadium Name"), which shall be the full and complete name of the Stadium. The parties further agree that the second word in the Stadium Name shall be as determined by WSF, subject to the consent of HPDSF, the City and BB&T, which consent will not be unreasonably conditioned, withheld or delayed. HPDSF further agrees to develop a Stadium logo to be mutually agreed to by HPDSF, the City, WSF and BB&T (the "BB&T Stadium Logo") pursuant to the terms of Section 5. HPDSF shall not provide naming rights to any other entities or persons for the field or the Stadium as a whole; provided, however, that WSF agrees that HPDSF may grant sponsorship rights to other persons and entities for certain discrete portions of the Stadium (by way of example only and without limitation, picnic areas, concourses, and specialized seating or entertainment areas).

4.2 BROADCAST REFERENCES; NUMBER OF GAMES. To the extent the Stadium is identified during broadcasts and announcements, the full and complete Stadium Name shall be used. Further, HPDSF shall use all commercially reasonable efforts to cause other non-employee broadcasters and announcers to use the full and complete Stadium Name if mentioned during broadcasts of the games and to avoid any abbreviated, shorthand or slang term for the Stadium Name.

4.3 DIRECTIONAL SIGNS. The City shall, and shall use all reasonable commercial efforts to coordinate with the State of North Carolina and federal transportation authorities to, install and erect roadway, traffic and pedestrian directional signs identifying the Stadium as per the Stadium Name and providing directions for reaching the Stadium.

4.4 DESIGN, INSTALLATION, FABRICATION, MAINTENANCE AND REPAIR OF SIGNAGE. The City shall be responsible for the initial fabrication and installation of all Stadium signage described herein. Maintenance and repair of such signage shall be the responsibility of the City or HPDSF, in accordance with the Use Agreement. WSF and BB&T shall have no responsibility for the initial fabrication, initial installation, maintenance or repair of the signs, billboards or other similar structures installed. The parties hereby acknowledge and agree that signs to be installed initially (as of Stadium's opening) shall be created, fabricated and installed at the sole cost and expense of the City. Prior to fabrication, the City shall prepare for WSF's approval, not to be unreasonably withheld, conditioned or delayed, three-dimensional (to the extent practicable), full-color renderings of the intended displays ("Stadium Renderings"), and BB&T agrees to cooperate reasonably in provision of any BB&T intellectual property to the

City so that the City may fulfill this obligation. If WSF desires to re-design such signage for any reason then WSF shall be solely responsible for the expenses associated with the design, fabrication and installation of such signage. Any signage is subject to the City's and HPDSF's prior approval, which shall not be unreasonably withheld.

4.5 RIGHT TO RENAME THE STADIUM. WSF shall be entitled to change the Stadium Name, subject to the prior approval of HPDSF, BB&T and the City which approval shall not be unreasonably withheld; provided, however, that WSF shall not rename the Stadium if such name is lewd, vulgar, sexually explicit, offensive, discriminatory against a protected class, or offensive to the sensibilities of the community at large (as determined in the City's reasonable discretion). Any and all reasonable and customary costs associated with such changing of the Stadium Name shall be the responsibility of WSF.

4.6 TYPE OF AGREEMENT. The parties understand, intend and agree that this Agreement is not a license to use real property. It is understood and agreed that WSF shall not have the right to access the advertising signage or the devices, scoreboards or other surfaces upon which such signage shall be placed without the permission of HPDSF, which may be granted or withheld by HPDSF in its reasonable discretion. If such signage requires replacement, removal, repair or modification during the Term, HPDSF has the right to exclusively perform the same, but shall cooperate with WSF in assuring that the display of signage is constructed, created and maintained consistent with industry standards.

4.7 APPROVALS AND COMPLIANCE. The parties acknowledge and agree that all signage that is intended to be displayed in or on the Stadium and its surrounding areas and approaching roadways may be subject to applicable governmental requirements and approvals. Accordingly, all such signage shall comply with, and HPDSF's obligations hereunder are subject to, all applicable governmental rules, regulations and approvals.

SECTION 5. INTELLECTUAL PROPERTY.

5.1 OWNERSHIP AND USE

(a) BB&T grants to WSF, HPDSF and the City a non-exclusive, non-transferable, revocable license, without the right to sublicense, to use BB&T's trademarks and service marks identified in Exhibit A (the "BB&T Intellectual Property") solely in connection with the Stadium; *provided, however*, that BB&T or its Affiliates shall not own any City Intellectual Property (defined in Section 5.1(e)), to the extent that any City Intellectual Property is incorporated into the Stadium Name, the BB&T Stadium Logo or other Identifying Characteristics. WSF, HPDSF and the City shall use the BB&T Intellectual Property in strict conformance with BB&T's then-current trademark guidelines available at https://www.bbt.com/sites/bbtdotcom/bbt/documents/legal/trademark.pdf. WSF, HPDSF and the City acknowledge BB&T's right, title, and interest in and to the BB&T Intellectual Property and acknowledge that nothing herein shall be construed to accord to WSF, HPDSF or the City any rights in the BB&T Intellectual Property other than expressly enumerated in this Section. At the direction of BB&T, WSF, HPDSF and the City shall cease all use of the BB&T Intellectual Property. HPDSF agrees that nothing herein shall otherwise give to HPDSF any right, title or interest in the BB&T Intellectual Property, or any other mark of BB&T, except the right to use the BB&T Intellectual Property solely in accordance with the terms hereof; that the BB&T Intellectual Property are the sole property of BB&T; and that all goodwill and common law rights derived from any and all uses by HPDSF and its approved sublicensees of the BB&T Intellectual Property, whether or not done pursuant to this Agreement, shall inure solely to the benefit of BB&T. HPDSF hereby assigns any rights, including copyrights, it may acquire through joint development of any BB&T Intellectual Property to BB&T.

(b) For purposes of this Agreement, (i) "Affiliate" means with respect to any particular entity, any current or future corporation, limited liability company or other entity Controlled by that entity, any corporation, limited liability company or other entity which Controls that entity ("Parent") and any current or future corporation, limited liability company or other entity Controlled by such Parent; and (ii) "Controlled" and "Controls" means (x) ownership, either directly or indirectly, of more than fifty percent (50%) of all equity interests in such entity or (y) possession of such voting power sufficient to permit the election of a majority of all individuals holding the office of director, governor and other office having comparable powers under the laws of the jurisdiction under which such entity is organized and, directly or indirectly, to appoint and remove from time to time each executive officer of such entity (including its chief executive officer).

(c) BB&T or its Affiliates may file applications for copyright, trademark or service mark registration or otherwise protect the BB&T Intellectual Property and may continue or renew such registrations as required by law. HPDSF and the City agree not to raise or cause to be raised any questions concerning or objections to the validity of the BB&T Intellectual Property or to the rights of BB&T in the BB&T Intellectual Property. HPDSF, at BB&T's request and expense, shall provide BB&T with any specimens and execute all documents necessary to protect and confirm BB&T's rights in the BB&T Intellectual Property including without limitation any act reasonably necessary for BB&T to secure or maintain trademark and service mark rights for the BB&T Intellectual Property.

(d) HPDSF shall retain exclusive ownership of any HPDSF-related and/or Team-related trademarks, service marks, logos, brands or names as specifically designated by HPDSF as well as any copyrights relating thereto (collectively, the "HPDSF Intellectual Property").

(e) The City shall retain exclusive ownership of any City-related trademarks, service marks, logos, brands or names as specifically designated by City as well as any copyrights relating thereto (collectively, the "City Intellectual Property").

(f) BB&T reserves all rights to BB&T Intellectual Property not expressly granted herein.

5.2 DEVELOPMENT OF INTELLECTUAL PROPERTY. All identifying characteristics of the Stadium Name and the BB&T Stadium Logo including, without limitation, color schemes, logos, distinctive formats, fonts and trade dress ("Identifying Characteristics") shall be developed by HPDSF, subject to the approval of BB&T, which shall not be unreasonably withheld, conditioned or delayed. HPDSF will pay all costs associated with the development of the Identifying Characteristics.

5.3 COMMUNITY STANDARDS. All advertising, publication, display or other use of the BB&T Intellectual Property shall be in good taste and shall not violate community standards so as not to damage the reputation of any party.

5.4 CONTROL OF INTELLECTUAL PROPERTY.

(a) Except as otherwise provided in this Agreement, HPDSF shall not use the BB&T Intellectual Property or the City Intellectual Property, the City shall not use the BB&T Intellectual Property or the HPDSF Intellectual Property, and neither WSF nor BB&T shall use the HPDSF Intellectual Property (HPDSF, the City, WSF and BB&T are also hereinafter referred to individually as the "User" and the BB&T Intellectual Property, the City Intellectual Property and the HPDSF Intellectual Property are also hereinafter referred to individually as the "Intellectual Property") for any purpose, without the prior written consent of the other party (the "Owner"), provided, however, that any proposed use of the Intellectual Property by a User shall be deemed consented to by the Owner if the Owner receives notice of such proposed use within a reasonable time before such use will begin and does not object to the proposed use within a reasonable time period (based on, in particular, the time constraints, if any, associated with such proposed use) following the Owner's receipt of materials describing and, as appropriate to the intended use, demonstrating such intended use. Once such consent has been obtained, a User may produce the identical materials on future occasions without seeking any further consent from the Owner. Once the Stadium Renderings and BB&T Stadium Logo have been developed by HPDSF to the mutual satisfaction of the parties (pursuant to Sections 3.1 and 3.7), HPDSF may use the Stadium Renderings and BB&T Stadium Logo or derivative (as to size and placement) works thereof without first seeking further consent so long as such use is in accord with the approved Stadium Renderings and BB&T Stadium Logo.

(b) All use of the Intellectual Property shall be in accordance with the specifications of the Owner as communicated from time to time pursuant to this Agreement. Without limiting the generality of the foregoing, the Intellectual Property shall be used in conformity with the form, font, typeface and colors as communicated by the Owner, and except as to the size of reproduction, the Intellectual Property shall not be altered in any way. Each use is to be accompanied by the appropriate trademark, service mark, copyright, or other designation required by the Owner. The User shall make whatever change is required by the Owner to comply with the Owner's specifications.

(c) The User shall not make any changes to any item bearing the Intellectual Property of the Owner without the prior written consent of the Owner. All errors in the use of the Owner's Intellectual Property will be corrected promptly by the User after notification thereof by the Owner.

(d) Notwithstanding the foregoing, as for HPDSF's use of BB&T Intellectual Property, BB&T acknowledges and agrees that it would be impossibly cumbersome for HPDSF's personnel to seek BB&T's consent for each and every instance in which HPDSF proposes to use the BB&T Intellectual Property. Accordingly, the parties agree that subject to the restrictions on the uses of Intellectual Property set forth in this Section 4, BB&T consents to the use of the Stadium Name by HPDSF as follows:

(i) Game-day event publications;

(ii) Game-day print advertisements;

(iii) Scoreboard messages;

(iv) Press releases;

(v) Internal employee memos and notification;

(vi) Temporary banner, easel and identification signage used for booked meeting space or special events; and

(vii) Tickets, announcements and collateral materials related to non-baseball events taking place at the Stadium.

In no event shall the name "BB&T" be used in isolation by HPDSF, the City or the Recipient Charity; rather the name "BB&T" shall only be used in conjunction with the Stadium Name.

(e) HPDSF shall, upon actual knowledge thereof, promptly notify WSF and BB&T in writing of any adverse use by a third party of the BB&T Intellectual Property or of a mark or name which HPDSF reasonably deems confusingly similar to the BB&T Intellectual Property, but agrees to take no further action of any kind with respect thereto without BB&T's prior written consent. HPDSF further agrees to provide full cooperation with any legal or equitable action by BB&T to protect their respective rights and interest in and to the BB&T Intellectual Property, at the reasonable cost and expense of BB&T. In the event of infringement of the BB&T Intellectual Property by a third party, BB&T shall have the sole right in its discretion to initiate and conduct proceedings (including modifications to customs or other government officials objecting to the importation of infringing goods) against the infringing party, to initiate and conduct negotiations with respect thereto, including, but not limited to settlement discussions and to retain any damages recovered in such proceedings.

(f) The parties acknowledge and agree that the violation by any of the parties or any permitted sublicensees of the terms of this Agreement would result in irreparable injury to the other, for which money damages would not be a sufficient remedy; therefore, in addition to any other remedies that may be available, the non-defaulting party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for such breach.

(g) To the extent such items incorporate any BB&T Intellectual Property, HPDSF shall submit to WSF and BB&T or their designee samples of printed tickets, business cards and stationery, signage, uniforms, packaging and merchandise before any initial use thereof. BB&T may make reasonable objections to any such sample within twenty-one (21) days of its receipt thereof on the grounds that BB&T reasonably believes that the use of such items by HPDSF will have a detrimental effect upon the BB&T Intellectual Property or upon BB&T as the owner of the BB&T Intellectual Property or that the samples do not meet its quality standards. In the event of such an objection, HPDSF shall modify the items in accordance with the objection of BB&T prior to the use of such items. Upon BB&T's reasonable request, HPDSF will provide BB&T with samples of any materials that incorporate the BB&T Intellectual Property.

5.5 NO DISPUTE. The User will not, directly or indirectly, at any time dispute or contest the ownership, validity and enforceability of any Intellectual Property of the Owner, nor attempt or propose any act which may have the effect of depreciating the goodwill associated therewith.

5.6 INFRINGEMENT. With the exception of WSF, each party (the "Indemnifying Party") agrees to indemnify and hold the other party (the "Indemnified Party") harmless from all loss, cost and expense, including attorneys' fees, arising out of any claim by a third party that the intellectual property of the Indemnifying Party infringes on any property right of such third party, but only on the condition that:

(a) The Indemnifying Party shall have sole conduct of all proceedings and negotiations connected with such claims;

(b) The Indemnified Party will promptly notify the Indemnifying Party of all such claims and will not make any admissions regarding them; and

(c) The Indemnified Party will provide the Indemnifying Party with reasonable assistance and authority in connection with such claims.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE PARTIES.

Each party to this Agreement represents and warrants to the other party as follows, which representations and warranties shall survive the execution and delivery of this Agreement:

6.1 DUE ORGANIZATION AND GOOD STANDING. Such party is duly organized and validly existing under the laws of the jurisdiction in which it was formed, and is in good standing under such laws. Such party has all requisite power and authority to execute, deliver and perform its obligations under this Agreement.

6.2 BINDING EFFECT. This Agreement has been duly authorized, executed and delivered by such party and constitutes the legal, valid and binding obligation of such party, enforceable against it, in accordance with the terms hereof, except to the extent enforceability is limited by bankruptcy, reorganization and other similar laws affecting the rights of creditors generally and by general principles of equity.

6.3 NO CONFLICT. The execution, delivery and performance of this Agreement by such party does not conflict with, nor will they result in, a breach or violation of any material agreement to which such party is a party.

SECTION 7. EXIGENCIES.

7.1 FORCE MAJEURE. In the event compliance with any of the parties' obligations under this Agreement is impractical or impossible due to any emergency, including, but not limited to, embargoes, flood, hurricane, tornado, earthquake, strike, lockout or other labor dispute, fire, epidemic, acts of God, war, national emergency, civil disturbance or disobedience, riot, sabotage or terrorism, restraint by court order or public authority, failure of machinery or equipment, delay in delivery of the Stadium for occupancy and use by the Team for a full 2019 playing season, or any other occurrence beyond the parties' reasonable control (each such occurrence being an "Event of Force Majeure"), then the time for performance of such obligations shall be extended for a period equal to the duration and equivalent in kind to the period of the Event of Force Majeure. However, in no event shall any act or omission by or on the part of any party or any inability on the part of any party to pay money be, constitute or be deemed or considered an event beyond a party's reasonable control. "Rainouts" of games due to storm, lightning or other ordinary weather event shall not constitute Events of Force Majeure; provided, however, that extraordinary weather events such as tornadoes and hurricanes may, under certain circumstances, constitute Events of Force Majeure.

7.2 DAMAGE OR DESTRUCTION. The parties acknowledge that in the event the Stadium or any part thereof shall be damaged or destroyed by fire or other casualty (the "Damaged Facilities"), the City has the sole obligation and authority to determine whether to repair and restore the Damaged Facilities. In the event that the City elects not to repair and restore the Damaged Facilities, then this Agreement will terminate simultaneously with the delivery of notice of such election by the City, and WSF will have no further obligation to pay any remaining Annual Grants.

SECTION 8. DEFAULT AND TERMINATION.

8.1 WSF DEFAULT. The occurrence of any of the following constitutes a default by WSF (a "WSF Default"): (a) so long as a Recipient Charity exists, failure to pay any Annual Grant or any other amount due to the Recipient Charity within sixty (60) days after receipt by WSF of written notice thereof from HPDSF or the City; (b) WSF's or BB&T's material breach of any of its covenants, agreements, representations or warranties contained in this Agreement, if such breach has not been waived in writing, if such breach is not cured or remedied by WSF or BB&T (as the case may be) to HPDSF's reasonable satisfaction within thirty (30) days after delivery of written notice specifying the nature of the breach; or (c) if HPDSF or the City determines, in its sole discretion, that WSF or BB&T's name, reputation or conduct is immoral, criminal, offensive or otherwise of such nature as to bring disrepute to HPDSF, the City or HPCF as a result of its association with WSF or BB&T.

8.2 HPDSF DEFAULT. The occurrence of any of the following shall constitute a default by HPDSF (a "HPDSF Default"): (a) upon HPDSF's, the Recipient Charity's or the City's material breach of any of its covenants, agreements, representations or warranties contained in this Agreement, if such breach has not been waived in writing, if such breach is not cured or remedied by HPDSF, the Recipient Charity or the City (as the case may be) to WSF's reasonable satisfaction within thirty (30) days after delivery of written notice specifying the nature of the breach; (b) if WSF or BB&T determines, in its sole discretion, that the Recipient Charity, HPDSF, HPCF or the City's name, reputation or conduct is immoral, criminal, offensive or otherwise of such nature as to bring disrepute to WSF or BB&T as result of its association with the Stadium; (c) if the plans for construction of the Stadium are abandoned by the City for any reason, or if construction of the Stadium is not substantially completed by April 1, 2020; (d) if HPDSF or its permitted assignee is no longer the operator of the Stadium; (e) if neither

HPDSF nor HPCF is a public charity which has received and maintains its Federal tax exemption as described under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A) of the Code; (f) if the Team refuses or otherwise fails to commence its utilization of the Stadium to play its home games by the beginning of the 2020 League season, or if the Team commences such utilization but later discontinues its utilization of the Stadium for such purpose; or (g) if a successor operator of the Stadium refuses to agree to the terms of this Agreement.

8.3 RIGHTS AND REMEDIES. Upon the occurrence of either a WSF Default or an HPDSF Default, the non-defaulting party may, at its option, upon written notice to the defaulting party and subject to the limitations in Section 10.13:

(a) Terminate this Agreement at which point WSF will have no further obligation to pay any remaining Annual Grants;

(b) Enforce the provisions of this Agreement and enforce and protect the rights of the non-defaulting party by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein; or

(c) Obtain any other available legal or equitable remedy or relief, including, but not limited to, injunctive relief.

8.4 TERMINATION. This Agreement may be terminated by WSF or HPDSF in the event that the other party makes an assignment of its assets for the benefit of its creditors, files a voluntary petition in bankruptcy, is, following the filing of an involuntary petition in bankruptcy, adjudicated to be bankrupt or insolvent, or any receiver is appointed for its business or assets.

8.5 NO CONTINUED USE OF NAME. Upon expiration or earlier termination of this Agreement:

(a) HPDSF shall be free to rename the Stadium in accordance with HPDSF's rights pursuant to any agreements between HPDSF and third parties;

(b) HPDSF shall cease all use of the BB&T Intellectual Property;

(c) No party shall refer to the Stadium Name or use the BB&T Stadium Logo or any other party's Intellectual Property in its advertising or promotional materials or any other communications, without the prior written consent of the other parties herein;

(d) All parties shall make reasonable efforts to notify third parties with whom it has arranged to use, promote or feature the Stadium Name or the BB&T Stadium Logo not to use such name or BB&T Stadium Logo after the termination of this Agreement;

(e) Notwithstanding the foregoing, HPDSF shall have a period of six (6) months after the termination of this Agreement to remove any references to, or displays of, the BB&T Intellectual Property, the Stadium Name or the BB&T Stadium Logo from the signs or advertisements provided for hereunder, the costs and expenses of which shall be borne by HPDSF;

(f) WSF, BB&T and their Affiliates shall cease all use of the HPDSF Intellectual Property and shall no longer refer to the Stadium Name or use the BB&T Stadium Logo in its or their advertising or promotional materials or other communications by or on behalf of WSF, BB&T or their Affiliates.

SECTION 9. NOTICES.

9.1 REQUIRED NOTICES. All notices, demands and other communications among the parties required hereunder shall be in writing and deemed given upon personal delivery, or if sent by recognized express carrier, to the respective addresses as set forth below. WSF and HPDSF may specify another address from the one set forth below by notice to the other as provided herein.

If to HPDSF:
High Point Downtown Stadium Foundation
Attention: Coy O. Williard, Jr.
449 S. Wrenn Street
High Point, NC 27260

If to WSF:
The Winston-Salem Foundation
Attn: Mr. Scott F. Wierman
751 West Fourth St., Suite 200
Winston-Salem, NC 27101-2702

If to BB&T:
Branch Banking and Trust Company
Attn: Jennifer Randall
2400 Reynolda Road, 2nd Floor
Winston-Salem, NC 27104-4606

If to the City:
City of High Point
211 South Hamilton
High Point, NC 27260
Attention: City Attorney

and

City of High Point
211 South Hamilton
High Point, NC 27260
Attention: City Manager

9.2 REQUIRED DESIGNEE. Each party agrees to provide (by notice to the other party from time to time) a single person designated to act as the point of contact for the other party in the administration of this Agreement throughout the Term. Each party agrees to work with the other in the event of a change in management to assure continuous efforts to work cooperatively to fulfill such party's obligations under this Agreement.

SECTION 10. MISCELLANEOUS.

10.1 EXPENSES. All expenses of the preparation of this Agreement and of the transactions provided for hereby shall be borne by the respective parties incurring such expense, whether or not such transactions are consummated.

10.2 CHOICE OF LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina, without regard to the conflicts of laws principles thereof.

10.3 DISPUTE RESOLUTION. Except as otherwise set forth below, any dispute, controversy or claim (including without limitation tort claims, requests for provisional remedies or other interim legal relief, and issues as to the ability to arbitrate any matter) arising out of or relating to this Agreement, or the breach thereof, that cannot be settled through negotiation shall be settled (a) first, by the parties trying in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association ("AAA") (such mediation session to be held in Winston-Salem, North Carolina and to commence within thirty (30) days of the appointment of the mediator by the AAA), and (b) if the dispute, controversy or claim cannot be settled by mediation, then by arbitration administered by the AAA under its Commercial Arbitration Rules (such arbitration to be held in Winston-Salem, North Carolina before a single arbitrator and to commence within sixty (60) days of the appointment of the arbitrator by the AAA), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Notwithstanding the preceding sentence, any party may apply directly, without a need to first pursue mediation or arbitration, to any court of competent jurisdiction for protection, enforcement, an order or other equitable relief relating to such party's rights pursuant to this Agreement. Such protection, enforcement, order or other equitable relief may include, in such party's sole discretion, application for and enforcement of temporary, preliminary and permanent injunctive relief or any other equitable relief to which such party may be entitled. Notwithstanding the foregoing, the City shall be exempt from the application of this section and the provisions of this section shall not apply to the City.

10.4 LEAGUE RULES. This Agreement shall in all respects be subject to (in each case to the extent applicable):

(a) the constitution, bylaws, and all other rules, regulations and policies of the Atlantic League, or other professional baseball league of which the Team may be a member from time to time during the Term;

(b) any collective bargaining agreement to which the Team is now or in the future subject to; and

(c) any national corporate marketing, licensing, sponsorship or similar agreements between the Atlantic League, or other professional baseball league of which the Team may be a member, and third parties, all as the same may now or hereafter exist (collectively, the "League Rules").

10.5 CONFIDENTIALITY. Each party agrees to treat as confidential all information regarding the other party or any Affiliate furnished, or to be furnished, pursuant to this Agreement, (collectively, the "Information"), in accordance with the provisions of this section, and to take, or abstain from taking, other actions set forth herein. The Information will be used solely for the purpose of fulfilling each party's obligations hereunder, and will be kept confidential by the receiving party, its Affiliates and their respective officers, directors members, employees, representatives, agents, and advisors, provided, however, that: (a) any of such Information may be disclosed to officers, directors, members, employees, representatives, agents, and advisors of the receiving party or an Affiliate who need to know such Information for the purpose of fulfilling such party's obligations hereunder, (b) the receiving party may disclose any Information to which the disclosing party previously and expressly consents to in writing, and (c) a party may disclose that portion of the Information to the extent and in the manner required to satisfy its obligations under federal and state laws and regulations. A party intending to make any such required disclosure shall provide to the disclosing party reasonable advance notice of such requirement and reasonable opportunity to seek a court order or other relief preventing such disclosure. Subject to applicable law, upon termination or expiration of this Agreement, each party will return to the disclosing party all materials containing or reflecting the Information and will not retain any copies, extracts, or other reproductions thereof. These obligations of confidentiality shall survive the termination of this Agreement for any reason whatsoever for a period of three (3) years. In addition to the foregoing, any documents that come into possession of the City pursuant to this Agreement may be "public records" as defined and regulated under Chapter 132 of the General Statutes of North Carolina. Specifically, if any party desires to protect the confidentiality of any document or record shared with the City that party must comply with the labeling of such document as a "trade secret" or as "confidential" pursuant to the terms of NCGS 132-1.2. If a request for any record or document properly labeled is requested as a public record by any person, the City shall notify the party claiming protection as a trade secret or confidential record, and that party shall have five (5) working days to notify the City that the party claiming protection will provide a defense to the release of the record at the expense of the party desiring to protect the record from public disclosure pursuant to the laws of the State of North Carolina. If no such notice is delivered in writing to the City, the City will release the record pursuant to the statute and shall have no liability to the party claiming protection.

10.6 INTERPRETATION. The parties agree that the Agreement is jointly drafted and that the Agreement has been reviewed with the advice and input of legal counsel for each party, respectively. Accordingly, the parties agree further that if any issue arises as to the meaning or construction of any word, phrase or provision hereof, then no party shall be entitled to the benefit of the principles of the construction and interpretation of contracts or written instruments that provide that any ambiguity is to be construed in favor of the party who did not draft the disputed word, phrase or provisions.

10.7 [Reserved.]

10.8 WAIVER. No waiver by any party of any covenant or condition of this Agreement shall constitute a waiver by the waiving party of any subsequent breach of such covenant or condition or authorize the breach or non-observance on any other occasion of the same or any other covenant or condition of this Agreement.

10.9 BINDING EFFECT AND ASSIGNABILITY OF RIGHTS. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. No party may assign any rights or obligations hereunder unless it receives the prior written approval of the other parties (such approval to not be unreasonably withheld). Notwithstanding the prior sentence, no party may withhold its approval to an assignment or other transfer of this Agreement, in whole or in part, in the event of a consolidation of a party with any of its Affiliates, so long as such transferee agrees to be bound by all of the transferor party's rights and obligations pursuant to this Agreement which are thereby transferred, and in the case where the transferor is HPDSF, such transferee is a 501(c)(3) Organization with a charitable purpose(s) similar to that of HPDSF.

10.10 SURVIVAL. The expiration of the Term does not affect or in any way limit the provisions of this Agreement that are by their terms or nature intended to survive the expiration of the Term.

10.11 ENTIRE AGREEMENT AND AMENDMENT. This Agreement represents the entire agreement by the parties and may be modified or amended in writing only, signed by the parties. Solely as between HPDSF and the City, nothing herein is intended to amend, modify or in any way supersede the Use Agreement, any exhibits or agreements ancillary thereto, and/or the rights and obligations of HPDSF and the City thereunder.

10.12 COUNTERPARTS. This Agreement may be executed in one or more counterparts.

10.13 LIMITATION ON LIABILITY. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY AND EXCEPT TO THE EXTENT RESULTING FROM FRAUD, BAD FAITH OR MALICE, UNDER NO CIRCUMSTANCES SHALL ANY PARTY BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER ARISING FROM OR RELATED TO THIS AGREEMENT OR ANY PARTY'S PERFORMANCE HEREUNDER.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed on the day and year first written above.

THE WINSTON-SALEM FOUNDATION,
on behalf of its BB&T Charitable Fund

By: ______________________
Scott F. Wierman, President

BRANCH BANKING AND TRUST COMPANY

By: ______________________
Jennifer L. Randall, Vice President

HIGH POINT DOWNTOWN STADIUM FOUNDATION

By: ______________________
Coy O. Williard, Jr., ~~President~~ Chairman

HIGH POINT COMMUNITY FOUNDATION

By: ______________________
Paul Lessard, President

CITY OF HIGH POINT NORTH CAROLINA

By: ______________________
Jay W. Wagner, Mayor

EXHIBIT A

Licensed Marks

Logo | PROMOTIONAL SIGNATURE

All Logo Options

BB&T

1 inch

1 inch

Halo Logo Spot
BB&T_HALO_burg+K.eps

BB&T

1/4 inch

1 inch

1 inch

Halo Logo Spot - Bleed
BB&T_HALO_burg+K_bleed.eps

BB&T

1 inch

1 inch

Halo Logo
CMYK
BB&T_HALO_CMYK.eps

BB&T

1/4 inch

1 inch

1 inch

Halo Logo CMYK - Bleed
BB&T_HALO_CMYK_bleed.eps

BB&T

1 inch

1 inch

Flat Logo
BB&T Burgundy
BB&T_FLAT_burg.eps

BB&T

1/4 inch

1 inch

1 inch

Flat Logo
BB&T Burgundy
BB&T_FLAT_burg_bleed.eps

BB&T

1 inch

1 inch

Flat Logo
Black & White
BB&T_FLAT_K.eps

BB&T

1/4 inch

1 inch

1 inch

Flat Logo
Black & White - Bleed
BB&T_FLAT_K_bleed.eps

6

Corporate Signature

The Halo Logo of the promotional signature is the preferred BB&T logo, but when there are size constraints or limited printing methods, the corporate signature may be used.

The most common applications for this signature include stationery, forms and most corporate communication materials, as well as signs, ATMs and promotional items.

BB&T

BB&T Burgundy
BB&T_burg

BB&T

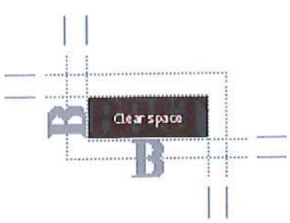
BB&T CMYK (four-color uses only)
BB&T_CMYK

BB&T

BB&T Black and White
BB&T_K

BB&T

BB&T Reverse
BB&T_reverse



The clear space is equal to half the letter height of the logotype.

CITY OF HIGH POINT
AGENDA ITEM

Title: Purchase of five (5) 120/208 volt – 1,500 kVA Pad Mount Transformers - Bid No 19-110218

From: Garey S. Edwards, Electric Utilities Director

Public Hearing: N/A

Meeting Date: November 19, 2018
Advertising Date: November 5, 2018
Advertised By: N/A

Attachments: Attachment A: Formal bid Recommendation
Attachment B: Bid Tabulation

PURPOSE:
To purchase five (5) 120/208 volt – 1,500 kVA pad mount transformers for a proposed server farm locating in High Point.

BACKGROUND:
The City currently has six of these transformers in inventory and this proposed project will use five leaving only one for inventory.

BUDGET IMPACT:
Funds are available in the 2018-2019 Annual Inventory.

RECOMMENDATION / ACTION REQUESTED:
Council is requested to award contract to WESCO in the amount of $177,850.00 for the purchase of the transformers and authorize the appropriate City Official to execute the necessary documents.

NORTH CAROLINA'S INTERNATIONAL CITY

FORMAL BID RECOMMENDATION
REQUEST FOR COUNCIL APPROVAL

DEPARTMENT: ELECTRIC

COUNCIL AGENDA DATE: Nov 19, 2018

BID NO.: 19-110218 | CONTRACT NO.: | DATE OPENED: Nov 2, 2018

DESCRIPTION:

WHS# 11176
XFMR - PM - 1500 KVA - 12.47GRDY/7.2Y - 208Y/120 - 3 PHASE - PER SECIFICATIONS

PURPOSE:

TO REPLENISH STOCK IN THE WAREHOUSE .

COMMENTS:

IT IS MY RECOMMENDATION THAT THE ENTIRE BID BE AWARDED TO WESCO FOR THE TOTAL PRICE OF $177,850.00 . THEY ARE THE LOWEST RESPONSIVE BIDDER MEETING SPECIFICATIONS .

RECOMMEND AWARD TO: WESCO | AMOUNT: $177,850 .00

JUSTIFICATION:

WESCO HAD THE LOWEST PRICE OUT OF TWO BIDDERS , SO IT IS MY RECOMMENDATION THAT THE BID BE AWARDED TO WESCO .

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
631795	533504			$177,850.00
TOTAL BUDGETED AMOUNT				

DEPARTMENT HEAD: Garey S. Edwards Digitally signed by Garey S. Edwards Date: 2018.11.06 11:42:26 -05'00' DATE: 09/21/2015

The Purchasing Division concurs with recommendation submitted by the Electric and recommends award to the lowest responsible, responsive bidder WESCO in the amount of $ 177,850.00 .

PURCHASING MANAGER: Erik Conti Digitally signed by Erik Conti DN: cn=Erik Conti, o, ou, email=[illegible], c=US Date: [illegible] -05'00' DATE: Nov 6, 2018

Approved for Submission to Council
FINANCIAL SERVICES DIRECTOR: Kelly Latham Digitally signed by Kelly Latham DN: cn=Kelly Latham, o, ou, email=kelly.latham@highpointnc.gov, c=US Date: [illegible] -05'00' DATE: 11/7/2018

CITY MANAGER: Greg Demko Digitally signed by Greg Demko DN: cn=Greg Demko, o=High Point, ou=High Point, email=greg.demko@highpointnc.gov, c=US Date: 2018.11.07 13:39:09 -05'00' DATE: Nov 7, 2018

BIDDERS LIST & TABULATION

* * AWARDED TO WESCO * *

FORMAL BID #19-110218 – TRANSFORMER #11176					
VENDOR NAME & ADDRESS	**ITEM #**	**QTY.**	**UNIT PRICE (UOM=EA)**	**TOTAL PRICE**	**DELIVERY A.R.O.**
ANIXTER 5031 UNICON DR. WAKE FOREST, NC 27587	**11176**	**5**	**$56,546.00**	**$282,730.00**	**84-96 DAYS**
IRBY P.O. BOX 7457 ROCKY MOUNT, NC 27804	**11176**	**5**	**-**	**NO QUOTE**	**-**
SHEALY ELEC. WHOLESALERS P.O. BOX 8597 COLUMBIA, SC 29202	**11176**	**5**	**-**	**NO QUOTE**	**-**
WESCO 3025 STONYBROOK DR. RALEIGH, NC 27604	**11176**	**5**	**$35,570.00**	**$177,850.00**	**12-16 WKS.**

*Bids emailed October 17, 2018.

CITY OF HIGH POINT
AGENDA ITEM

Title: Extend Audit Services – 2-year proposal

From: Kelly Latham

Meeting Date: November 19, 2018

Public Hearing: N/A

Advertising Date / Advertised By:

Attachments: Proposal Letter
City of High Point 6-30-2019 Audit Engagement Letter and LGC Contract

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PURPOSE:
The proposed extension provides for the independent financial and compliance audit for fiscal year 2019 at $72,500 and fiscal year 2020 at $74,000.

BACKGROUND:
Cherry Bekaert LLP, the City's independent auditors, were approved by City Council through the Request for Audit Services Proposal process in March 2015 for four years. We are currently in the process of completing the FY 2018 audit, which is the final year of our original agreement.

In light of the current transitions in the Financial Services Department with the October 31 retirement of our Financial Services Director, Cherry Bekaert was approached to consider negotiating an additional proposal for a fixed periodic extension. The City has been pleased with the services provided by Cherry Bekeart and there is value in deferring a new request for proposals at this time.

BUDGET IMPACT:
The proposal presents only a modest increase (2.11%) in cost which is customary and in line with what other units are seeing. This fee includes auditing 4 major federal or state programs; for each additional major program there will be an additional $3,000 fee per program.

RECOMMENDATION / ACTION REQUESTED:
City Council is requested to approve the proposal to extend our audit relationship with Cherry Bekaert LLP, for a period of two fiscal years and approve a contract for audit services for the fiscal year ending June 30, 2019 in the amount of $72,500.

Cherry Bekaert LLP
CPAs & Advisors

October 17, 2018

Ms. Kelly Latham
Assistant Financial Services Director
City of High Point
211 S. Hamilton, Room 214
P.O. Box 230
High Point, NC 27621

Dear Kelly:

Cherry Bekaert LLP ("Cherry Bekaert") is pleased to present the City of High Point, North Carolina (the "City") with a two year fee commitment letter for audit services for the fiscal years ending June 30, 2019 and 2020. We believe that we have a great working relationship with the City and its Finance Department, have been responsive to your needs, provided strong service, and been an asset to the City which warrants this two year fixed fee commitment and we look forward to continuing this relationship.

Our Firm's vision is to *make a difference for our people and our clients.* This begins with building strong relationships between our professionals and our clients based on trust, mutual respect, uncompromising integrity and a shared passion for excellence in all that we do. Our goals for maintaining a lasting relationship with the City are simple:

Make It Easy **Keep Our Promises** **Anticipate Your Needs**

Consider Your Interests **Work as a Team**

As one of the top regional accounting firms in the United States, our growth is based on our reputation for exceeding our clients' service expectations. For over 70 years, we have demonstrated our commitment to providing high quality, value-based services to our clients. The Raleigh office of Cherry Bekaert's Mid Carolina practice will be proud to continue serving you as a client.

Cherry Bekaert has prospered along with the North Carolina economy by forging strong service and advisory relationships with some of the leading governmental agencies, for-profit companies, service-based firms, nonprofit entities, and individual clients in the area. Our Raleigh office is the primary service hub of Cherry Bekaert's Mid Carolina practice, providing a full range of accounting and financial services to thousands of clients. The Mid Carolina practice (which includes our offices located in Asheboro, Durham, Fayetteville and Raleigh) has 18 partners, 100+ professional staff with a total of over 125 employees. We also have offices in Charlotte and Gastonia, North Carolina. Our local presence, combined with our regional resource network uniquely qualifies Cherry Bekaert to serve organizations like you in the most thorough, efficient and cost-effective manner possible.

Local Commitment. As a professional services firm, we are only as good as our people. Thus, we are committed to hiring only the best and brightest employees and providing them with the opportunity to excel. Because we are committed to our staff, they, in turn, are committed to the Firm and to the clients they serve. Our local team understands the importance of providing professional, timely and valuable service.

Resources and Solutions. At Cherry Bekaert, we serve as a proactive and innovative business partner for our clients. With more than 1,100 professionals, Cherry Bekaert has the proprietary knowledge to craft highly tailored solutions for audit, review, accounting, tax, and strategic management issues. In addition, our professionals will continue to take a consultative, team-based approach to address issues and provide solutions to those issues.

Cherry Bekaert is proposing the following fees for auditing services to the City for the fiscal years ending June 30:

Audit Services	2019	2020
Audit of the Comprehensive Annual Financial Report of the City of High Point, North Carolina	$72,500	$74,000

The fee above includes auditing four major federal or state programs. If other major federal or state programs need to be audited in accordance with the Uniform Grant Guidance or the State Single Audit Implementation Act, then we would charge an additional $3,000 per program. The above fees include all travel, supplies, materials and other costs.

Again, we appreciate the opportunity to present our proposal letter for auditing services and we look forward to continuing our relationship with the City. Please do not hesitate to contact me if you have further questions or need additional information.

With best regards,

Cherry Bekaert LLP

Eddie Burke, CPA
Audit Partner
919.782.1040
eburke@cbh.com

November 6, 2018

The Honorable Mayor and Members of the City Council
City of High Point, North Carolina
P. O. Box 230
High Point, North Carolina 27261

Ladies and Gentlemen:

This engagement letter between City of High Point, North Carolina (hereinafter referred to as the "City" or "you" or "your" or "management") and Cherry Bekaert LLP (the "Firm" or "Cherry Bekaert" or "we" or "us" or "our") sets forth the nature and scope of the services we will provide, the City's required involvement and assistance in support of our services, the related fee arrangements and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services and to achieve the mutually agreed upon objectives of the City.

SUMMARY OF SERVICES

We will provide the following services to the City as of and for the year ended June 30, 2019:

Audit and attestation services

1. We will audit the basic financial statements of the City as of and for the year ended June 30, 2019 including the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund, and the remaining aggregate fund information. We will not audit the City of High Point ABC Board. We will refer to the component auditor in our audit opinion.
2. The supplementary information, such as the introductory and statistical sections accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that information.
3. We will audit the supplementary information such as combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards. As part of our engagement, we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting, and other records used to prepare the financial statements or the financial statements themselves.
4. We will apply limited procedures to the required supplementary information (RSI), such as pension plan information and management's discussion and analysis (MD&A), which will consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements.

Nonattest accounting and other services

We will provide the following additional services:

5. Complete the appropriate sections of and sign the Data Collection Form.

YOUR EXPECTATIONS

As part of our planning process, we have discussed with you your expectations of Cherry Bekaert, changes that occurred during the year, your views on risks facing you, any relationship issues with Cherry Bekaert, and specific engagement arrangements and timing. Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the City's expectations. Our service plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

The City recognizes that our professional standards require that we be independent from the City in our audit of the City's financial statements and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with the City and the City should not expect that we will act only with due regard to the City's interest in the performance of this audit and the City should not impose on us special confidence that we will conduct this audit with only the City's interest in mind. Because of our obligation to be independent of the City, no fiduciary relationship will be created by this engagement or audit of the City's financial statements.

The engagement will be led by Eddie Burke, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

AUDIT AND ATTESTATION SERVICES

The objective of our audit is the expression of opinions as to whether the City's basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards.*

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and the State Single Audit Implementation Act.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Uniform Guidance; the Single Audit Act Amendments of 1996; State Single Audit Implementation Act and OMB *Guidance for Grants and Agreements* (2 CFR 200), and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures as deemed necessary to enable us to express such opinions and to render the required reports. We will also issue written reports upon completion of our Single Audit. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or may withdraw from this engagement.

NONATTEST ACCOUNTING AND OTHER SERVICES (IF APPLICABLE)

The accounting and other services described in this section are nonaudit services, which do not constitute audit services under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming the City's management responsibilities.

Data Collection Form

We will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide copies of our reports to the City; however, it is the City's management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the designated federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

City's management's responsibilities related to accounting and other services

For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.

Prior to the release of the report, the City's management will need to sign a representation letter acknowledging its responsibility for the results of these services.

CITY'S MANAGEMENT'S RESPONSIBILITIES RELATED TO THE AUDIT

The City's management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that the City's management and financial information is reliable and properly reported. The City's management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationship in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

The City's management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) the City's management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is the City's management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

The City's management is responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period or, if they have changed, the reasons for such changes); and (4) the City has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The City's management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The City's management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing the City's management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

The City's management agrees to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

FEES

The estimated fee contemplates only the services described in the Summary of Services section of this letter. If the City's management requests additional services not listed above, we will provide an estimate of those fees prior to commencing additional work.

The following summarizes the fees for the services described above:

Description of Services	Estimated Fee
Audit services	
Audit of the financial statements	$ 72,500
*Any major program over 4 major programs will be billed at $3,000 each	

The fees will be billed periodically. Invoices are due on presentation. A service charge will be added to past due accounts equal to 1½% per month (18% annually) on the previous month's balance less payments received during the month, with a minimum charge of $2.00 per month.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. If you have any questions, please call Eddie Burke at (919) 782-1040.

Sincerely,

CHERRY BEKAERT LLP

Cherry Bekaert LLP

ATTACHMENT – Engagement Letter Terms and Conditions

CITY OF HIGH POINT, NORTH CAROLINA

ACCEPTED BY: ______________________________

TITLE: ______________________________ DATE: ____________________

Cherry Bekaert LLP
Engagement Letter Terms and Conditions

The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

LIMITATIONS OF THE AUDIT REPORT

Should the City wish to include or incorporate by reference these financial statements and our report thereon into *any* other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards ("GAAS") to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the City will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

If, however, the City's management takes certain actions, such as requesting a written consent from us prior to including our audit report in such an offering statement, our firm then becomes associated with the offering and in accordance with professional standards, we will be required to perform certain limited procedures with respect to unaudited information contained in the document. These procedures will be subject to separate written arrangements and fees.

LIMITATIONS OF THE AUDIT PROCESS

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statements. We also will assess the accounting principles used and significant estimates made by the City's management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statements. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statements. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the City) on the financial statements.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. In the event that we have to consult with the City's counsel or counsel of our choosing regarding any illegal acts we identify, additional fees incurred may be billed to the City. You agree that the City will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the City's financial statements. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statements, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.

AUDIT PROCEDURES – GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the City's management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by the City's management or employees acting on behalf of the City. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of the City's management of any material errors and fraud, or illegal acts that come to our attention during the course of our audit. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

AUDIT PROCEDURES – INTERNAL CONTROLS

Our audit will include obtaining an understanding of the City and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the City's management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

AUDIT PROCEDURES – COMPLIANCE

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State Single Audit Implementation Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and the Audit Manual for Governmental Auditors in North Carolina for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

NONATTEST SERVICES (IF APPLICABLE)

All nonattest services to be provided in the attached engagement letter (if applicable) shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under nonattest services in the attached letter.

You agree that the City's designated individual will assume all the City's management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, the designated individual is responsible for:

- Making all financial records and related information available to us.
- Ensuring that all material information is disclosed to us.
- Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- Identifying and ensuring that such nonattest complies with the laws and regulations.

The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the City's designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the City's designated individual. Such advice and guidance shall be limited as permitted under the Code of Professional Conduct.

COMMUNICATIONS

At the conclusion of the audit engagement, we may provide the City's management and those charged with governance a letter stating any significant deficiencies or material weaknesses which may have been identified by us during the audit and our recommendations designed to help the City make improvements in its internal control structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement we will ensure that certain additional matters are communicated to the appropriate members of the City. Such matters include (1) our responsibility under GAAS; (2) the initial selection of and changes in significant accounting policies and their application; (3) our independence with respect to the City; (4) the process used by the City's management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates; (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statements or our report; (6) any disagreements with the City's management concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements; (7) our views about matters that were the subject of the City's management's consultation with other accountants about auditing and accounting matters; (8) major issues that were discussed with the City's management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and (9) serious difficulties that we encountered in dealing with the City's management related to the performance of the audit.

We have attached, as required by the *Government Auditing Standards*, a copy of the report on our most recent peer review.

OTHER MATTERS

Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 15 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.) or their representatives (“Regulators”) pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a “peer review” program covering our audit and accounting practices as required by the American Institute of Certified Public Accountants. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the City may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

Electronic transmittals

During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. As an alternative, we recommend using our Client Portal (“Portal”) to transmit documents. Portal allows the City, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, and other electronic methods to transmit and receive information, including confidential information between the Firm, the City, and other third party providers utilized by either party in connection with the engagement.

Subpoenas

In the event we are requested or authorized by the City, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

Dispute resolution procedures

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation would be conducted by a mediator acceptable to both parties. Both parties would exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute, controversy, or claim.

Waiver of Trial by Jury

In the event the parties are unable to successfully mediate any dispute, controversy, or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.

Independent contractor

Each party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

No Third-Party Beneficiaries

The parties do not intend to benefit any third-party by entering into this Agreement, and nothing contained in this Agreement confers any right or benefit upon any person or entity who or which is not signatory of this Agreement.

TERMS AND CONDITIONS SUPPORTING FEE

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the City's personnel, timely delivery of requested audit schedules and supporting information, timely communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed-upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden City requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed-upon dates can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals could result in additional fees. Our estimated fee does not include assistance in bookkeeping or other accounting services not previously described. If for any reason the City is unable to provide such schedules, information and assistance, the Firm and the City will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the City will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the City with respect to matters of accounting, financial reporting, or other significant business issues as permitted by professional standards. Accordingly, time necessary to effect a reasonable amount of such consultation is reflected in our fee. However, should a matter require research, consultation, or audit work beyond that amount, the Firm and the City will agree to an appropriate revision in our fee.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the City at this time, but do not include any time related to the application of new auditing or accounting standards that impact the City for the first time. If new auditing or accounting standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing and extent of our planned audit procedures and will communicate with the City concerning the scope of the additional procedures and the estimated fees.

The City agrees to pay all costs of collection (including reasonable attorneys' fees) that the Firm may incur in connection with the collection of unpaid invoices. In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the City will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

This engagement letter sets forth the entire understanding between the City and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.

EisnerAmper LLP
111 Wood Avenue South
Iselin, NJ 08830-2700
T 732.243.7000
F 732.951.7400
www.eisneramper.com

EISNERAMPER
ACCOUNTANTS & ADVISORS

System Review Report

January 10, 2017

To the Partners of Cherry Bekaert LLP
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm), applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP, applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Cherry Bekaert LLP has received a peer review rating of *pass*.

EisnerAmper LLP
EisnerAmper LLP
Iselin, NJ

AICPA
Peer Review Program
Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

January 13, 2017

Howard Joseph Kies
Cherry Bekaert LLP
200 S 10th St Ste 900
Richmond, VA 23219

Dear Mr. Kies:

It is my pleasure to notify you that on January 12, 2017 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is October 31, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Michael Fawley

Michael Fawley
Chair—National PRC
nprc@aicpa.org 919 4024502

cc: Marc T. Fogarty; Raymond R Quintin

Firm Number: 10011816 Review Number 451036

Letter ID: 1139057A

CONTRACT TO AUDIT ACCOUNTS

The	Governing Board City Council
of	Primary Government Unit City of High Point, North Carolina
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Cherry Bekaert LLP
	Auditor Address 2626 Glenwood Avenue, Suite 200, Raleigh, North Carolina, 27608

Hereinafter referred to as Auditor

	Fiscal Year Ending	Audit Report Due Date
for	06/30/19	10/31/19

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

County and Multi-County Health Departments: The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified*). The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved 'with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 12).

10. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

13. The Auditor shall submit the report of audit in PDF format to LGC Staff when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

If the OSA designates certain programs to be audited as major programs, as discussed in Item 2, a turnaround document and a representation letter addressed to the OSA shall be submitted to LGC Staff.

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

15. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

17. Special provisions should be limited. Please list any special provisions in an attachment.

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

19. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

21. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

22. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

23. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

24. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

25. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

26. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

27. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx.

28. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

FEES FOR AUDIT SERVICES

For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter, but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8, 9, and 12 for details on other allowable and excluded fees.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

20 NCAC 03 .0505: All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law.

PRIMARY GOVERNMENT FEES

Primary Government Unit	City of High Point, North Carolina
Audit	$ 72,500.00
Writing Financial Statements	$ N/A
All Other Non-Attest Services	$ $3,000 per single audit program over 4 major programs
75% Cap for Interim Invoice Approval	$ 54,375.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit	$ N/A
Writing Financial Statements	$ N/A
All Other Non-Attest Services	$ N/A
75% Cap for Interim Invoice Approval	$ 0.00

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Cherry Bekaert LLP	
Authorized Firm Representative (typed or printed) Eddie Burke, CPA	Signature
Date 11/06/18	Email Address EBurke@cbh.com

GOVERNMENTAL UNIT

Governmental Unit City of High Point, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE
(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed) N/A	Signature
Date	Email Address N/A

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address N/A

DPCU – PRE-AUDIT CERTIFICATE
(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed) N/A	Signature
Date of Pre-Audit Certificate	Email Address N/A

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

CITY OF HIGH POINT
AGENDA ITEM

Title: Materials Recovery Facility Upgrade

From: Terry Houk – Public Services Director
Robby Stone – Asst. Director Public Services

Meeting Date: November 19, 2018

Public Hearing: N/A

Advertising Date: September 14, 2018
Advertised By: Purchasing

Attachments: Attachment A – Bid Recommendation Letter
Attachment B – Engineer Recommendation Letter and Bid Information

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PURPOSE:
The City budgeted for facility and safety improvements at the Material Recovery Facility (MRF). The City has developed a project that adds office space, breakroom, bathrooms, electrical upgrades, safety eye wash/showers, and lighting upgrades to complement the existing state-of-the-art sorting and recycling equipment. Bids for these improvements were opened on October 31, 2018 which consisted of construction of mechanical, structural, and electrical upgrades to the existing MRF.

BACKGROUND:
The City of High Point operates a Material Recovery Facility for the purpose of recovering recyclable materials from the solid waste disposal stream. The current facility has experienced no upgrades in the past 25 +/- years apart from a baler in 2015 and processing line in 2017/2018. The facilities are currently in very poor condition due to the age. The proposed improvements will upgrade the facilities while incorporating many safeties.

BUDGET IMPACT:
Funds for this project are in the Material Recovery Facility Capital Improvement Plan.

RECOMMENDATION / ACTION REQUESTED:
The Public Services Department recommends approval and asks for the Council to award the project to Holden Building Company, Inc. in the amount of $1,152,495.00 and authorize the appropriate City Official to execute all necessary documents.

HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY™

FORMAL BID RECOMMENDATION
REQUEST FOR COUNCIL APPROVAL

DEPARTMENT: Public Services - Material Recovery Facility

COUNCIL AGENDA DATE: November 19, 2018

BID NO.: 10-103118 CONTRACT NO.: DATE OPENED: Oct 31, 2018

DESCRIPTION:

Constructing a new break-room, bathrooms, administration area, electrical upgrades, lighting and safety additions for the existing Material Recovery Facility.

PURPOSE:

The City budgeted for facility and safety improvements at the Material Recovery Facility (MRF). The City has developed a project that adds office space, break-room, bathrooms, electrical upgrades, safety eye wash/ showers, and lighting upgrades to compliment the existing state-of-the-art sorting and recycling equipment.

COMMENTS:

The upgrades and improvements are needed are bring the facility into safety compliance.

RECOMMEND AWARD TO: Holden Building Co., Inc. AMOUNT: $1,152,495.00

JUSTIFICATION:

Holden Building Co., Inc. was the low bidder and has experience with similar building projects.

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
661749	533701	661131001705	40202	$1,152,495.00
TOTAL BUDGETED AMOUNT				$1,152,495.00

DEPARTMENT HEAD: Terry Houk Digitally signed by Terry Houk DN: cn=Terry Houk, o=City of High Point, ou=Public Services, email=terry.houk@highpointnc.gov, c=US Date: 2018.11.08 11:30:49 -05'00' DATE: Nov 8, 2018

The Purchasing Division concurs with recommendation submitted by the Public Services and recommends award to the lowest responsible, responsive bidder Holden Building Co., Inc. in the amount of $ 1,152,495.00.

PURCHASING MANAGER: Erik Conti Digitally signed by Erik Conti DN: cn=Erik Conti, o, ou, email=erik.conti@highpointnc.gov, c=US Date: 2018.11.08 14:38:33 -05'00' DATE: Nov 8, 2018

Approved for Submission to Council

FINANCIAL SERVICES DIRECTOR: Kelly Latham Digitally signed by Kelly Latham DN: cn=Kelly Latham, o, ou, email=kelly.latham@highpointnc.gov, c=US Date: 2018.11.09 10:07:17 -05'00' DATE: 11/9/2018

CITY MANAGER: Greg Demko Digitally signed by Greg Demko Date: 2018.11.09 11:02:46 -05'00' DATE: 11/9/2018

CDM Smith
4600 Park Road, Suite 240
Charlotte, North Carolina 28209
tel: 704 342-4546
fax: 704 527-1125

November 2, 2018

Erik Conti
City of High Point
Purchasing Division
P.O. Box 230 (27261)
211 South Hamilton Street, Suite 215
High Point, North Carolina 27260

Subject: City of High Point, North Carolina
Materials Recovery Facility Phase 3 Improvements (Bid No. 10-102518)
Bid Evaluation and Recommendation

Dear Mr. Conti,

Five bids were received for the above-referenced project on Thursday, October 25, 2018 at 2pm in the Third Floor Conference Room of the Municipal Office Building located on 211 South Hamilton Street. This letter presents CDM Smith's evaluation of the received bids and our recommendation for lowest responsible bidder. The certified bid tabulation is attached for your reference. As indicated in the specifications, the project was bid with a Base Bid Amount consisting of unit price, lump sum, and allowance bid items. Additionally, there were six Alternate Bid Items that consisted of unit price, lump sum, and allowance bid items. CDM Smith evaluated the bids primarily based on the Base Bid Amount submitted by each bidder, but the Alternate Bid Items were considered as well.

The City of High Point (City) Material Recovery Facility (MRF) Phase 3 Improvement Project includes the addition of an administration building connected to the process area, a sewer pump station to replace the existing storage tanks, and several electrical and lighting improvements within the process area. The inclusion of the alternate bid items in the scope will improve the physical conditions of the MRF, provide features that improve worker safety, and add more conveniences within the process area. The following bid evaluation provides an overview of all the bids and further evaluation of the lowest bidder to formulate our recommendation.

BID EVALUATION

CDM Smith initially evaluated the bids based on whether the bidder submitted all required information stated in the Instructions to Bidders, including the Itemized Proposal Form, Bid Bond, Minority Participation Forms, and acknowledged receipt of any issued addendums. A matrix is attached as **Exhibit 1** showing that all bidders provided the information required in the bid, as documented during the bid opening. **Exhibit 2** provides a complete bid tabulation for your review.

The publicly opened bids, based on the Base Bid Amounts, are provided below from lowest to highest:

CONTRACTOR	PUBLICLY OPENED BID PRICES	CORRECTED BID PRICES
Holden Building Co., Inc.	$1,027,995.00	$1,031,495.00
DreamBuilt Construction, Inc.	$1,160,030.00	$1,173,629.90
Bar Construction Company, Inc.	$1,300,000.00	$1,275,800.00
HM Kern Corporation	$1,307,000.00	$1,311,985.00
S&S Building and Development, LLC	$1,413,467.00	$1,271,567.00

Each bid was reviewed for mathematical errors and other discrepancies. Several errors and/or discrepancies were identified in each of the bids, as shown above and in Exhibit 2. The correction of the errors altered the order of the bids by base bid amount (low to high); S&S Building had relatively small errors on two bid items in its bid, but a significant mathematical error (did not add correctly) that reduced their bid to $1,271,567, which moved it to third lowest. Exhibit 2 shows that the low base bid amount for Holden Building Co., Inc. (Holden) is increased to $1,031,495.00 based on the correction of the pricing, but this remains the low bid.

An evaluation of the Alternate Bid Items showed that, when totaled with the Base Bid amounts, Holden remained the lowest overall bidder at $1,152,495.00, and the order of the bids (low to high) did not change for the corrected bid prices.

ENGINEER OPINION

CDM Smith conducted a review of the bid tabulation as part of our evaluation. As shown in Exhibit 2, the low Base Bid price was approximately 15% lower than the average price from the other bidders, which on a $1M project can be a significant difference. CDM Smith conducted further evaluation of the Holden bid and we identified a few of the bid item prices that resulted in the majority of the price differences (pump station and associated piping). We contacted a representative of Holden to discuss the overall price difference and our concerns as they related to performance of the work. The Holden representative investigated the source of the pricing of concern (subcontractor), and the subcontractor confirmed that the pricing in the bid was accurate. Additionally, CDM Smith contacted references for Holden and positive feedback was received from each person contacted regarding the company's performance on previous projects. Based on our evaluation of the project bid, Holden Building Co., Inc. has submitted a complete bid and meets the qualification requirements for the Materials Recovery Facility Phase 3 Improvements Project.

Based upon our review of the pricing for the Alternate Bid Items, CDM Smith recommends acceptance of each alternate as a part of the project if adequate funding is available.

Based upon our evaluation of the bid package including project experience and references, CDM Smith's opinion is that Holden Building Co., Inc.'s bid in the amount of $1,031,495.00 (and $1,152,495.00 with Alternate Bid Items included) is reasonable, and the company is a qualified contractor capable of completing the Materials Recovery Facility Phase 3 Improvements Project.

CDM Smith's opinion is contingent upon the following:

- City's satisfactory review of Holden Building Co., Inc. MWSBE Provisions documents.
- The City has no questions or comments regarding the information provided herein.

CDM Smith appreciates the opportunity to assist the City of High Point with this project. If you have questions or need any additional information, please do not hesitate to contact us.

Sincerely,

Wendy Karably, PMP
CDM Smith Inc.

cc: G. Fetterolf, CDM Smith
W. Karably, CDM Smith
B. Wlosek, CDM Smith

EXHIBIT 1 - BID SUMMARY
HIGH POINT, NC
MATERIAL RECOVERY FACILITY PHASE 3 IMPROVEMENTS

BID #10-102518 BID OPENING
Thursday, October 25, 2018, 2:00 P.M.

CONTRACTOR	Contractor License Number	Addenda 1-2	Bid Bond	Proposal Form	MBE Forms
Holden Building	68119	✓	✓	✓	✓
Bar Construction	7973	✓	✓	✓	✓
S&S Building	61690	✓	✓	✓	✓
HM Kern Corporation	8542	✓	✓	✓	✓
Dreambuilt Construction	75480	✓	✓	✓	✓

Notes:
1. The order in which the contractors are presented are the order in which the bids were opened.

Exhibit 2 - Bid Tabulation
HIGH POINT, NC
High Point MRF Phase 3 Improvements

BID #10-102518 BID OPENING
Thursday, October 25, 2018, 2:00 P.M.

Item No.	Description	Quantity	Units	Holden Building, Greensboro, NC Unit Price	Holden Building Amount	Bar Construction, Charlotte, NC Unit Price	Bar Construction Amount	S&S Building Unit Price	S&S Building Amount	HM Kern Corporation Unit Price	HM Kern Corporation Amount	Dreambuilt Construction Unit Price	Dreambuilt Construction Amount
BASE BID ITEMS													
1	Pump Station	1	LS	$ 54,000.00	$ 54,000.00	$ 130,000.00	$ 130,000.00	$ 45,000.00	$ 45,000.00	$ 150,000.00	$ 150,000.00	$ 120,845.00	$ 120,845.00
2	PVC Sewer Pipe	30	LF	$ 33.00	$ 990.00	$ 400.00	$ 12,000.00	$ 15.00	$ 450.00	$ 110.00	$ 3,300.00	$ 114.23	$ 3,426.90
3	PVC Floor Drain Pipe	70	LF	$ 50.00	$ 3,500.00	$ 357.14	$ 24,999.80	$ 10.00	$ 700.00	$ 160.00	$ 11,200.00	$ 162.40	$ 11,368.00
4	2" SDR 17 HDPE Force Main	700	LF	$ 25.00	$ 17,500.00	$ 110.00	$ 77,000.00	$ 20.00	$ 14,000.00	$ 164.00	$ 114,800.00	$ 109.85	$ 76,895.00
5	Jack and Bore Under Roadway	42	LF	$ 460.00	$ 19,320.00	$ 357.14	$ 14,999.88	$ 119.05	$ 5,000.10	$ 452.00	$ 18,984.00	$ 450.00	$ 18,900.00
6	Decommission Floor Drain Tank	1	LS	$ 1,000.00	$ 1,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,600.00	$ 3,600.00	$ 3,680.00	$ 3,680.00
7	Administration Building Addition Complete	1	LS	$ 780,000.00	$ 780,000.00	$ 772,615.00	$ 772,615.00	$ 1,134,947.00	$ 1,134,947.00	$ 845,000.00	$ 845,000.00	$ 772,225.00	$ 772,225.00
8	MRF Process Area - Column Repair	2	LS	$ 3,500.00	$ 7,000.00	$ 2,800.00	$ 5,600.00	$ 2,500.00	$ 5,000.00	$ 5,000.00	$ 10,000.00	$ 3,162.50	$ 6,325.00
9	**MRF Process Area - Lighting and Receptacles**												
9a	Building Ceiling Lights	10	EA	$ 2,000.00	$ 20,000.00	$ 3,150.00	$ 31,500.00	$ 1,000.00	$ 10,000.00	$ 3,200.00	$ 32,000.00	$ 3,625.00	$ 36,250.00
9b	Sump Lighting/Receptacles	1	LS	$ 5,000.00	$ 5,000.00	$ 34,500.00	$ 34,500.00	$ 800.00	$ 800.00	$ 500.00	$ 500.00	$ 615.00	$ 615.00
9c	Receptacles	21	EA	$ 200.00	$ 4,200.00	$ 214.29	$ 4,500.09	$ 300.00	$ 6,300.00	$ 100.00	$ 2,100.00	$ 115.00	$ 2,415.00
9d	QC Area Lighting	1	LS	$ 10,000.00	$ 10,000.00	$ 34,500.00	$ 34,500.00	$ 4,500.00	$ 4,500.00	$ 500.00	$ 500.00	$ 1,200.00	$ 1,200.00
10	MRF Process Area - Work Station and Cameras	1	LS	$ 90,000.00	$ 90,000.00	$ 88,100.00	$ 88,100.00	$ 20,000.00	$ 20,000.00	$ 86,000.00	$ 86,000.00	$ 87,000.00	$ 87,000.00
11	Miscellaneous Work and Cleanup	1	LS	$ 5,000.00	$ 5,000.00	$ 28,500.00	$ 28,500.00	$ 1,500.00	$ 1,500.00	$ 20,000.00	$ 20,000.00	$ 18,500.00	$ 18,500.00
12a	Machinex Allowance	1	LS	$ 6,385.00	$ 6,385.00	$ 6,385.00	$ 6,385.00	$ 6,385.00	$ 12,770.00	$ 6,385.00	$ 6,385.00	$ 6,385.00	$ 6,385.00
12b	Door Hardware Allowance	1	LS	$ 7,600.00	$ 7,600.00	$ 7,600.00	$ 7,600.00	$ 7,600.00	$ 7,600.00	$ 7,600.00	$ 7,600.00	$ 7,600.00	$ 7,600.00
	TOTAL BASE BID (Items 1-12)				$ 1,031,495.00		$ 1,275,799.77		$ 1,271,567.10		$ 1,311,969.00		$ 1,173,629.90
ALTERNATE BID ITEMS													
1A	Loading Dock Repair	1	LS	$ 6,000.00	$ 6,000.00	$ 3,700.00	$ 3,700.00	$ 3,500.00	$ 3,500.00	$ 20,000.00	$ 20,000.00	$ 6,270.00	$ 6,270.00
2A	Exterior Door Cover	1	LS	$ 4,000.00	$ 4,000.00	$ 3,300.00	$ 3,300.00	$ 7,400.00	$ 7,400.00	$ 10,000.00	$ 10,000.00	$ 5,695.00	$ 5,695.00
3A	Wall Surface Repair Allowance	1,960	SF	NA	$ 20,000.00	NA	$ 20,000.00	NA	$ 20,000.00	NA	$ 20,000.00	NA	$ 20,000.00
4A	Safety Eyewash/Shower and Water Heater	1	LS	$ 70,000.00	$ 70,000.00	$ 73,000.00	$ 73,000.00	$ 60,000.00	$ 60,000.00	$ 68,000.00	$ 68,000.00	$ 71,000.00	$ 71,000.00
5A	Building Ceiling Lights (Additional)	13	EA	$ 1,000.00	$ 13,000.00	$ 1,800.00	$ 23,400.00	$ 307.70	$ 4,000.10	$ 1,454.00	$ 18,902.00	$ 21,735.00	$ 21,735.00
6A	Walkway Lighting	1	LS	$ 8,000.00	$ 8,000.00	$ -	$ -	$ 2,000.00	$ 2,000.00	$ 1,500.00	$ 1,500.00	$ 1,950.00	$ 1,950.00

NOTES:

1. Holden, Bar, and HM Kern had an error in Bid Item #8, the item is a lump sum, but there are two units. Corrected by unit price. Highlighted in blue.
2. Holden's proposal form did not include any written prices in words, as requested on the form, except for the allowance items.
3. S&S had an error in its written price for Bid Item #5; the price was corrected by the unit price (reduced from $50,000 to $5,000). They also had an error for Bid Item #12a, which was doubled from the allowance provided. Additionally, S&S had a significant mathmatical error that reduced the price as provided in the bid opening from $1,413,467 to $1,271,567.10; the corrected number includes the errors as discussed.
4. Dreambuilt had an error in its written unit price for Bid Item #9a and Alt Bid Item #5A. The written unit price was the same as the final price, but there were 10 units for item 9a and 13 units for item 5A. Used final price for calculation. Also, written out unit prices for Bid Item #s 8 and 9c did not match unit price, but matched final price. Highlighted in yellow and blue (final number).
5. Several values were rounded by the contractor. The green highlighted cells reflect the calculated value based on the unit price.

BID TABULATION WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.

Martin Sanford

Martin D. Sanford, P.E.

CITY OF HIGH POINT
AGENDA ITEM

Title: Hazen and Sawyer
Eastside WWTP Incinerator Restart Project

From: Terry Houk – Public Services Director
Derrick Boone – Asst. Public Services Director

Meeting Date: June 18, 2018

Public Hearing: n/a

Advertising Date: N/A
Advertised By: N/A

Attachments: none

PURPOSE:
The City of High Point disposes bio-solids from the wastewater system via incineration. The current solids handling equipment was replaced and upgraded as part of a capital improvement project. The upgrade included the installation of two new centrifuges, two new cake pumps, and rehabilitation of the incinerator to comply with new EPA air emission requirements. During test start-up of the incinerator a key component of the air emission system (Mercury Control Scrubber) caught on fire and had significant damage.

BACKGROUND:
The scope and fee proposal is for Hazen and Sawyer to provide engineering services for the replacement of the preheat burner system and the installation of a new replacement mercury control scrubber system.

BUDGET IMPACT:
Funds for this change order are available in the FY 2017-18 budget.

RECOMMENDATION / ACTION REQUESTED:
The Public Services Department recommends approval to award the professional engineering services to Hazen and Sawyer in the amount of $492,830.00.

Cherry Bekaert LLP
CPAs & Advisors

November 6, 2018

The Honorable Mayor and Members of the City Council
City of High Point, North Carolina
P. O. Box 230
High Point, North Carolina 27261

Ladies and Gentlemen:

This engagement letter between City of High Point, North Carolina (hereinafter referred to as the "City" or "you" or "your" or "management") and Cherry Bekaert LLP (the "Firm" or "Cherry Bekaert" or "we" or "us" or "our") sets forth the nature and scope of the services we will provide, the City's required involvement and assistance in support of our services, the related fee arrangements and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services and to achieve the mutually agreed upon objectives of the City.

SUMMARY OF SERVICES

We will provide the following services to the City as of and for the year ended June 30, 2019:

Audit and attestation services

1. We will audit the basic financial statements of the City as of and for the year ended June 30, 2019 including the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund, and the remaining aggregate fund information. We will not audit the City of High Point ABC Board. We will refer to the component auditor in our audit opinion.
2. The supplementary information, such as the introductory and statistical sections accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that information.
3. We will audit the supplementary information such as combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards. As part of our engagement, we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting, and other records used to prepare the financial statements or the financial statements themselves.
4. We will apply limited procedures to the required supplementary information (RSI), such as pension plan information and management's discussion and analysis (MD&A), which will consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements.

Nonattest accounting and other services

We will provide the following additional services:

5. Complete the appropriate sections of and sign the Data Collection Form.

YOUR EXPECTATIONS

As part of our planning process, we have discussed with you your expectations of Cherry Bekaert, changes that occurred during the year, your views on risks facing you, any relationship issues with Cherry Bekaert, and specific engagement arrangements and timing. Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the City's expectations. Our service plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

The City recognizes that our professional standards require that we be independent from the City in our audit of the City's financial statements and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with the City and the City should not expect that we will act only with due regard to the City's interest in the performance of this audit and the City should not impose on us special confidence that we will conduct this audit with only the City's interest in mind. Because of our obligation to be independent of the City, no fiduciary relationship will be created by this engagement or audit of the City's financial statements.

The engagement will be led by Eddie Burke, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

AUDIT AND ATTESTATION SERVICES

The objective of our audit is the expression of opinions as to whether the City's basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards.*

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and the State Single Audit Implementation Act.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Uniform Guidance; the Single Audit Act Amendments of 1996; State Single Audit Implementation Act and OMB *Guidance for Grants and Agreements* (2 CFR 200), and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures as deemed necessary to enable us to express such opinions and to render the required reports. We will also issue written reports upon completion of our Single Audit. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or may withdraw from this engagement.

NONATTEST ACCOUNTING AND OTHER SERVICES (IF APPLICABLE)

The accounting and other services described in this section are nonaudit services, which do not constitute audit services under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming the City's management responsibilities.

Data Collection Form

We will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide copies of our reports to the City; however, it is the City's management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the designated federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

City's management's responsibilities related to accounting and other services

For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.

Prior to the release of the report, the City's management will need to sign a representation letter acknowledging its responsibility for the results of these services.

CITY'S MANAGEMENT'S RESPONSIBILITIES RELATED TO THE AUDIT

The City's management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that the City's management and financial information is reliable and properly reported. The City's management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationship in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

The City's management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) the City's management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is the City's management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

FEES

The estimated fee contemplates only the services described in the Summary of Services section of this letter. If the City's management requests additional services not listed above, we will provide an estimate of those fees prior to commencing additional work.

The following summarizes the fees for the services described above:

Description of Services	Estimated Fee
Audit services	
Audit of the financial statements	$ 72,500
*Any major program over 4 major programs will be billed at $3,000 each	

The fees will be billed periodically. Invoices are due on presentation. A service charge will be added to past due accounts equal to 1½% per month (18% annually) on the previous month's balance less payments received during the month, with a minimum charge of $2.00 per month.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. If you have any questions, please call Eddie Burke at (919) 782-1040.

Sincerely,

CHERRY BEKAERT LLP

Cherry Bekaert LLP

ATTACHMENT – Engagement Letter Terms and Conditions

CITY OF HIGH POINT, NORTH CAROLINA

ACCEPTED BY: ______________________

TITLE: Mayor DATE: 12/4/2018

The City's management is responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period or, if they have changed, the reasons for such changes); and (4) the City has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The City's management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The City's management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing the City's management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

The City's management agrees to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have

Cherry Bekaert LLP
Engagement Letter Terms and Conditions

The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

LIMITATIONS OF THE AUDIT REPORT

Should the City wish to include or incorporate by reference these financial statements and our report thereon into *any* other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards ("GAAS") to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the City will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

If, however, the City's management takes certain actions, such as requesting a written consent from us prior to including our audit report in such an offering statement, our firm then becomes associated with the offering and in accordance with professional standards, we will be required to perform certain limited procedures with respect to unaudited information contained in the document. These procedures will be subject to separate written arrangements and fees.

LIMITATIONS OF THE AUDIT PROCESS

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statements. We also will assess the accounting principles used and significant estimates made by the City's management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statements. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statements. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the City) on the financial statements.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. In the event that we have to consult with the City's counsel or counsel of our choosing regarding any illegal acts we identify, additional fees incurred may be billed to the City. You agree that the City will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the City's financial statements. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statements, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.

AUDIT PROCEDURES – GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the City's management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by the City's management or employees acting on behalf of the City. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of the City's management of any material errors and fraud, or illegal acts that come to our attention during the course of our audit. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

AUDIT PROCEDURES – INTERNAL CONTROLS

Our audit will include obtaining an understanding of the City and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the City's management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

AUDIT PROCEDURES – COMPLIANCE

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

The Uniform Guidance and the State Single Audit Implementation Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and the Audit Manual for Governmental Auditors in North Carolina for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

NONATTEST SERVICES (IF APPLICABLE)

All nonattest services to be provided in the attached engagement letter (if applicable) shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under nonattest services in the attached letter.

You agree that the City's designated individual will assume all the City's management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, the designated individual is responsible for:

- Making all financial records and related information available to us.
- Ensuring that all material information is disclosed to us.
- Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- Identifying and ensuring that such nonattest complies with the laws and regulations.

The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the City's designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the City's designated individual. Such advice and guidance shall be limited as permitted under the Code of Professional Conduct.

COMMUNICATIONS

At the conclusion of the audit engagement, we may provide the City's management and those charged with governance a letter stating any significant deficiencies or material weaknesses which may have been identified by us during the audit and our recommendations designed to help the City make improvements in its internal control structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement we will ensure that certain additional matters are communicated to the appropriate members of the City. Such matters include (1) our responsibility under GAAS; (2) the initial selection of and changes in significant accounting policies and their application; (3) our independence with respect to the City; (4) the process used by the City's management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates; (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statements or our report; (6) any disagreements with the City's management concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements; (7) our views about matters that were the subject of the City's management's consultation with other accountants about auditing and accounting matters; (8) major issues that were discussed with the City's management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and (9) serious difficulties that we encountered in dealing with the City's management related to the performance of the audit.

We have attached, as required by the *Government Auditing Standards*, a copy of the report on our most recent peer review.

OTHER MATTERS

Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 15 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.) or their representatives ("Regulators") pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a "peer review" program covering our audit and accounting practices as required by the American Institute of Certified Public Accountants. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the City may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

Electronic transmittals

During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. As an alternative, we recommend using our Client Portal ("Portal") to transmit documents. Portal allows the City, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, and other electronic methods to transmit and receive information, including confidential information between the Firm, the City, and other third party providers utilized by either party in connection with the engagement.

Subpoenas

In the event we are requested or authorized by the City, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

Dispute resolution procedures

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation would be conducted by a mediator acceptable to both parties. Both parties would exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute, controversy, or claim.

Waiver of Trial by Jury

In the event the parties are unable to successfully mediate any dispute, controversy, or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.

Independent contractor

Each party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

No Third-Party Beneficiaries

The parties do not intend to benefit any third-party by entering into this Agreement, and nothing contained in this Agreement confers any right or benefit upon any person or entity who or which is not signatory of this Agreement.

TERMS AND CONDITIONS SUPPORTING FEE

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the City's personnel, timely delivery of requested audit schedules and supporting information, timely communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed-upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden City requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed-upon dates can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals could result in additional fees. Our estimated fee does not include assistance in bookkeeping or other accounting services not previously described. If for any reason the City is unable to provide such schedules, information and assistance, the Firm and the City will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the City will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the City with respect to matters of accounting, financial reporting, or other significant business issues as permitted by professional standards. Accordingly, time necessary to effect a reasonable amount of such consultation is reflected in our fee. However, should a matter require research, consultation, or audit work beyond that amount, the Firm and the City will agree to an appropriate revision in our fee.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the City at this time, but do not include any time related to the application of new auditing or accounting standards that impact the City for the first time. If new auditing or accounting standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing and extent of our planned audit procedures and will communicate with the City concerning the scope of the additional procedures and the estimated fees.

The City agrees to pay all costs of collection (including reasonable attorneys' fees) that the Firm may incur in connection with the collection of unpaid invoices. In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the City will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

This engagement letter sets forth the entire understanding between the City and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.

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System Review Report

January 10, 2017

To the Partners of Cherry Bekaert LLP
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm), applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP, applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Cherry Bekaert LLP has received a peer review rating of *pass*.

EisnerAmper LLP
EisnerAmper LLP
Iselin, NJ

AICPA® Peer Review Program
Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

January 13, 2017

Howard Joseph Kies
Cherry Bekaert LLP
200 S 10th St Ste 900
Richmond, VA 23219

Dear Mr. Kies:

It is my pleasure to notify you that on January 12, 2017 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is October 31, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Michael Fawley

Michael Fawley
Chair—National PRC
nprc@aicpa.org 919 4024502

cc: Marc T. Fogarty; Raymond R Quintin

Firm Number: 10011816 Review Number 451036

Letter ID: 1139057A