

EXHIBIT 2

NORTH CAROLINA

INTERLOCAL ORGANIZATION AND OPERATING AGREEMENT

UNION COUNTY

THIS INTERLOCAL ORGANIZATIONAL AND OPERATING AGREEMENT is entered into this the 12th day of October, 2021, by and between **UNION COUNTY**, a political subdivision of the State of North Carolina (hereafter “County”), and the **CITY OF MONROE**, a municipal corporation chartered under the laws of the State of North Carolina (hereafter “City”).

WHEREAS, local governments including counties and municipalities are authorized by North Carolina General Statutes Sections 158-8 *et seq.*, 160A-460 *et seq.*, and 153A-445 to enter into agreements and partnerships for economic development purposes; and

WHEREAS, an interlocal agreement has been in place since January 2013, pursuant to which the County and the City established Monroe-Union County Economic Development as a joint county-wide economic development program; and

WHEREAS, the current interlocal agreement between the County and the City expires after December 31, 2021; and

WHEREAS, it has been and will continue to be mutually beneficial to both the County and the City for the County and the City to remain joined in successfully promoting economic development activity in the City of Monroe and the County of Union; and

WHEREAS, both the County and the City desire to continue this partnership for economic development through the establishment of a new entity, the Monroe-Union County Economic Development Commission (the “Commission”), with the purpose, governance, organizational structure, powers and duties, and activities as provided herein and the resolution establishing the Commission (the “Establishing Resolution”); and

WHEREAS, the County and City have adopted, or will adopt along with this Agreement, the Establishing Resolution creating the Monroe-Union County Economic Development Commission; and

WHEREAS, the County and City have adopted, or will adopt along with an Amendment to this Agreement, a joint resolution concerning the dissolution of the Commission (the “Dissolution Resolution”).

NOW, THEREFORE, for and in consideration of the mutual promises set forth herein and other good and valuable consideration, the parties agree to reorganize their economic development efforts and create the Monroe-Union County Economic Development Commission pursuant to the Establishing Resolution under the following terms and conditions:

1. **PURPOSE.** The purpose of this Agreement is to set forth the organizational structure, operational terms, and winding-down of the Monroe-Union County Economic Development Commission (“Commission”) consistent with the Establishing Resolution and the Dissolution Resolution.

2. **COMPOSITION/ORGANIZATION.**

- a. **Board of Directors.** The Monroe-Union County Economic Development Commission Board of Directors (“Board”) shall be the governing body of the Commission. The duties and responsibilities of the Board are further defined in Section 3 below.

The Board membership shall include seven (7) members. Those members shall be the members of the Monroe City Council and the Mayor of the City of Monroe. The members of the Monroe City Council and the Mayor of the City of Monroe shall serve as members of the Board as *ex officio* as part of the duties of their official position. If a Board Member no longer serves in the office giving rise to their *ex officio* Board appointment, that person shall be deemed to have vacated their office on the Board.

3. **POWER AND DUTIES OF THE BOARD OF DIRECTORS.**

- a. The Board shall be delegated the powers and duties of an economic development commission pursuant to N.C.G.S. § 158-8 *et seq.*, as well as the ability to take any reasonable actions necessary to conduct, receive, and approve an independent audit under the provisions of Chapter 159 of the North Carolina General Statutes, as well as other actions reasonably necessary to resolve any outstanding obligations of the Commission related solely to the winding up and termination of the Commission.
 - b. The Board shall have the power to adopt and utilize such bylaws, rules, and regulations for its own guidance and for the organization and governance of the Commission, including election and terms of any officers of the Board, as may be reasonably necessary for the discharge of its duties, in conformity with applicable law for the winding up and termination of the Commission (including, without limitation, appointment of a budget officer and finance officer under Chapter 159 of the North Carolina General Statutes and applicable law if necessary). The mayor of the City of Monroe shall serve as chair of the Board.
 - c. For the purpose of winding up the affairs of the Commission, the Board, any staff, employees, or other agents shall not have the authority to incur any debt, obligation, liability, or other expense which would purport to place any liability for such debt upon City or County without an express vote of approval from City and/or County approving such indebtedness.

4. **TERM AND TERMINATION.** This Agreement shall become effective as of January 1, 2022 (the “Effective Date”). The Agreement shall have a term running from the Effective Date through October 31, 2025, terminating effective November 1, 2025.

If this Agreement expires or is terminated as provided for herein, the provisions of Section 5 for the dissolution of the Commission shall apply.

5. **DISSOLUTION.** City shall be responsible for the payment of any outstanding obligations of the Commission prior to its dissolution effective November 1, 2025. For any such Commission expenses for which the City is responsible pursuant to this paragraph which were obligated or incurred prior to July 1, 2025, County agrees to reimburse City fifty percent (50%) of such expenses upon invoice from County. However, such reimbursement requirement shall not apply to any expenses for the Commission’s FY 2025 audit expenses as set forth in the audit contract between the Commission and Martin Starnes & Associates, CPAs, P.A.
6. **NO AUTHORITY TO BIND FOR INCENTIVES.** City agrees that neither City nor Commission shall have any authority to bind County to the payment or provision of any economic development incentives. County agrees that neither County nor Commission shall have any authority to bind City to the payment or provision of any economic development incentives.
7. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the parties. No other agreement, statement, or promise made by either party, orally or in writing, which is not contained in this Agreement shall be valid or binding.
8. **AMENDMENT.** This Agreement may be amended upon adoption of written amendments executed in writing on behalf of each respective governing body, which may include amendment to the Establishing Resolution if required by applicable law.
9. **JOINT EFFORTS.** This Agreement shall be considered for all purposes as prepared through the joint efforts of the both parties and shall not be construed against one party or the other as a result of preparation, submission, or drafting hereof.
10. **SEVERABILITY.** The provisions hereof are severable, and should any provision be determined to be invalid, unlawful or otherwise null and void by any court of competent jurisdiction, the other provisions shall remain in full force and effect and shall not thereby be affected unless such ruling shall make further performance hereunder impossible or impose an unconscionable burden upon one of the parties. The parties shall endeavor in good faith to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as practicable to that of the invalid, illegal or unenforceable provisions.
11. **COMPLIANCE WITH LAWS.** In the performance of their duties pursuant to this Agreement, County, City, and Commission shall comply with all laws, rules, regulations,

ordinances, codes, standards, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

12. **REPRESENTATIONS AND WARRANTIES.** Each party hereby represents and warrants each to the other the existence of all capacity, authority, resolutions, and actions necessary to execute and enter into this Agreement.

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SIGNATURES FOLLOW ON THE NEXT PAGE]**