

**SECOND AMENDMENT TO INTERLOCAL AGREEMENT**

**DATED DECEMBER 5, 2024**

**BY AND AMONG**

**TOWN OF HOPE MILLS, NORTH CAROLINA,  
LINCOLN COUNTY, NORTH CAROLINA,  
CITY OF NEW BERN, NORTH CAROLINA,  
CITY OF ROCKY MOUNT, NORTH CAROLINA,  
GASTON COUNTY, NORTH CAROLINA, AND**

**ALL OTHER PARTIES AS LISTED ON EXHIBIT A HERETO**

With respect to the  
Commingled Investment Pool  
Entitled:

North Carolina Cooperative Liquid Assets Securities System  
(North Carolina CLASS)

## SECOND AMENDMENT TO INTERLOCAL AGREEMENT

**THIS SECOND AMENDMENT INTERLOCAL AGREEMENT** is dated as of the 5<sup>th</sup> day of December, 2024 and effective as of December 5, 2024 (this "Amendment"), and is by and among **TOWN OF HOPE MILLS, NORTH CAROLINA** ("Town of Hope Mills"), a local government and body politic and corporate of the State of North Carolina, **LINCOLN COUNTY, NORTH CAROLINA** ("Lincoln County"), a local government and body politic and corporate of the State of North Carolina, **CITY OF NEW BERN, NORTH CAROLINA** ("City of New Bern"), a local government and body politic and corporate of the State of North Carolina, **CITY OF ROCKY MOUNT, NORTH CAROLINA** ("City of Rocky Mount"), a local government and body politic and corporate of the State of North Carolina, **GASTON COUNTY, NORTH CAROLINA** ("Gaston County"), a local government and body politic and corporate of the State of North Carolina and all those local government units listed on Exhibit A hereto. This Amendment amends the Interlocal Agreement dated as of March 1, 2023 (the "Original Interlocal Agreement" and together with a First Amendment to Interlocal Agreement dated as of June 1, 2023 and effective as of June 2, 2023 (the "First Amendment") and this Second Amendment, the "Agreement"), each among the Town of Hope Mills, Lincoln County, the City of New Bern, the City of Rocky Mount, and Gaston County (each hereinafter, individually, a "Party" and collectively, the "Parties").

### **WITNESSETH:**

**WHEREAS**, the provisions of Section 159-30 of the General Statutes of North Carolina, as amended or successor statute ("N.C. Gen. Stat."), enable any local government or public authority of the State of North Carolina (a "Local Government" or "Local Government Unit") to invest idle funds;

**WHEREAS**, under N.C. Gen. Stat. § 159-30(c)(10), moneys may be invested in a commingled investment pool established by interlocal agreement pursuant to N.C. Gen. Stat. § 160A-460 through 160A-464 (a "Local Government Investment Pool"), if the investments of the Local Government Investment Pool are limited to those qualifying for investment under N.C. Gen. Stat. § 159-30 governing the investment of monies of a Local Government Unit ("Permitted Investments");

**WHEREAS**, the Parties entered into the Original Interlocal Agreement for the purpose of creating a Local Government Investment Pool, known as the "North Carolina Cooperative Liquid Assets Securities System (North Carolina CLASS)" (the "Trust"), solely for North Carolina Local Government Units, and the initial Parties to the Original Interlocal Agreement are the initial Local Government Units of the Trust (the "Initial Local Government Units");

**WHEREAS**, the Trust is governed by the terms of an Indenture of Trust (the "Indenture"), executed by the Parties, which provides for the deposit and investment of pooled funds in only Permitted Investments;

**WHEREAS**, the Initial Local Government Units anticipated that in the future additional Local Government Units would become participants in the Trust ("Participants");

**WHEREAS**, the Interlocal Agreement provides for the manner in which additional Local Government Units would become a Participant; and

**WHEREAS**, the Initial Local Government Units have determined to amend the Agreement to simplify the manner in which an additional Local Government Unit may become a Participant and to amend the manner in which the Interlocal Agreement may be amended from time to time;

**NOW THEREFORE**, in consideration of the respective rights, powers, duties and obligations hereinafter set forth herein, the Parties agree as follows:

**ARTICLE I  
DEFINED TERMS; WAIVER; AMENDMENTS**

**1.01 Definitions.** Except as otherwise amended or supplemented herein, all terms shall have the meanings set forth in the Original Interlocal Agreement.

**1.02 Amendments to the Original Interlocal Agreement.**

A. As of the Effective Date, Sections 1.02 and 1.03 of the Original Interlocal Agreement are amended and restated to read as follows:

**Section 1.02 Local Government Investment Pool Established.**

A. The Parties, through this Agreement and the Indenture, establish a joint agency empowered by the Board (as defined herein) under the Indenture to provide a trust fund in accordance with North Carolina law permitting Local Government Units, each of which must be a Local Government Unit of the State of North Carolina, to pool monies available from idle funds, which are not immediately required to be disbursed, with the same such monies held by other Local Government Units, in order to invest them and earn interest in accordance with, and as permitted by, the provisions of N.C. Gen. Stat. § 159-30 governing the investment of monies of a Local Government Unit.

B. After the initial execution of this Agreement and the Indenture, additional Local Government Units may become Participants in the Trust so long as Local Government Units comply with the provisions of this Agreement and the Indenture to become a Participant in the Trust, including but not limited to obtaining any requisite approvals of the Local Government Unit's participation in the Trust by its governing body in accordance with Section 1.03 hereof and the execution and delivery of the Participant application for participation in the Trust in a form determined and provided by the Administrator of the Trust.

C. The structure, administration, management and operation of the Trust shall be governed by the terms of the Indenture and the bylaws of the Trust attached hereto as Exhibit B, as such bylaws may be amended from time to time in accordance with their terms and the terms of the Indenture (the "Bylaws").

D. The Trust shall be governed by a Board of Trustees (the "Board"), appointed in accordance with the Bylaws, and operating in accordance with the Bylaws and the Indenture.

E. Pursuant to the Indenture and the Bylaws, the Board shall be responsible for the operation of the Trust and for the investment of the assets of the Trust, and has the power to appoint, employ, retain, or contract with investment advisors, administrators, distributors, custodians and independent contractors to perform designated functions under the supervision of the Board. The Indenture will provide for the manner in which the charges and expenses that are necessary or incidental to the management and operation of the Trust shall be paid.

F. The Parties have not established a minimum contribution to the Local Government Investment Pool or a minimum obligation with regard to participation in the Local Government Investment Pool; provided that, from time to time, the Board may by resolution establish such minimums.

G. The manner in which ownership of property and assets of the Trust is allocated among the Participants and the manner in which property and assets are valued shall be set forth in the Indenture. The Trust will be divided into non-transferable units called Shares without par value. Title to the assets of the Trust is vested in the Board on behalf of the Participants, each of which has a beneficial interest in its allocable share of such assets.

H. Any Party may resign or withdraw from the Indenture and this Agreement pursuant to the terms of the Indenture and this Agreement, respectively, with no further responsibility or obligation to any other Party.

I. Each Participant's finance officer is responsible for the continued management, supervision and investment of the idle funds on behalf of such Participant and as such will be the Authorized Representative of such Participant under the Indenture. The finance officers of the respective Participants shall independently determine whether to invest or withdraw the funds of their respective Local Government Units in accordance with, and as permitted by, that Participant's investment policies, if any, and the provisions of the N.C. Gen. Stat. § 159-30 or other applicable North Carolina law governing the investment of monies of a Local Government Unit. The Parties authorize their respective finance officers to execute such documents necessary to effect the spirit and intent of this Agreement according to their statutory powers and internal investment policies, if any, including, but not limited to, the execution of the Indenture.

**Section 1.03 Additional Participants in the Trust.** In the event a Local Government Unit desires to become a Participant in the Trust and to invest idle cash in the Local Government Investment Pool, such Local Government Unit must deliver to the Administrator an executed copy of the Participant application in a form determined and provided by the Administrator to such Local Government Unit.

Upon the acceptance of the Participant application and confirmation by the Administrator of its completion, such Local Government Unit shall be admitted as a Participant in the Trust.

B. As of the Effective Date, Sections 2.02 of the Original Interlocal Agreement is amended and restated to read as follows:

**Section 2.02 Amendments.**

- A. This Agreement may not be amended, changed, modified or altered without the written consent of a simple majority of the Parties.
- B. Any Party may propose an amendment to this Agreement by submitting the proposed amendment and the reasons for the proposed amendment in writing to the other Parties in accordance with the notice provisions in Section 2.05 below. If a simple majority of the Parties agree to the proposed amendment, a written amendment to this Agreement shall be distributed to the Parties and executed.
- C. The Parties may enter into amendments which do not have financial implications for any Party, with the approval of and execution by their respective Authorized Representative (as defined in the Indenture). All other amendments shall require approval by the governing boards of each Party.
- D. Unless otherwise provided in such amendment, an amendment to this Agreement shall become effective upon its execution by all of the Parties.

Notwithstanding the above, no amendment to the Agreement shall be entered into that is inconsistent with the terms of the Indenture.

## **ARTICLE II OTHER PROVISIONS**

**2.01 Ratification.** Except to the extent amended by this Amendment, all provisions of the Original Interlocal Agreement shall remain in full force and effect and apply to this Amendment as if fully restated herein.

**2.02 Governing Law.** This Amendment shall be governed by and interpreted in accordance with the laws of the State of North Carolina. All references to particular statutes shall mean as amended or replaced from time to time.

**2.03 Severability.** If any provision of this Amendment shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this Amendment.

**2.04 Counterparts.** This Amendment may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument that shall be sufficiently evidenced by any such original counterpart.

**2.05 Electronic Signatures.** The parties agree that the electronic signature of a party to this Amendment shall be as valid as an original signature of such party and shall be effective to bind such party to this Amendment. The parties agree that any electronically signed document (including this Amendment) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. No party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

**2.06 Electronic Version of Agreement.** Any Party may convert a signed original of this Amendment to an electronic record pursuant to a North Carolina Department of Natural and Cultural Resources approved procedure and process for converting paper records to electronic records for record retention purposes. Such electronic record of the Agreement shall be deemed for all purposes to be an original signed Amendment.

*{Signature Page Follows}*

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

*In accordance with Section 2.05 of this Amendment the Parties have executed this Amendment by electronic vote as reflected in Exhibit B attached hereto.*