STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

Termination Agreement for the Transit Governance Interlocal Agreement

This Termination Agreement (this "Termination Agreement") for the Transit Governance Interlocal Agreement (the "Transit Agreement"), is entered into as of _____ ____, 2026, by and among the **COUNTY OF MECKLENBURG** (the "County"), a political subdivision of the State of North Carolina, the **CITY OF CHARLOTTE** (the "City"), a municipal corporation organized under the laws of the State of North Carolina, and such other **MUNICIPAL CORPORATIONS ORGANIZED UNDER THE LAWS OF THE STATE OF NORTH CAROLINA LISTED IN SECTION III OF THE TRANSIT AGREEMENT** (each a "Town" and collectively, the "Towns") who are signatories to this Agreement (together the City, County, and Towns are the "Parties").

WITNESSETH:

WHEREAS, the Parties entered into the Transit Agreement, dated February 16, 1999 and later amended in 2005 and 2024, to provide the relationships and mechanisms to guide the planning, financing, and implementation of an effective, efficient, responsive, and accountable integrated regional transit system; and

WHEREAS, the transit system established pursuant to the Transit Agreement came to be known as the Charlotte Area Transit System ("CATS"), and operated as a public enterprise and department of the City; and

WHEREAS, the Transit Agreement created an intergovernmental body known as the Metropolitan Transit Commission (the "MTC"), which was responsible for, among other things, reviewing and recommending long-range public transportation plans and approving the operating and capital program budgets for CATS; and

WHEREAS, pursuant to authority in Session Law 2025-39 (the "Act"), the County has levied an additional one percent (1%) sales and use tax, effective as of July 1, 2026 (the "Tax Levy Date"), and has created a new Metropolitan Public Transportation Authority (the "MPTA"); and

WHEREAS, the Act also amends the laws governing funding for public transportation in the County; requires all or a portion of CATS to be transferred to the MPTA; and requires the termination of the Transit Agreement and the dissolution of the MTC by the Tax Levy Date; and

WHEREAS, the purpose of this Termination Agreement is to define an orderly process for the termination of the Transit Agreement and the dissolution of the MTC in accordance with the Act; and

WHEREAS, under Section X.D of the Transit Agreement, the Transit Agreement can be terminated with the consent of the City, the County and at least three-quarters of the Towns; and

WHEREAS, the Parties hereto have the power pursuant to Section 153A-445(a)(1) and Article 20 of Chapter 160A of the North Carolina General Statutes to perform jointly any function that they have the power to perform alone, or to contract with one another for the performance of any governmental function that they have the power to perform alone, and to enter into contracts and agreements to specify the details of these joint undertakings; and

NOW, THEREFORE, in consideration of the premises and the fulfillment of the terms of this Agreement, the Parties hereto agree as follows:

I. **Purpose**

The purpose of this Termination Agreement is to define a process for the termination of the Transit Agreement and the dissolution of the MTC. Section 6.4(9) of the Act directs the Parties to draft the Termination Agreement by July 1, 2026.

II. **Termination of Transit Agreement**

A. Effective Date – Pursuant to the Act and this Termination Agreement, the Transit Agreement will terminate as of the Tax Levy Date.

B. Specific Obligations – All provisions of and requirements of the Transit Agreement are terminated by this Termination Agreement. For clarity, but not for the purpose of any limitation, termination of the following requirements of the Transit Agreement are addressed specifically:

1. Debt Obligations Terminated – The Transit Agreement contained provisions establishing the Parties' responsibility for repayment of transit debt issued during the period in which the Transit Agreement was in place. The Parties agree that the Act contains provisions, which sufficiently identify responsibility for transit debt, or debt issued previously pursuant to the Transit Agreement. Therefore, the requirements of Section X.D and X.E of the Transit Agreement concerning responsibility for debt repayment are terminated as of the Tax Levy Date.

2. Maintenance Of Effort Obligations Terminated – Section VIII.C of the Transit Agreement required each party to transfer a "maintenance of effort" payment to the City each year. Section 6.4(9) of the Act directs the Parties to repeal the maintenance of effort requirements of the Transit Agreement. Therefore, pursuant to the Act and the Termination Agreement, the requirements of Section VIII.C concerning maintenance of effort obligations are terminated as of the Tax Levy Date.

III. **MTC Dissolution**

A. Dissolution Date – Pursuant to the Act, the MTC shall be dissolved as of the Tax Levy Date. Any power, authority, responsibility, obligation, or committee of the MTC shall also terminate as of the Tax Levy Date.

IN WITNESS WHEREOF, the Parties hereto have caused this Termination Agreement to be executed effective as of the day written above by authority duly granted by the governing boards of the Parties.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

COUNTY OF MECKLENBURG

_____

Name:_____

Title:_____

(SEAL)

_____

Clerk to the Board

Approved as to form:

_____

County Attorney

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

_____

Director of Finance
Mecklenburg County

CITY OF CHARLOTTE

_____

Name:_____

Title:_____

(SEAL)

_____

City Clerk

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

_____

Director of Finance
City of Charlotte

TOWN OF CORNELIUS

_____

Name:_____

Title:_____

(SEAL)

_____

Clerk to the Town

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

_____

Director of Finance
Town of Cornelius

TOWN OF DAVIDSON

_____

Name:_____

Title:_____

(SEAL)

_____

Clerk to the Town

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

_____

Director of Finance
Town of Davidson

TOWN OF HUNTERSVILLE

_____

Name:_____

Title:_____

(SEAL)

_____

Clerk to the Town

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

_____

Director of Finance
Town of Huntersville

TOWN OF MATTHEWS

_____

Name:_____

Title:_____

(SEAL)

_____

Clerk to the Town

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

_____

Director of Finance
Town of Matthews

TOWN OF MINT HILL

_____

Name:_____

Title:_____

(SEAL)

_____

Clerk to the Town

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

_____

Director of Finance
Town of Mint Hill

TOWN OF PINEVILLE

_____

Name:_____

Title:_____

(SEAL)

_____
Clerk to the Town

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

_____
Director of Finance
Town of Pineville