

RESOLUTION AUTHORIZING THE MERGER OF THE TOWN'S NEWLY APPROVED ABC SYSTEM WITH THE CITY OF GREENSBORO ABC

WHEREAS, there presently exists an Alcoholic Beverage Control system which serves the City of Greensboro, North Carolina that is governed by a Board of Alcoholic Control ABC Board as provided for in Chapter 291 of the 1951 North Carolina Session Laws, as amended.

WHEREAS, the Board and the governing bodies of the City of Greensboro and the Town of Summerfield ("Town") have each determined that it is in the public interest to have a Consolidated System in The City of Greensboro ("Greensboro") as permitted by the merger provisions of Chapter 18B of the General Statutes of North Carolina; and

WHEREAS, the powers of the Board shall be those specified in Chapter 18B of the General Statutes of North Carolina as amended; and

WHEREAS, it is contemplated that the Town of Summerfield as a municipality located within Guilford County does desire to establish ABC store(s) within the municipal limits of the Town of Summerfield and become part of the Greensboro ABC System; and

WHEREAS, the Greensboro ABC Board and the Town of Summerfield will jointly examine the location and placement of the initial proposed ABC Store within the Town on property adjacent to Highway US 220 with appropriate vehicular access for the general site location to Highway US 220; however, the final decision as to placement location of such ABC Store within the Town will be made by the Greensboro ABC Board. Any additional store locations will be reviewed and examined on a case by case basis by both parties.

WHEREAS, the Consolidated System of Greensboro and Summerfield will generate greater revenues for each participating municipality (as well as Guilford County, which will share in the net proceeds of Greensboro and Summerfield) than would separate systems inasmuch as

considerable savings are achieved through combined managerial, administrative, financial, warehousing, and law enforcement functions; and

WHEREAS, the Greensboro ABC system maintains separate records for each ABC store in the end that the gross revenues, expenses and net revenues for each store and the combined store(s) within the Town of Summerfield may be readily determined. The Greensboro ABC Board will retain 30% of the profits and the remaining amount will be distributed to the town of Summerfield. All net profits derived from Summerfield ABC store(s), after distributions required by state and federal law, are to be distributed on a quarterly basis to the governing body of Summerfield in which the store(s) generating such profit is located.

The Summerfield ABC store(s) will become a part of the Greensboro ABC system. The governing body of the town of Summerfield shall appoint one (1) ex officio member to the Greensboro ABC Board to serve a three (3) year term as a non-voting member of such board. The appointee must be a resident of Summerfield, and must be known for his or her good character, ability, and business acumen, and may serve a maximum of two three-year terms commencing on July 1 of the first year and ending on June 30 of the third year, except and provided the first Summerfield appointee shall serve an interim term from date of appointment until June 30, 2006 and upon re-appointment or new appointment every three (3) years thereafter.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SUMMERFIELD:

1. That the merger of the Town's newly approved ABC System with the Greensboro ABC System as set out herein is hereby approved.
2. That upon like approval by the City Council of the City of Greensboro, the North Carolina Alcoholic Beverage Control Commission is hereby requested to approve said merger under the terms and conditions set out above.
3. That either the Town of Summerfield or the Greensboro ABC Board may withdraw and terminate the merger agreement at the end of five (5) years or both parties may agree to extend the merger agreement upon mutual consent. At any other time, the merger

agreement may be dissolved with the approval of the North Carolina Alcoholic Beverage Control Commission.

4. That in the event of termination and withdrawal from the merger by either party, the Greensboro ABC Board shall appoint an independent Certified Public Accountant (CPA) or a CPA firm to conduct an audit of the financial records of the Consolidated System and make a determination as to those assets and/or liabilities which are attributed to the Greensboro Consolidated ABC Board and the Town of Summerfield, respectively.

Adopted this 6th day of DECEMBER, 2005.

TOWN OF SUMMERFIELD

By: Dena Barnes
Dena Barnes, Mayor

ATTEST AND SEAL

By: Diane Laughlin
Diane Laughlin, Town Clerk