

**STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON**

**FIRST AMENDED AND RESTATED INTERLOCAL AGREEMENT TO  
PROVIDE FOR THE MERGER OF ABC SYSTEMS**

**THIS FIRST AMENDED AND RESTATED INTERLOCAL AGREEMENT TO PROVIDE FOR THE MERGER OF ABC SYSTEMS** (“First Amended and Restated Interlocal Agreement”), entered into on the \_\_\_\_ day of \_\_\_\_\_, 2025, by and between the City of Hendersonville, a North Carolina municipal corporation (“City”), and the Town of Laurel Park, a North Carolina municipal corporation (“Town”),

**WITNESSETH:**

**THAT WHEREAS**, the City Council for the City of Hendersonville and the Town Council for Laurel Park adopted an Interlocal Agreement to Provide for the Merger of ABC Systems, dated May 8, 2024 (“Interlocal Agreement”); and

**WHEREAS**, previous to the Interlocal Agreement a City of Hendersonville Board of Alcoholic Beverage Control operated an ABC system consisting of three stores and a warehouse, plus inventory and equipment, said stores being located at 205 Church Street, Hendersonville, NC (“Church Street Store”), 275 Thompson Street, Hendersonville, NC (“Thompson Street Store”), and 32 McMurray Road, Hendersonville, NC (“McMurray Road Store”), the warehouse being located at the Church Street store (“Hendersonville Warehouse”), the Hendersonville System being collectively hereinafter referred to as the “Hendersonville System”; and

**WHEREAS**, previous to the Interlocal Agreement, a Town of Laurel Park Alcoholic Beverage Control Board operated an ABC system consisting of one store plus inventory and equipment, said store being located at 1709 Brevard Highway, Laurel Park, NC (“Laurel Park Store”), the Laurel Park System being collectively hereinafter referred to as the “Laurel Park System”; and

**WHEREAS**, the stores operated by the Hendersonville ABC System and the Laurel Park ABC System are operated in the same general area, and are in close proximity to one another;

**WHEREAS**, based upon the adoption of the Interlocal Agreement the Laurel Park ABC System and the Hendersonville ABC System were merged, with the merger being effective July 1, 2024, pursuant to the authority of N.C.G.S. § 18B-703 and N.C.G.S. Chapter 160A Article 20, Part 1, the merged system now being known as the Blue Ridge ABC System; and

**WHEREAS**, pursuant to the Interlocal Agreement, effective July 1, 2024, the City of Hendersonville Board of Alcoholic Beverage Control and the Town of Laurel Park Alcoholic Beverage Control Board were merged into one consolidated board, known as the Blue Ridge Alcoholic Beverage Control Board; and

**WHEREAS**, the Blue Ridge Alcoholic Beverage Control Board and the merged system have operated successfully for one year, however, it has become apparent that certain amendments to the Interlocal Agreement could increase operational efficiencies; and

WHEREAS, the Blue Ridge Alcoholic Beverage Control Board has requested that the Town and the City amend the Interlocal Agreement to provide for these operational efficiencies, and the Town and City have agreed;

**NOW THEREFORE THIS FIRST AMENDED AND RESTATED AGREEMENT**, that for and in consideration of the mutual promises and covenants contained hereinbelow, the mutuality and sufficiency of each being acknowledged by the parties hereto, the parties agree as follows:

1. Whereas Clauses. The Whereas clauses are incorporated into this First Amended and Restated Interlocal Agreement.
2. Merger. Based upon the due approval and execution of this Interlocal Agreement by and on behalf of the City and the Town, the City of Hendersonville Board of Alcoholic Beverage Control, the Town of Laurel Park Alcoholic Beverage Control Board, and the approval by the North Carolina Alcoholic Beverage Control Commission (“Commission”), the City of Hendersonville Board of Alcoholic Beverage Control and the Town of Laurel Park Alcoholic Beverage Control Board were merged into one consolidated board and the Hendersonville System and the Laurel Park System were merged into one consolidated system and said merger was effective July 1, 2024. All actions taken by the Town and the City to approve and effectuate this merger are hereby ratified.
3. Name. The name of the consolidated ABC Board shall be the “Blue Ridge Alcoholic Beverage Control Board.”
4. Composition of the Board. The Blue Ridge Alcoholic Beverage Control Board (“Blue Ridge ABC Board”) will have five (5) members, with three members being appointed by the City Council, and two members being appointed by the Town Council. Each member seat shall be appointed by the appointing Council for three-year staggered terms. Mid-term vacancies in a member seat shall be filled by the appointing Council for the remainder of the unexpired term. No member may serve for more than two (2) consecutive terms at a time. The Town Council and City Council shall appoint members on the basis of the appointees’ interest in public affairs, good judgment, knowledge, ability, and good moral character (ref. NCGS § 18B-700(d)).
5. Appointment of a Chair. The Blue Ridge ABC Board shall annually appoint a Chair from among the membership of the Board. All mid-year vacancies in the office of Chair shall be filled by the Board membership, for the remainder of the one-year service period left by the vacating member. If the vacating Chair’s membership seat is also vacant, the membership vacancy shall be filled in accordance with paragraph 4, above.
6. Annual Meeting. An annual meeting shall be held during the month of June for the purpose of appointing officers and for any actions as may be necessary relating to the organization of the Blue Ridge ABC Board and the Blue Ridge ABC System for the upcoming fiscal year. Such meeting shall be advertised in accordance with the North Carolina Open Meetings Law. Such actions shall include, but not be limited to:

- a. Appointment of other officers (reference paragraph 7 below), including the Finance Officer and Secretary.
  - b. Making amendments to the bylaws and rules of procedure as required.
  - c. Approval of salaries and benefits (reference paragraph 11(c) below).
  - d. Making amendments to the Blue Ridge ABC System policies and procedures, including but not limited to personnel policies and operations manuals (reference paragraph 11(c) below).
  - e. Approval of annual contracts and leases of the Blue Ridge ABC System.
  - f. Holding a public hearing and adoption an annual budget.
  - g. Such other actions as are required.
7. Other Officers. The Blue Ridge ABC Board shall appoint a Vice Chair to serve for 1 year. The Vice Chair shall serve as Chair in the absence of the Chair. The Blue Ridge ABC Board shall also appoint a Secretary and Finance Officer. The Secretary shall be the official records custodian, shall take and compile minutes of the Blue Ridge ABC Board, and advertise Blue Ridge ABC Board meetings in accordance with the North Carolina Open Meetings Law, where required. The Secretary and Finance Officer shall be staff persons, employed by the Blue Ridge ABC Board who will serve at the pleasure of the Blue Ridge ABC Board.
8. Removal. Blue Ridge ABC Board members may be removed for cause, at any time, 1) by the Council that appointed the member without the consent or approval of the other Council, or 2) by the Commission in accordance with Chapter 18B of the North Carolina General Statutes. (ref NCGS § 18B-202, 700(f), and 704) Removal of a member appointed by the City Council shall only require action by the City Council and consent or approval by the Town Council shall not be required. Removal of a member appointed by the Town Council shall only require action by the Town Council and consent or approval by the City Council shall not be required.
9. Compensation. The Chair shall receive \$500.00 per meeting, and members shall receive \$150.00 per meeting.
10. Powers and Duties of the Blue Ridge ABC Board. Upon the effective date of the merger (ref paragraph 2 above), the Blue Ridge ABC Board shall have the powers and duties granted by Chapter 18B of the North Carolina General Statutes, in addition to and as modified by the powers and duties granted to the City of Hendersonville Board of Alcoholic Beverage Control or the Town of Laurel Park Alcoholic Beverage Control Board by local act.
11. Merger of ABC Systems. The former Hendersonville System and the former Laurel Park System are assets of the Blue Ridge ABC Board, and together both systems are collectively be known as the “Blue Ridge ABC System.” All tangible and intangible assets and inventory shall be accounted for as a merged system.
  - a. Reserved.

- b. Reserved.
- c. Employees. All employees of the Hendersonville System and the Laurel Park System have become and shall remain employees of the Blue Ridge ABC Board having such policies and procedures as are duly approved and amended by the Blue Ridge ABC Board.
  - i. The former general manager of the Hendersonville System shall be the general manager of the Blue Ridge ABC System and shall be subject to the direction and control of the Blue Ridge ABC Board, and shall be subject to the policies and procedures (including personnel policies) of the Blue Ridge ABC Board.
  - ii. There shall be an assistant general manager for the Blue Ridge ABC System. The assistant general manager of the Blue Ridge ABC System shall be chosen in accordance with, shall be subject to, the policies and procedures (including personnel policies) of the Blue Ridge ABC Board.
  - iii. All eligible employees of the Blue Ridge ABC System and the Blue Ridge ABC Board shall be participating members of the Local Government Employees' Retirement System.
- d. Expenses and Obligations. All expenses and obligations of the Blue Ridge ABC System shall be satisfied from the assets of the Blue Ridge ABC System.

12. Distribution of Profits.

- a. Accounting. Accounting for revenues, expenses, debt, liabilities, payables, receivables, profits, depreciation, and assets (both tangible and intangible), and all other financial and managerial accounting, shall occur in accordance with generally accepted accounting principles.
- b. ABC Stores. Each store operated by the merged ABC system shall be operated and accounted for in accordance with the financial policies approved by the Blue Ridge ABC Board.
- c. Warehouse. The warehouse operated as part of the Blue Ridge ABC System; however inventory shall be sold and accounted for in accordance with the financial policies adopted by the Blue Ridge ABC Board.
- d. Statutory Distributions. Revenues from the Blue Ridge ABC System shall be used to meet the Statutory Distribution Requirements previously existing for the former Hendersonville System and for the former Laurel Park System, as either or both may be amended by local or generally applicable laws.

13. Location of ABC Stores.

- a. Within the Town or City. With the approval of the Commission, and as allowed by applicable law, future stores may be operated inside of municipal limits for the Town or the City. The location of ABC stores inside of the municipal limits of the Town and the City shall be at the discretion of the Blue Ridge ABC Board, as approved by the Commission. Notwithstanding this discretion, the Blue Ridge ABC Board shall operate at least one ABC store in the Laurel Park town limits for the duration of this First Amended and Restated Interlocal Agreement. If approval by the appointing authority is required for the operation of a new store within the City or the Town, new stores operated within the City shall only require the approval of the City Council, and new stores operated within the Town shall only require the approval of the Town Council.
- b. Outside the Town or City. With the approval of the Commission, and as allowed by applicable law, future stores may be operated outside of the municipal limits of the Town or the City. The location of ABC stores outside of the municipal limits of the Town and the City shall be at the discretion of the Blue Ridge ABC Board, as approved by the Commission. If approval by the appointing authority is required for the operation of a new store outside the City or the Town, new stores operated outside the City shall require the approval of both the City Council and the Town Council.

14. Net Profit from New ABC Stores. Regardless of whether a new store is located within or outside the municipal limits of the Town or the City, net profit from a new ABC store opening from and after the effective date of this First Amended and Restated Interlocal Agreement shall be attributed to the Blue Ridge ABC System and distributed to the Town and the City in accordance with Exhibit A, attached hereto and incorporated by reference.

15. Allocated and Specialty Bourbons. The number of bottles of allocated and specialty bourbons shall be divided equitably by the General Manager between all stores operated by the Blue Ridge ABC System.

16. Delivery of Product to ABC Stores. All stores operated by the Blue Ridge ABC System shall receive at least one delivery of products every week from the Hendersonville warehouse.

17. Hours of Operation. All stores operated by the Blue Ridge ABC System shall be operated according to the hours of operation established by the Blue Ridge ABC Board, in accordance with applicable law..

18. Definitions and Generally Applicable Terms.

- a. Appointing Authority. Except as otherwise provided in this First Amended and Restated Interlocal Agreement, the term “appointing authority” shall be deemed to refer to both the Town Council and the City Council acting jointly with respect to the members appointed by each.

Where approval of the “appointing authority” is required by the North Carolina General Statutes, approval by both the Council for the Town and the Council for the City shall be

required. If both Councils do not approve, the matter shall be considered not approved. If the nonapproval by one Council results in a stalemate which negatively impacts the operations of the Blue Ridge ABC System, the Blue Ridge ABC Board may request that both Councils employ a mediation process to resolve the stalemate.

- b. Fiscal Year. The fiscal year for the Blue Ridge ABC System shall be July 1 – June 30.
  - c. Systemwide Administrative Expenses. Systemwide administrative expenses are those expenses incurred that benefit the entire merged system including, but not limited to, the salary and office space of the general manager and assistant general manager, back office operations, accounting services, insurance, legal services, etc.
  - d. Statutory Distribution Requirements. Statutory Distribution Requirements are those distributions mandated by Chapter 18B of the North Carolina General Statutes from alcohol sales, as modified by local acts of the North Carolina General Assembly. For the Hendersonville System, as of the date of this First Amended and Restated Interlocal Agreement, the following local acts have been adopted: Chapter 954 of the 1955 Session Laws, Chapter 341 of the 1967 Session Laws, Chapter 672 of the 1967 Session Laws, Chapter 105 of the 1995 Session Laws, and Chapter 177 of the 1999 Session Laws. For the Laurel Park System, the following local acts have been adopted: Chapter 163 of the 1981 Session Laws.
19. Term. This First Amended and Restated Interlocal Agreement shall expire and terminate on June 30, 2044.
20. Termination of the First Amended and Restated Interlocal Agreement. Either party hereto may terminate this First Amended and Restated Interlocal Agreement by giving at least 1 year's advanced notice in writing to the other party. Any such termination shall be effective at the end of a fiscal year. The notice required herein shall be a Resolution, duly adopted by the terminating party, and delivered in person or by certified mail to the mayor for the non-terminating party. No such termination shall be effective until approved by the Commission. Upon the effective date of termination, Blue Ridge ABC System shall be dissolved, and a notice of dissolution shall be filed in the Henderson County Register of Deeds Office. The City shall reconstitute and appoint the City of Hendersonville Board of Alcoholic Control, and the Town shall reconstitute and appoint the Town of Laurel Park Alcoholic Beverage Control Board. All assets of the system within the City limits for the City of Hendersonville shall be distributed to the City of Hendersonville Board of Alcoholic Control and all assets of the system within the town limits Town of Laurel Park shall be distributed to the Town of Laurel Park Alcoholic Beverage Control Board. Assets located outside of both the City and Town limits shall be divided and attributed in accordance with a plan approved by both the City and the Town, and approved by the Commission. Such distribution shall be confirmed and adjusted as required after an audit has been performed as of the effective date of the termination and dissolution. Notwithstanding the foregoing, neither party may terminate this First Amended and Restated Interlocal Agreement if there is outstanding debt, secured by revenues of the entire Blue Ridge ABC System, unless such debt can be retired through a refinancing or other available means as of the effective date of such termination.
21. This First Amended and Restated Interlocal Agreement constitutes the complete and entire agreement between the parties and supersedes all prior and contemporaneous negotiations. This



First Amended and Restated Interlocal Agreement may only be amended by written instrument, duly approved by Resolution of both parties hereto, and where required, with the approval of the Commission. There shall be no intended nor incidental beneficiaries of this First Amended and Restated Interlocal Agreement.

22. Except a notice to terminate this First Amended and Restated Interlocal Agreement, all notices shall be deemed effective upon receipt if in writing, and delivered to the following persons in person, by certified mail, or by commercial carrier providing the ability to track delivery:

a. If to the City:                      The City Manager  
   160 6<sup>th</sup> Avenue West  
   Hendersonville, NC 28792

b. If to the Town:                      The Town Manager  
   441 White Pine Dr  
   Hendersonville, NC 28739

23. This First Amended and Restated Interlocal Agreement shall be governed by the laws of the State of North Carolina. Exclusive venue shall be in a court having jurisdiction in Henderson County, North Carolina.

24. This First Amended and Restated Interlocal Agreement may be executed in duplicate, each to have the force and effect of an original.

In witness whereof, the parties cause this contract to be duly approved by Resolution and have set their hand and seal.

**THE TOWN OF LAUREL PARK**

**THE CITY OF HENDERSONVILLE**

**BY:** \_\_\_\_\_  
   **Mayor**

**BY:** \_\_\_\_\_  
   **Mayor**

**Attest:**

**Attest:**

\_\_\_\_\_  
**Town Clerk**

\_\_\_\_\_  
**City Clerk**

**(Town Seal)**

**(City Seal)**