

STOKES MUNICIPAL ALCOHOLIC BEVERAGE CONTROL BOARD BOARD RESOLUTION AMENDMENT

A RESOLUTION AMENDING SECTION 1.7 OF THE MERGER AGREEMENT BETWEEN THE TOWN OF WALNUT COVE AND THE CITY OF KING

WHEREAS, the Stokes Municipal Alcoholic Beverage Control Board (“Board”) is a party to a Merger Agreement between the Town of Walnut Cove and the City of King governing the operation and distribution of proceeds from the Walnut Cove ABC Store and the King ABC Store; and

WHEREAS, Section 1.7 of the Merger Agreement addresses the distribution of net profits and statutory distributions to the respective municipalities; and

WHEREAS, a financial audit has confirmed that both ABC stores have been profitable since the opening of the King ABC Store; and

WHEREAS, the Board’s auditor has recommended updating the language of Section 1.7 to accurately reflect current operations and ensure compliance with applicable North Carolina General Statutes;

NOW, THEREFORE, BE IT RESOLVED, by the Stokes Municipal Alcoholic Beverage Control Board, that Section 1.7 of the Merger Agreement is hereby amended and replaced in its entirety as follows:

Distributions shall be paid to each municipality based on each store’s separate net profits. Funds generated by the Walnut Cove ABC Store shall be distributed to the Town of Walnut Cove, and funds generated by the King ABC Store shall be distributed to the City of King.

The Town of Walnut Cove shall receive one hundred percent (100%) of the net profit distributions generated by the Walnut Cove ABC Store. Net profit distributions shall be calculated in accordance with applicable North Carolina General Statutes. The Town of Walnut Cove shall also receive one hundred percent (100%) of the law enforcement and alcohol education distributions based on the gross profits of the Walnut Cove ABC Store, calculated in accordance with N.C.G.S. § 18B-805(c)(2).

The City of King shall receive one hundred percent (100%) of the net profit distributions generated by the King ABC Store. Net profit distributions shall be calculated in accordance with applicable North Carolina General Statutes. The City of King shall also receive one hundred percent (100%) of the law enforcement and alcohol education distributions based on the gross profits of the King ABC Store, calculated in accordance with N.C.G.S. § 18B-805(c)(2).

BE IT FURTHER RESOLVED, that the Chairman of the board or designee is authorized to take all actions necessary to implement this amendment and provide notice to the Town of Walnut Cove and the City of King.

Adopted this ___ day of _____, 2026.

Brian E. Booe,
Chair, Stokes Municipal ABC Board

The King City Council duly adopted the foregoing Amended Resolution at the City of King City Council Regular meeting, which was held on January 5, 2026.

*Adopted and approved this on the **5th day of January 2026.***

CITY OF KING:

{SEAL}

Richard E. McCraw, Mayor **Date**

ATTEST:

Nicole Branshaw, City Clerk **Date**

The Town of Walnut Cove Town Council duly adopted the foregoing Amended Resolution at the Town of Walnut Cove Town Council Regular meeting, which was held on January 8, 2026.

*Adopted and approved this on the **8th day of January 2026.***

TOWN OF WALNUT COVE:

{SEAL}

Nellie Brown, Mayor **Date**

ATTEST:

Brandi Bowman, Town Clerk **Date**