



I. An interim management agreement is NOT required if any of the following apply (check all that apply) :

- The applicant is not taking over the day-to-day operations of the current licensee's business during the interim transition period;
- The applicant is moving the business to a new location or is buying the DABC license only and will not be using the DABC license until the Commission grants a transfer of ownership.

II. The Transfer of a DABC retail license will require an "Interim Management Agreement" if (check if this applies):

- The intent of the transfer is that the original business premises
 - o is to remain open, utilizing the current business's DABC liquor license during the transfer process, **AND**
 - o there will be a **change of the management** between the current DABC licensee (seller) and the DABC applicant (buyer) before the DABC license is approved for transfer by the Commission.

In this case, an interim agreement is necessary for the continued sales and service of alcohol during the transfer process. The following are required:

1. Because the current DABC licensee (seller) still holds the DABC license, all proceeds from the sale of alcohol at the licensed business must flow to the DABC licensee (seller) and NOT to the new buyer. This is true during the transition period even if the buyer has acquired the lease or owns the premises.
2. During the transition period, revenue must still be reported and sales and income taxes must be paid under the DABC licensee's account numbers.
 - a. If the current DABC licensee (seller) will remain on the premises to operate the business during the transition period but no longer owns or has rights to the building and equipment, the seller may lease back the facility and equipment from the new owner.
 - b. If the current DABC licensee (seller) still owns or has rights to the building and equipment, then the seller may hire the new DABC applicant (buyer) to manage and operate the business during the interim period for a reasonable fee (fair market value).
3. The duration of the management agreement between the DABC Licensee (seller) and the new buyer will begin when the sale is completed and is limited to the period during which the new owner is actively applying for a DABC license with the Commission. The new owner must agree to use their best efforts to obtain the license.
4. The bond, insurance, and business license must remain in the name of and be the responsibility of the current DABC licensee (seller) during the interim period. However, the new buyer may agree to reimburse the seller for any necessary costs to maintain the bond, insurance and business license during the interim period (i.e. on a pro-rata basis).
5. The current DABC licensee (seller) is ultimately responsible for any violations that occur during the interim period, and the violations will go on the seller's violation history record. However, the new DABC applicant (buyer) may agree to pay any fines and costs associated with any violation that occur during the interim period.
6. The current DABC licensee (seller) is ultimately responsible to timely renew the DABC license if the renewal cycle occurs during the period of the agreement. However, the buyer may agree to reimburse the former owner for any renewal fees.
7. Not until final approval of the license transfer may the proceeds from the sale of alcohol for the **period of time following the transition period** begin to flow to the new buyer.
8. The agreement ends on the day after the day the Commission grants the DABC License. If the license was granted conditionally, the agreement ends when the licensee receives their local business license up to 30 days after being granted the conditional license. Another 30 days may be granted by DABC or another 5 months (total of no more than 7 months) may be granted if approved by the Commission under certain conditions. (See your compliance officer).

III. ATTESTATION: If you checked the box in Part II, fill out this section:

We are submitting this form as attestation that we are abiding by the DABC requirements of an interim management agreement as outlined in this form.

or

The purchase agreement, which includes the requirements listed in this form, is attached.

Date

Seller/Current Owner of the license

Title / Position

Authorized Signature

Date

Buyer/New Applicant

Title / Position

Authorized Signature

State of _____ County of _____ Subscribed

and sworn before me this day _____ of _____, 20 _____

Notary Public Signature



Seal