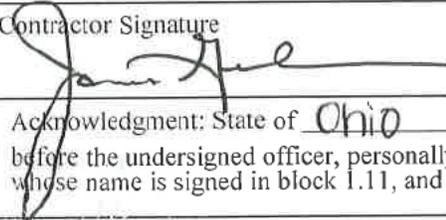
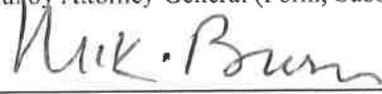


Subject: Warehouse Services for Wine & Spirits and Related Products (RFP 2012-14)**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATIONS.**

1.1 State Agency Name New Hampshire State Liquor Commission		1.2 State Agency Address P.O. Box 503, 50 Storrs St., Concord, NH 03302-0503	
1.3 Contractor Name Exel Inc.		1.4 Contractor Address 570 Polaris Parkway, Westerville, Ohio 43802	
1.5 Contractor Phone Number 614-865-8279	1.6 Account Number 02-77-77-77	1.7 Completion Date October 31, 2033	1.8 Price Limitation
1.9 Contracting Officer for State Agency Craig W. Bulkley, Chief of Administration		1.10 State Agency Telephone Number 603-230-7010	
1.11 Contractor Signature 		1.12 Name & Title of Contractor Signatory Jim Gehr, President, Retail	
1.13 Acknowledgment: State of <u>Ohio</u> , County of <u>Delaware</u> On, <u>Nov. 15 2012</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  (Seal)			
1.13.2 Name and Title of Notary Public or Justice of the Peace Kimberly A. Graham Notary Public, State of Ohio My Commission Expires 08-20-2016			
1.14 State Agency Signature		1.15 Name/Title of State Agency Signatory  Joseph W. Mollica, Chairman  Michael R. Milligan, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by Attorney General (Form, Substance, and Execution) By:  On: <u>Nov. 20, 2012</u>			
1.18 Approval by Governor and Council By: _____ On: _____			



2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/ COMPLETION OF SERVICES.

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement, ("Effective Date")

3.2. If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1. The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2. The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3. The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4. Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payment authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/EQUAL EMPLOYMENT OPPORTUNITY.

6.1. In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2. During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplement by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulation and guidelines as the State New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1. The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2. Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other persons, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3. The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials *JGJ*

Date *11-15-12*

Kimberly A. Graham
Kimberly A. Graham

Notary Public, State of Ohio

My Commission Expires 08-20-2016

8. EVENT OF DEFAULT/REMEDIES.

8.1. Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1. failure to perform the Services satisfactorily or on schedule;

8.1.2. failure to submit any report required hereunder; and/or

8.1.3. failure to perform any other covenant, term or condition of this Agreement.

8.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1. give the contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absense of a greater or lesser specification of time, thirty (30) days from the date of the notice, and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2. give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3. set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Defaults; and/or.

8.2.4. treat the Agreement as breached and pursue any of its remedies at law or in equity, or both

9. DATA/ACCESS/CONFIDENTIALITY/PRESEVATION.

9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulea, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda papers, and documents, all whether finished or unfinished.

9.2. All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon terminaiton of this Agreement for any reason .

9.3. Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and

number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE.

In the performance of this Agreement the Contractor is in all respects and independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitutue a waiver of the sovereign immunity of the State, which immunity is hereby reseved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1. The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1. Comprehensive general liability insurance against all claims of bodily injury, death or property damage in amounts of not less than \$250,00 per claim and \$2,000,000 per occurrence: and

14.1.2. fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2. The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance and issued by insurers licensed in the State of New Hampshire.

Contractor Initials JK
Date 11-15-12

Kimberly A. Graham
Kimberly A. Graham
Notary Public, State of Ohio
My Commission Expires 08-20-2016

14.3. The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under the Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modified of the policy.

15. WORKER'S COMPENSATION.

15.1. By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance, with or exempt from, the requirements of N.H. RSA chapter 281-A (*"Workers' Compensation"*)

15.2. To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer indentified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH No failure by the State to enforce any provisions herof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default,; or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE Any notice by a party hereto to the pther party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment,

waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein be reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials 
Date 11/5/12


Kimberly A. Graham
Notary Public, State of Ohio
My Commission Expires 08-20-2016

EXHIBIT A -

CONTRACT SERVICES

OPERATION OF BAILMENT WAREHOUSE AND DISTRIBUTION CENTER

1. The Contractor and the NHSLC shall be described as “the Parties.” Contractor shall operate, on behalf of the New Hampshire State Liquor Commission (“NHSLC”), a liquor warehousing and distribution center to be located at Contractor's facilities. Liquor warehousing and distribution center services to be provided by Contractor to the NHSLC and/or its vendors/suppliers and on-and off-premise licensees shall include: bailment warehousing and related services for liquor Product owned by NHSLC licensed Vendors/suppliers and Product owned by the NHSLC.

2. Contractor shall comply with the requirements for warehousing and distribution services as specified in the Request for Proposals issued by the NHSLC and attached hereto as Exhibit D including, all appendices and all clarifications and amendments (“RFP”) only to the extent that Contractor has agreed to any such requirements as specified in Contractor’s proposal and replies submitted in response to the RFP (the “Proposal”) the proposal and replies attached as Exhibit E; the RFP and Proposal being incorporated herein by reference. Contractor shall also comply with all applicable administrative rules adopted by the NHSLC regulating the warehousing of liquor and any amendments thereto and all applicable state law. In the event that any provision of the RFP or Proposal shall conflict or be inconsistent with any provision of Exhibits A, B, or F of this Agreement, the RFP shall govern.

3. By executing this Agreement, NHSLC makes no promises or guarantees as to volume of warehousing and distribution services to be required by NHSLC, any of its vendors/suppliers, or its licensees for the duration of this Agreement or any extension thereof. Notwithstanding any provision of this Agreement or the RFP and amendments thereto to the contrary, this Agreement is an exclusive agreement, and NHSLC will not retain any other person or entity to provide any warehouse distribution services for NHSLC and the NHSLC licensed Vendors/suppliers during the term of this Agreement and any extensions/renewals thereof, provided, however, NHSLC reserves the right to utilize a State owned or operated warehouse to store and distribute NHSLC owned Product and New Hampshire made Product.

4. Warehousing Capacity. For the initial thirty (30) months of the contract, the Contractor shall at all times maintain adequate warehouse storage capacity of Product which may be adjusted according to reasonable needs, as agreed to by the parties.

The Contractor will use industry standards to calculate the adequate warehousing storage capacity required to safely and efficiently provide the Services (“Warehouse Capacity”). These calculations will take into account trends, growth and the seasonality of the business. The Warehouse Capacity shall be reviewed starting ninety (90) days prior to the end of the first and

each subsequent thirty (30) month period and the parties will mutually agree to the adequate Warehouse Capacity required for the next thirty (30) month period.

If at any point during the Agreement after the initial thirty (30) month period, the on-hand inventory exceeds the agreed adequate Warehouse Capacity, the Contractor has the right to request a rate increase from the NHSLC to be charged to the industry to cover incremental costs incurred to restore Warehouse Capacity. Such rate increase will not unreasonably be withheld. These higher rates will remain in effect until the Warehouse Capacity is restored. The Contractor will be responsible for acquiring any additional storage space required to ensure sufficient Warehouse Capacity.

5. Force Majeure. Contractor shall not be liable or responsible for delays or failures in performance, or any loss or damage to any liquor and wine Product of the NHSLC resulting from events beyond the reasonable control of the Contractor. Such events shall include, but not be limited to, acts of God, , riots, acts of war, epidemics, acts of government, fire , power failures, nuclear accidents, earthquakes, unusually severe weather, or other disasters, whether or not similar to the foregoing.

6. Consequential and Indirect Damages. Notwithstanding any other provision of this agreement to the contrary, neither party, in the performance of their obligations under this agreement shall be liable to the other for any indirect or consequential damages (such as, but not limited to: loss of profits, loss of business, loss of customer goodwill or exemplary damages or the costs and expenses in providing or securing substitute revenues even if the parties have been advised of the possibility of the same, and without regard to the nature of the claim or the underlying theory or cause of action (whether in contract, tort or otherwise).

7. In the event the Contractor owes damages due to a material breach or the Contractor owes liquidated damages due to not achieving the Target Level for a KPI as referenced in paragraph 12 of this Exhibit A, the Contractor shall pay the damages or liquidated damages. If the Contractor fails to pay the damages or liquidated damages within a reasonable time, the NHSLC shall recover the damages or liquidated damages hereinafter from the Performance Bond (as here and after defined), provided, however, that the Contractor restores the bond to its original or any increased amount within a reasonable time.

8. The Contractor is responsible for the reasonable costs of making modifications and updates to the Contractors systems to stay current with the future systems utilized by New Hampshire State Liquor Commission.

9. Contractor shall not assign any personnel to perform the services who Contractor knows or constructively should know, after reasonable investigation and other employment screening to the extent permitted by Applicable Law (i) has been convicted of fraud, embezzlement or other similar crimes involving dishonesty (as evidenced by background checks by Contractor which seeks information for the past seven (7) years), or (ii) does not meet the requirements under New Hampshire or immigration Law to be employed or to perform services at such locations as may

be required. Contractor agrees to defend and indemnify NHSLC from losses or claims incurred by NHSLC to the extent arising from Contractor's breach of the above requirements.

10. The NHSLC reserves the right to order the Contractor to add a premium to the Warehouse Service Charges in order to comply with statutory, financial, or other requirements. Such premium shall be charged by the Contractor and returned to the NHSLC with no charge to the NHSLC.

11. Handling charges for receipt of Product transferred from existing warehouse(s) shall be as follows: 1) no charge for the first 50,000 cases received; 2) \$0.50 for each case from 50,000 to 100,000 cases received; and, 3) \$0.92 for each case beyond 100,000 cases received. In order to avoid charging the NHSLC or Suppliers duplicate storage fees, storage charges for transferred Product shall not accrue until the first day of the month following the transfer. Contractor is not responsible for any costs associated with transportation of the Product from existing warehouses.

12. Key Performance Indicators (KPIs)

(a) In order to evaluate the performance of the Services, the parties agreed to the KPIs listed on KPI Schedule below. The KPI Schedule sets forth the KPI, the Goal and the Target Level. The Contractor's failure to meet any of the KPIs shall be excused to the extent such failure is caused by the acts or omissions of the NHSLC, the Suppliers, Licensees, other third parties or because of Force Majeure events.

(b) In the event of a significant service failure, Contractor will promptly notify the NHSLC (or NHSLC will notify Contractor) of such failure, and will advise the NHSLC as to the course of action that will be taken in order to correct such failure. The NHSLC will either agree with the course of action or advise Contractor that alternative measures should be taken. The Contractor will act to resolve the issue as swiftly as possible to the satisfaction of the NHSLC.

(c) Each week prior to the scheduled Commission meeting the Contractor will prepare a written status report including service failures along with the corrective action and provide the report to the NHSLC. The Contractor shall attend all scheduled meetings unless the Parties agree otherwise.

(d) For each KPI described in the KPI Schedule, if the average of the Contractor's daily performance over a thirty (30) day rolling consecutive period fails to meet the Target Level as described in the KPI Schedule, the NHSLC may require the Contractor to pay the NHSLC liquidated damages in the amount of 0.25% (0.0025) of the Contractor's daily revenue in November 2013, 0.5% (0.005) in December 2013, 0.75% (0.0075) in January 2014, and 1% (0.01) of the Contractor's daily revenue for each day thereafter that the Contractor fails to meet the Target Level.

(e) The liquidated damages described in paragraph (d) above are the NHSLC's sole and exclusive remedy if the Contractor is not performing the Services adequately. For the sake of

clarity, NHSLC retains the right to pursue direct damages arising from a breach of this Agreement outside the scope of this paragraph. KPI Schedule

- (a) The KPIs detailed in the chart below shall apply as of November 1, 2013.
- (b) This Schedule describes the service levels and performance standards that the Contractor shall provide to the NHSLC with respect to the Services. Each KPI shall be measured according to the Contractor's standard operating procedures as approved by the NHSLC. The Parties shall in good faith mutually agree to these standard operating procedures prior to November 1, 2013. The method agreed to measure the standard may result in an adjustment to the Target Level.
- (c) At any time during the term of this Agreement, the NHSLC and the Contractor may upon agreement in writing revise or delete a KPI, or add a new KPI.
- (d) The Contractor shall keep and maintain complete and accurate daily reports regarding the KPIs and provide them to the NHSLC during the term of this Agreement.
- (e) Regular management review meetings between the NHSLC and the Contractor shall be scheduled to review the actual performance against projected performance.

Key Performance Indicator	Goal	Target Level
Goods available for shipment on time	Goods received by 3:00 pm will be available for shipment before 11:00 pm that day with the exception of Product requiring specialized handling	99%
Goods loaded for shipment on time	Product loaded by the time mutually agreed with the transportation provider	99%
Inventory accuracy	For each cycle count the quantity counted matches the quantity listed in the system without limiting the forgoing the Parties define this as shrinkage	99%
Order accuracy	For each item in the order, the Product and quantity picked match the Product and quantity ordered	99%

13. Operating parameters

The following operating parameters were used by the Contractor to develop the design and the budget for its proposal. The NHSLC provided their data from historical information and projections. The future projections are estimates, and the purpose of providing the operating parameters is to begin to set the baseline for future rate change discussions.

Hours of Operation:

5 days a week, two 8 hours shifts per day

Profile:

The following profile is used to develop the design and budget for New Hampshire. Please note the “Data Source”, where it indicates whether the data was provided, assumed or calculated.

Parameter	2013	Data Source	Comments
GENERAL	Total		
SKU Growth per Year	2.5%	Provided	November 14, 2012 Operational Parameters Review
Volume Growth per Year	3.0%	Provided for the first 30 months, then assumed	NH pricing template, pg 31 longtermwarehouseQandA5112.pdf
Store Count	77	Provided	pg 38 longtermwarehousefp.pdf
Cube per Carton	0.7	Assumed/Calculated from Provided	Referenced Concord_Raw_Data.accdb, Law Raw Data.accdb
Weight per Carton (lbs)	32.5	Provided	pg 41 longtermwarehousefp.pdf range 30-35 lb
% Wine	50%	Provided	November 14, 2012 Operational Parameters Review
% Spirit	50%	Provided	November 14, 2012 Operational Parameters Review
% Beer	0%	Calculated from Provided	
INBOUND			
Inbound Receipt Type			
% Case Palletized	2%	Calculated from Provided	NH pricing template, Pallet Pack is assumed pallets received
% Case Slipseet	0%	Calculated from Provided	
% Case Floor loaded	98%	Calculated from Provided	
Cases Palletized	124,657	Calculated from Provided	
Case Slipseet	-	Calculated from Provided	
Case Floor loaded	5,432,960	Calculated from Provided	
Annual Cartons	5,557,618	Provided	NH pricing template
Annual Cube	3,890,332	Calculated from Assumed	
IB Cube per Pallet	46	Calculated from Assumed	
IB Cases per Pallet or Slip-Sheet	65	Provided	pg 20 longtermwarehousefp.pdf range usually 60-70 cases per pallet
IB Equivalent Plt	85,502	Calculated from Provided	
INVENTORY			
Inventory Weeks on Hand (WOS)	9.3	Calculated from Provided	
Annual Inv Turns	5.6	Calculated from Provided	
Average Inventory Cartons	991,754	Calculated from Provided	NH pricing template
Peak Inventory Cartons	1,135,152	Calculated from Provided	
Peak Inventory Cube	794,607	Calculated from Assumed	
Peak Inventory Pallet	17,464	Calculated from Provided	
Peak SKUs on Hand	10,009	Provided	pg 77 longtermwarehousefp.pdf
Inventory peak-to-avg ratio	1.14	Provided	pg 84 longtermwarehousefp.pdf
% Honey comb factor	15%	Industry Standard	
% Warehouse utilization	85%	Industry Standard	

Parameter	2013	Data Source	Comments
OUTBOUND			
Annual Cartons	5,419,308	Calculated from Provided	NH pricing template
Annual Carton Picks	5,410,419	Provided	NH pricing template
Annual Unit Picks	577,749	Provided	NH pricing template
Units per Case	9	Calculated from Provided	pg 20 longtermwarehousefp.pdf range usually 6-12 units per case
Peak-to-average ratio	1.21	Calculated from Provided	
% Cases Licensee	24%	Calculated from Provided	Concord_Raw_Data.accdb, Law Raw Data.accdb
% Cases Store	76%	Calculated from Provided	Concord_Raw_Data.accdb, Law Raw Data.accdb
Store			
Line/Invoice	198.70	Calculated from Provided	Concord_Raw_Data.accdb, Law Raw Data.accdb
Case/Line	1.28	Calculated from Provided	Concord_Raw_Data.accdb, Law Raw Data.accdb
Licensee			
Line/Invoice	37.30	Calculated from Provided	Concord_Raw_Data.accdb, Law Raw Data.accdb
Case/Line	1.20	Calculated from Provided	Concord_Raw_Data.accdb, Law Raw Data.accdb
Returns (cases)	1,930	Provided	NH pricing template
OUTBOUND SEASONALITY			
January	6%	Provided	pg 78 longtermwarehousefp.pdf
February	6%	Provided	
March	7%	Provided	
April	7%	Provided	
May	8%	Provided	
June	10%	Provided	
July	10%	Provided	
August	10%	Provided	
September	9%	Provided	
October	8%	Provided	
November	9%	Provided	
December	10%	Provided	
Peak to Average Ratio	1.21	Provided	

The following table was provided to project growth for future years. It is assumed that order profile remains the same in future years (ie, lines/order) and only the volume increases.

	1	2	3	4	5	6	7	8	9	10
Parameter	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Volume Growth per Year	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
INBOUND										
Annual Cartons	5,557,618	5,724,346	5,896,076	6,072,959	6,255,147	6,442,802	6,636,086	6,835,169	7,040,224	7,251,430
Annual Pallets	85,502	88,067	90,709	93,430	96,233	99,120	102,094	105,156	108,311	111,560
INVENTORY										
Annual Inv Turns	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Average Inventory Cartons	991,754	1,021,507	1,052,152	1,083,716	1,116,228	1,149,715	1,184,206	1,219,732	1,256,324	1,294,014
Peak Inventory Cartons	1,135,152	1,169,207	1,204,283	1,240,412	1,277,624	1,315,953	1,355,431	1,396,094	1,437,977	1,481,116
Peak Inventory Pallet	17,464	17,988	18,527	19,083	19,656	20,245	20,853	21,478	22,123	22,786
Peak SKUs on Hand	10,009	10,009	10,009	10,009	10,009	10,009	10,009	10,009	10,009	10,009
OUTBOUND										
Annual Cartons	5,419,308	5,581,887	5,749,344	5,921,824	6,099,479	6,282,463	6,470,937	6,665,065	6,865,017	7,070,967
Annual Pallets	83,374	85,875	88,451	91,105	93,838	96,653	99,553	102,539	105,616	108,784
Annual Carton Picks	5,410,419	5,572,732	5,739,914	5,912,111	6,089,475	6,272,159	6,460,324	6,654,133	6,853,757	7,059,370
Annual Unit Picks	577,749	595,082	612,934	631,322	650,262	669,770	689,863	710,559	731,875	753,832

	11	12	13	14	15	16	17	18	19	20
Parameter	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031
Volume Growth per Year	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
INBOUND										
Annual Cartons	7,468,973	7,693,042	7,923,834	8,161,549	8,406,395	8,658,587	8,918,345	9,185,895	9,461,472	9,745,316
Annual Pallets	114,907	118,354	121,905	125,562	129,329	133,209	137,205	141,321	145,561	149,928
INVENTORY										
Annual Inv Turns	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Average Inventory Cartons	1,332,834	1,372,819	1,414,004	1,456,424	1,500,117	1,545,120	1,591,474	1,639,218	1,688,395	1,739,046
Peak Inventory Cartons	1,525,550	1,571,316	1,618,456	1,667,009	1,717,020	1,768,530	1,821,586	1,876,234	1,932,521	1,990,496
Peak Inventory Pallet	23,470	24,174	24,899	25,646	26,416	27,208	28,024	28,865	29,731	30,623
Peak SKUs on Hand	10,009	10,009	10,009	10,009	10,009	10,009	10,009	10,009	10,009	10,009
OUTBOUND										
Annual Cartons	7,283,096	7,501,589	7,726,637	7,958,436	8,197,189	8,443,105	8,696,398	8,957,290	9,226,009	9,502,789
Annual Pallets	112,048	115,409	118,871	122,437	126,111	129,894	133,791	137,804	141,939	146,197
Annual Carton Picks	7,271,151	7,489,286	7,713,964	7,945,383	8,183,745	8,429,257	8,682,135	8,942,599	9,210,877	9,487,203
Annual Unit Picks	776,447	799,740	823,732	848,444	873,898	900,114	927,118	954,931	983,579	1,013,087

Additional Assumptions:

- Net 30 days payment terms
- Staffing and capital assumed as new; no existing components leveraged
- 20 years term for pricing, as requested
- 20 moves a day for yard activities
- Annual physical inventory count is required and included in pricing
- Shipping and packaging supplies, including: pallet labels, case labels and stretch wrap included in pricing
- 100% outbound pallets returned
- Standard pallet size of 40"x48" as described in RFP
- All inbound units have UPC labels that can be scanned
- The annual depreciation and interest calculations for capital expenditures is calculated assuming average useful life for assets. For example, \$3.5M of capital amortized over 10 years results in the following depreciation and interest calculations:
 - Depreciation = $\$3,500,000 \div 10 = \$350,000$ per year
 - Interest (8%) = $(\$3,500,000 \div 2) \times 8\% = \$140,000$ average per year
- For year over year projections, the following assumptions have been made starting in year 2:

Wage Inflation	2%
Benefit Inflation	11%
Productivity Improvement	5% Year 2, 3% Year 3+
Operational Supplies and Maintenance Inflation	2%
Facility Inflation	3%

- The Contractor will not be receiving orders from Licensees or Stores. NHSLC will receive the orders and pass them to Contractor for fulfillment, as stated on page 85 of the RFP document

END OF EXHIBIT A

EXHIBIT B

CONTRACT PRICE, METHOD AND TERMS OF PAYMENT

1. NHSLC suppliers/vendors Charges.
 - a. Rates Effective -Term. The Warehouse Service Charges listed in Exhibit F are valid for the initial thirty (30) months of the contract: from November 1, 2013 until April 30, 2016. Thereafter, Contractor and NHSLC may renegotiate rates as provided for in Exhibit C.
 - b. Handling Charges. Handling charges, as defined in Exhibit F, shall be charged by Contractor directly to NHSLC suppliers/vendors for all supplier/vendor-owned Product received into the Warehouse, NHSLC shall not be charged handling fees for internal transfers of ownership of Product from a suppliers/vendors bailment inventory to the account of NHSLC.
 - c. Storage Charges. NHSLC vendors/suppliers shall be charged storage charges as provided in Exhibit F.
 - d. Allocated / Restricted Product Storage. For purposes of this Agreement, "Allocated / Restricted Product" shall mean a Product designated as "Allocated / Restricted" by the NHSLC and which is generally allocated for purchase by either specific licensees or classes of licensees, is of limited availability, and/or is for sale is managed over a period of time. Allocated / Restricted Product held in inventory shall be charged storage at the allocated Product rates provided in Exhibit F.
 - e. Payment Terms. Contractor fees invoiced to NHSLC vendors/suppliers shall be due upon receipt. Finance Charges apply at an annual rate of 18% for uncollected funds at the end of each calendar month.
2. NHSLC Charges.
 - a. For the first 35,000 cases received during any month into the warehouse for NHSLC's account (NHSLC-owned stock), NHSLC shall not be charged storage fees for the first 56 days from receipt. After 56 days, NHSLC shall be charged storage fees at the same rates as provided in Exhibit F for suppliers/vendors. NHSLC-owned stock in excess of 35,000 cases received during any month shall be charged storage fees from Day 1 at the same rates as provided in Exhibit F for suppliers/vendors.
 - b. The following charges as per Exhibit F will be charged to NHSLC:

- i. Returned Product for NHSLC stores, and
 - ii. Physical inventory count of NHSLC owned Product.
- c. Invoices. Contractor shall submit to NHSLC monthly invoices for payment which shall identify all charges incurred by NHSLC for the previous or ending month. All charges shall specify the total number of cases for which services were provided, the per case and total charge, plus any miscellaneous charges incurred. Invoices shall be accompanied with adequate backup data supporting all charges.
- d. Payment Terms. Contractor fees invoiced to NHSLC shall be due upon receipt. No late charges or interest charges shall be billed to NHSLC.

END OF EXHIBIT B

EXHIBIT C

1. Certificate of Vote

This authorization notification must be consistent with Contractor's corporate structure and must accompany the contract.

An officer of the company, name and title, must certify that the person signing the contract has been given the authority to do so. That authority must be in effect the day the contract is signed. The certifying official must not be certifying him or herself, unless it is a sole proprietorship.

The document must certify that:

- A. The signature of Jim Gehr, President, Retail of the Corporation affixed to any Proposal shall bind the corporation to its terms and conditions.
- B. The foregoing signature authority has not been revoked, annulled or amended in any manner whatsoever, and remains in full force and effect as of the date of the contract.

2. Warehouse License

Contractor shall produce a current License on demand by the NHSLC. Such demand shall provide the Contractor with a reasonable opportunity to acquire a license.

3. The Agreement is amended as follows:

Delete Paragraphs 1.16 and 1.18

Delete paragraph 3.1 and substitute the following:

Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the New Hampshire State Liquor Commission, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Attorney General approves this Agreement as to form, substance and execution ("Effective Date").

DELETE PARAGRAPH 4 AND INSERT:

4. STATE FUNDING.

4.1. In the event the State has insufficient funds available to itself make continued payments under the Agreement for any Services for which the State is responsible for payment, including but not limited to, Services that carry fees to the State such as bottle picking and handling of NHSLC Product, the State will immediately:

- 4.1.1. Fully exercise all authority to transfer funds within NHSLC's budget and any other funds available to NHSLC, including without limitation, NHSLC's authority to transfer funds under N.H. RSA 176:16, V and any revolving accounts or funds; and
- 4.1.2. Use best efforts and in good faith seek the necessary funding from the General Court and other governmental authorities to fulfill its obligation to make continued payments under the Agreement; and,
- 4.1.3 The State must immediately provide Contractor with written notice of any such funding shortfall.
- 4.2. Contractor may cease providing Services to the State for which the State cannot or fails to make payment, and will not be obligated to resume provision of Services to the State if funding for continued payments under the Agreement is not obtained, including without limitation, funding for any arrearages.
- 4.3 Notwithstanding the foregoing or any provision of this Agreement to the contrary, the Agreement will remain in effect for the full term of the Agreement, and any extensions thereof, and Contractor may continue to provide Services to others such as Licensees, Suppliers, and Vendors.

Delete 5.2

INSERT NEW 5.2:

5.2

- (a) Rates. The Warehouse Service Charges listed in Exhibit F are valid for the initial thirty (30) months of the contract: from November 1, 2013 until April 30, 2016.
- (b) Rate Changes. The Warehouse Service Charges shall be reviewed starting one-hundred and twenty (120) days prior to the end of the first and each subsequent thirty (30) month period and may be adjusted effective at the beginning of such thirty (30) month period. Any party requesting a change in rates shall submit a comprehensive proposal providing detailed support for the requested change. Such adjusted Rates, even if agreed to after the beginning of a thirty (30) month period, will become effective, unless otherwise agreed, as of the first day of such thirty (30) month period.
- (c) Operating Parameters or Scope of Service Changes. In addition to (b) above, after April 30, 2016, if during any year of this Agreement the Services or Operating Parameters vary to such a degree (greater than 10%) that either Party in good faith believes that a Rate adjustment(s) (whether an increase or decrease) is/are equitable, it shall notify the other Party of the same, and the Parties shall endeavor in good faith to mutually agree upon a temporary or permanent adjustment as promptly as possible.

Any party requesting a change in rates shall submit a comprehensive proposal providing detailed support for the requested change.

1. The Warehouse Service Charges valid for the initial thirty (30) months of the contract are based on the Services, and Operating Parameters as outlined in the Agreement and Exhibit A.

(d) Any Rate change(s) or adjustment(s) agreed by the Parties pursuant to subparagraph (b) and/or (c) above shall be reflected in an amendment to the Agreement, dated and signed by each Party.

(e) The failure of either party to propose or negotiate Rate change(s) or adjustment(s) in good faith is grounds for termination of the contract. The failure of the Parties to mutually agree upon Rate change(s) or adjustment(s) is not grounds for termination. If the parties are not able to mutually agree upon a rate change(s) or adjustment(s), then either party may invoke the Contract Protest Process.

Delete 5.4

ADD to Paragraph 6.2

Between “affirmative action” and “to prevent” insert the phrase “as required by applicable law.”

ADD to the end of paragraph 7.3

Notwithstanding the foregoing or any provision of the Agreement to the contrary, Contractor retains the right to pursue any of its remedies, both at law and in equity.

DELETE PARAGRAPH 8

INSERT NEW PARAGRAPH 8:

8. EVENT OF MATERIAL BREACH/REMEDIES.

Either party may terminate the Agreement and/or pursue its remedies at law and in equity for the material breach of the Agreement by the other party. The injured party shall give the other party written notice of such material breach. If there has been a failure to cure such material breach within thirty (30) business days after receipt of such notice by the other party, the Parties shall utilize the Contract Protest Process set out in paragraph 25. Provided, however, in the event of a material breach of the Agreement which necessitates the State to obtain temporary substitute warehouse services, the notice requirement shall be no less than twenty-four (24) hours.

DELETE PARAGRAPH 10

In paragraph 12, delete the reference to N.H. Department of Administrative Services and substitute New Hampshire State Liquor Commission.

Amend Paragraph 14.1.1 by adding after “insurance” and before “against” the following phrase, “with the State named as an additional insured.”

Delete Paragraph 14.1.2

Amend Paragraph 14 by adding Subparagraph 14.1.3 as follows:

14.1.3 All Risk insurance coverage including but not limited to flood, fire and extended coverage solely for goods on hand belonging to the NHSLC in an amount of \$2 million per occurrence. The All Risk insurance shall cover 100 % of NHSLC’s Replacement Cost (defined as the NHSLC’s purchase price for such goods plus related storage and transportation costs, if any). In the event of a claim payment; insurer or Contractor agrees to make payment directly to NHSLC. A certificate of insurance demonstrating compliance with the requirements of this Paragraph 14 shall be provided to NHSLC upon request.

Amend Paragraph 14.3 by deleting the last sentence and replacing it with the following sentence, “The Contractor shall endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

Amend Paragraph 14 by adding Subparagraphs 14.1.4-14.1.7 as follows:

14.1.4 Performance Bond. Upon final approval of this Agreement, Contractor shall provide to NHSLC in a form satisfactory to NHSLC, a Performance Bond in the amount of Two Million Dollars (\$2,000,000.00), which shall be retained by the NHSLC until the Completion Date. At the end of the first thirty (30) month period and at any point thereafter upon mutual agreement the amount of the Performance Bond may be adjusted.

14.1.5 The Contractor Warehouse shall be fully bonded and registered with the State of New Hampshire as a public warehouse to the extent required by applicable state law. A copy of such registration shall be provided to NHSLC upon request.

14.1.6 Once a license is issued, the Contractor shall maintain a warehouse license to the extent required by applicable law.

14.1.7 Transition Bond for completion of all necessary items to make the facility fully operational on or before October 31, 2013. Prior to October 1, 2013, Contractor shall provide to NHSLC in a form satisfactory to NHSLC, a Transition Bond in the amount of Three Million Dollars (\$3,000,000.00), which shall be retained by the NHSLC until January 31st, 2014.

AMEND PARAGRAPH 16 as follows:

Add “or Contractor” after “the State” in both sentences. Strike “on the part of the Contractor” at the end of the paragraph. In addition, the phrase “Event of Default” where it occurs in this paragraph is amended to read “Material Breach”.

In paragraph 18, strike the phrase “and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.”

Add the following new paragraphs:

25. Contract Protest Process

The Parties shall use the Contract Protest Process to resolve any dispute with respect to the Agreement

The Issuing Officer, or his or her successor, shall be the NHSLC’s representative.

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights), the party believing itself aggrieved (the “Invoking Party”) shall call for dispute negotiation by written notice to the other party. Such notice shall be without prejudice to the Invoking Party’s right to any other remedy permitted by this Agreement.

The parties shall use all reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiators for the parties.

In the event that the Parties are unable to reach agreement after good faith negotiations, the parties may agree to utilize a Mediator with experience in the issue in dispute. The selection of the Mediator shall be by mutual agreement of the Parties. The decision by such Mediator shall be non-binding and not evidence in any further proceeding. Following the decision of the Mediator, if any, the matter shall be submitted to the NHSLC for a determination following a hearing. The resulting Order may be appealed pursuant to RSA 541

26. Contract Transition Period

If this contract expires or is terminated before a Vendor is selected and prepared to provide Warehouse services to the NHSLC, Contractor agrees to continue the services described under the current contract for up to 9 months at the prices to be negotiated by the parties.

Contractor also agrees, at the discretion of the NHSLC, to assist the NHSLC in all transition services including, but not limited to the following:

Before transition can begin, the new Vendor must meet all the specifications of the future RFP in actuality and/or demonstrate the ability, using dummy transactions provided by the NHSLC, to interface with the NHSLC's computer and business systems on a magnitude consistent with actual conditions.

All costs associated with the transfer of Product and control from the existing Warehouse (s) ("old") to the Warehouse of the successful Vendor ("new"), including, but not limited to, shipping, handling and transportation, shall be borne by the NHSLC or the defaulted Contractor.

The NHSLC, in conjunction with both "old" and "new" Warehouses, shall establish a deadline for the transfer of all Product to the "new" Warehouse. The NHSLC will, if possible, select a period during a time of slow sales (such as January-March) and schedule as short a period as is practical for the transfer of all Product from the "old" to the "new" Warehouse. Notification of the deadline will be given within a reasonable period, to be arranged with the Vendor and existing Contractor at award.

The NHSLC shall determine when Product is to be transferred. At no time during transfer shall the same brand code be distributed from more than one Warehouse.

As Product is depleted or transferred from the "old" Warehouse, Product overages and shortages shall be reconciled to determine a net financial obligation among the NHSLC, the "old" Warehouse and the Product Vendor. The NHSLC shall observe and audit the transfer proceedings. Overages will be transferred to the "new" Warehouse as normal inventory or to the Product Vendor if the code is no longer a bailment item. Overages and Shortages shall be resolved between the Warehouse and the Product Vendor, or NHSLC if the Product is owned by the NHSLC, at cost upon invoicing.

27 Assignment Provision

Contractor hereby agrees that it will assign all causes of action that it may acquire under the antitrust laws of the State of New Hampshire and the United States as a result of conspiracies, combinations, or contracts in restraint of trade which affect the price of goods or services obtained by the NHSLC under this contract if so requested by the State of New Hampshire.

28 News Releases

After award and final approval, the Vendor may make public the existence of the contract and the business relationship with the NHSLC. All other information must be

approved by the NHSLC before it is made public, such approval not to be unreasonably withheld.

29 Confidentiality/Sensitive Information

Contractor may have access to confidential/sensitive information in the course of performing its obligations under the contract, and may be required to sign a mutually agreed upon confidentiality agreement.

END OF EXHIBIT C

EXHIBIT D

RFP 2012-14 is located at:

<http://www.nh.gov/liquor/longtermwarehouserfp.pdf>

EXHIBIT E

Exel's proposal to RFP 2012-14 and its supporting documents are available through a Right-to-Know request made to the Issuing Officer.

EXHIBIT F

Warehouse Service Charges Charged to Suppliers November 1, 2013 through April 30, 2016

BASIC BAILMENT CHARGES:

INBOUND HANDLING:

Covers the ordinary labor and duties incident to the unitized (slipsheet, pallet, or clamp) unloading of cases; verifying case quantities against a proper packing slip and carrier bill of lading; placing into storage, administrative receiving. Handling is charged upon receipt of goods and calculated on a "per code per receipt" basis.

Codes of 1 – 180 cases	\$0.92 per case
Codes of 181 – 299 cases	\$0.92 per case
Codes of 300 – 669 cases	\$0.92 per case
Codes of 670+	\$0.92 per case
Pallet packs	\$7.60 per pallet
Cases received uncoded or other unsaleable status	\$5.00 per line item surcharge
Returns (Licensee/Liquor Stores) – charged to NHSLC	\$5.00 per case / \$1.00 per bottle / \$10.00 per pallet

STORAGE:

Storage is calculated on an anniversary basis and initially charged upon receipt. For each 14-calendar day from date of receipt, the number of cases in storage is charged according to the table below on a "per code per receipt" basis.

Cases in inventory	1 – 84	days from receipt	\$0.11 per case per 14 days
Cases in inventory	85 -182	days from receipt	\$0.30 per case per 14 days
Cases in inventory	183 – 365	days from receipt	\$0.80 per case per 14 days
Cases in inventory	366+	days from receipt	\$1.25 per case per 14 days

Allocated / Restricted inventory	1 – 84 days from receipt	\$0.11 per case per 14 days
Allocated / Restricted inventory	85+ days from receipt	\$0.30 per case per 14 days

(Special Rates apply to selected wines only)

Definition of Allocated / Restricted Inventory - wines that are generally available in small quantities and may be in high demand by consumers. Allocated / Restricted wines must meet certain criteria to qualify for the program and as an incentive for suppliers to allocate these highly sought after wines a special reduced storage rate is offered.

Any case, 0-365 days, on an unsaleable status:	\$0.80 per case per 14 days
Any case, 366+ days, on an unsaleable status:	\$1.25 per case per 14 days

Pallet packs in inventory	1 – 84	days from receipt	\$5.00 per pallet per 14 days
Pallet packs in inventory	85 – 182	days from receipt	\$10.00 per pallet per 14 days
Pallet packs in inventory	183 – 365	days from receipt	\$30.00 per pallet per 14 days
Pallet packs in inventory	366+	days from receipt	\$55.00 per pallet per 14 days

Pallet pack, 0-365 days, on an unsaleable status:	\$30.00 per pallet per 14 days
Pallet pack, 366+ days, on an unsaleable status:	\$50.00 per pallet per 14 days

Note: To qualify for this rate the pallet is considered to be one unit. (Received as one unit and shipped out as received in)

Refrigerated Storage	\$0.37 per case per 14 days
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\$15.84 per pallet per 14 days

OUTBOUND ORDER PROCESSING/REPORTING:

Consists of creating a packing slip, permanent adhesive labels for each in-state liquor store and licensee shipment, electronic shipping orders provided daily to suppliers summarizing the quantities of each Product shipped.

Automatic Orders (Cases) Out of State \$0.75 per case

ACCESSORIAL SERVICE CHARGES:

ADVERTISING MATERIAL

Handling (small/large) \$0.74 / \$1.94 per carton
Storage (small/large): \$0.50 / \$3.50 per carton per month

BLANKETS

Handling: \$24.74 per blanket
Storage: \$ 6.50 per blanket per month

EXTRA WAREHOUSE LABOR

Labor used for handling services not included in the normal processing of a receipt or shipment, nor listed separately

Regular Time
\$34.65 per person/per hour
Overtime
\$52.00 per person/per hour
Sunday/Holiday
\$63.00 per person/per hour

EXTRA WAREHOUSE LABOR & EQUIPMENT

(must be pre-approved)

Labor and equipment used for handling services not included in the normal processing of a receipt or shipment, nor listed separately below

Regular Time
\$66.00 per person/per hour
Overtime
\$81.00 per person/per hour
Sunday/Holiday
\$91.00 per person/per hour

OFFICE SERVICE CHARGE (must be pre-approved)

Labor used for office services and other unusual office or data information services not included in the normal administration of receipts, shipments, or inventory.

Regular Time
\$34.65 per person/per hr
Overtime
\$52.00 per person/per hr
Sunday/Holiday
\$63.00 per person/per hr

ANNUAL PHYSICAL INVENTORY

\$0.11 per case
\$0.09 per bottle

SPECIAL REQUEST DOCUMENTATION RUNS

For the printing and forwarding of reports and/or invoices available electronically \$25.00 per run

FACSIMILE CHARGE

\$1.25 per page

DESTRUCTION OF INVENTORY

Rate subject to change based on disposal fees and transportation costs. \$3.80 per case (0-55)
\$3.00 per case (56+)

LABELING:

Labor and materials used to apply SLC code labels to uncoded cases.	<56 cases per code	\$2.50 per case
	56-99 cases per code	\$2.00 per case
	100-299 cases per code	\$1.25 per case
	300+ cases per code	\$ 0.75 per case
	Minimum per code	\$13.50

RELABELING:

Labor and materials used to apply SLC code labels to coded cases. \$1.00 per case / \$15 min

DUPLICATE LABELS:

Labor and materials used to create labels that were not needed. \$1.00 per case / \$15 min

MISSED APPOINTMENTS:

Charged after the third missed appointment in a rolling 12-mo period \$250.00 per appointment

PALLET CHARGE

\$12.00 per pallet

LIABILITY AND LIMITATION OF DAMAGES

For cases in its possession, the warehouseman shall be liable for loss or damage only when caused by its failure to exercise such care for them as a reasonably careful person would exercise, but, they shall not be liable for any loss or damage to the goods which could not have been avoided by the exercise of such care. The amount of damages that depositor may recover from the warehouseman for lost or damaged goods is limited to the actual cost incurred by such depositor for such goods not to exceed \$90.00 per case unless there has been a catastrophic loss, which is defined as any combined loss across depositors and all Product of \$5,000,000 or more, in which case the total amount of damages that depositor may recover from the warehouseman is equal to a formula the denominator of which is total loss across all depositor and the numerator of which is the value of the despositor's loss at cost multiplied by \$5,000,000. In no event shall the warehouseman's combined liability to all depositors in the event of a catastrophic loss exceed \$5,000,000 for that loss. Depositor waives, on behalf of itself and its insurer(s), any claims for damages in excess of the limitation set forth above.

INVOICE TERMS

Net Due, Finance Charges apply at an annual rate of 18% for uncollected funds at the end of each calendar month.