

LOA [Signature]

# New Hampshire Liquor Commission

50 Storrs Street, P.O. Box 503  
Concord, N.H. 03302-0503  
(603) 230-7015

Joseph W. Mollica  
Chairman

Michael R. Milligan  
Deputy Commissioner



Margaret Wood Hassan  
Governor

October 7, 2013

Her Excellency, Governor Margaret Wood Hassan  
And the Honorable Council  
State House  
Concord, New Hampshire 03301

*Retroactive*

## REQUESTED ACTION

Authorize the New Hampshire Liquor Commission to enter into a **retroactive** Contract Amendment A with Law Warehouses, Inc., Nashua, NH, for warehousing and distribution services for the period from October 7, 2013 through December 13, 2013 upon consent of both parties and subject to Governor and Council approval. The original contract (for the period April 1, 2012 through October 31, 2013) was approved by the Attorney General on February 9, 2012 (Governor & Council approval of warehousing contracts was not required under the law at that time). Funding is 100% Liquor Funds.

## EXPLANATION

This contract amendment is necessary to insure the expeditious transfer of product alcohol from Law Warehouses, Inc. (LWI) in Nashua, NH to Exel's warehouse in Bow, NH and to state-owned or operated warehouses. Specifically, the contract amendment has two primary purposes: (1) to allow for the transfer of needed product alcohol between warehouses prior to the effective date of Exel, Inc.'s exclusive contract (November 1, 2013); and (2) extend the contract term an additional six (6) weeks to allow for a transition period to transfer any remaining product between warehouses.

This contract is unique in that most of the costs involved with this amendment will be picked up by the product suppliers – specifically the bailment (storage) charged for product alcohol. Outbound order processing and transportations costs to warehouses will be borne by the Commission as is currently done with the Concord warehouse. This is not a fixed-cost contract price. The cost to the Commission will be based on the number of cases processed for shipment and transferred at \$.90 per case (\$.25/case processing fee and \$.65/case transportation fee). At most, we expect to transport approximately 500,000 cases during this phase of the contract. These rates are from the current contract (attached), not from the amendment.

Our product suppliers will not incur any additional bailment costs under this contract amendment. They will continue to pay bailment fees already established in the current contract.



Her Excellency, Governor Margaret Wood Hassan  
And the Honorable Council  
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The contract has been approved by the Attorney General's Office as to form, substance and execution.

Your favorable action on this request would be greatly appreciated.

Respectfully Submitted,  
New Hampshire State Liquor Commission

A handwritten signature in black ink, appearing to read 'J. Mollica', written in a cursive style.

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Joseph W. Mollica, Chairman

Attachments



**STATE OF NEW HAMPSHIRE  
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18.	Warehouse personnel will load outgoing shipments into vehicles with appropriate equipment. The warehouse shall be responsible for providing the transportation Contractor with the quantity and type of spirits and wine and related Inventory, supplies, and displays listed on the bills of lading provided by the NHSLC. The transportation Contractor shall sign and date the bills of lading at the time of pickup from the warehouse and leave the original with the warehouse.
19.	The transportation contractor shall coordinate with the warehouse supervisor or designee to pick up loads at scheduled times.
20.	The Contractor, in proper performance of this contract, subject to Acts of God or other circumstances beyond the control of Contractor, shall: <ul style="list-style-type: none"> <li>a. Store all Inventory in an appropriate manner.</li> <li>b. Load all outgoing trucks in a timely manner to properly accommodate scheduled deliveries.</li> <li>c. Secure loads in such a fashion as to form a unitized pallet.</li> </ul>
21.	Contractor shall fully comply with all applicable laws and regulations to the extent that they apply to the Contractor as a matter of law. All employees engaged in the handling of spirits and wine must be 18 years of age or over. Contractor shall maintain a warehouse license to the extent required by applicable law and be registered through the Office of the Secretary of State to do business, under the laws of the State of New Hampshire. In the event of a statutory change in the minimum age, the above item shall reflect that age.
22.	An assignment for the benefit of creditors or bankruptcy on the part of the Contractor shall be cause for termination of the contract at a time to be specified by the NHSLC.
23.	<b>Incident/Severe Weather</b> – Contractor shall determine whether weather conditions or other circumstances are such that loading scheduled deliveries is unsafe. In the event of such determination, loading shall cease and Contractor shall provide timely notice to the NHSLC.
24.	Contractor shall maintain its reporting services in place as of October 1, 2013 related to warehousing activities for suppliers, brokers, and the state.
25.	The Contractor's warehouse complex 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.
26.	<b>Shortages/Breakages:</b> Contractor shall be liable for shortages and breakages found at the receiving warehouse upon unsealing of sealed trailers to the extent that the shortages or breakage occurred while the Inventory was in Contractor's care, custody and control at Contractor's warehouse.
27.	<b>Monitor:</b> Contractor shall provide reasonable access to NHSLC employee or agent to monitor the transfer of the Inventory.
28.	<b>LIMITATION OF LIABILITY: NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, CONTRACTOR'S LIABILITY UNDER THIS AGREEMENT IS CONTINGENT UPON THE AVAILABILITY OF CONTRACTOR'S EXISTING INSURANCE COVERAGE FOR SUCH LIABILITY, AND IF SUCH INSURANCE COVERAGE APPLIES, ONLY UP TO THE AMOUNT OF INSURANCE COVERAGE THEN AVAILABLE TO CONTRACTOR. IN NO EVENT SHALL CONTRACTOR BE LIABLE FOR ANY PAYMENTS OR DAMAGES THAT ARE NOT COVERED BY CONTRACTOR'S THEN EXISTING INSURANCE. WITHOUT LIMITING THE FOREGOING, THIS LIMITATION OF LIABILITY INCLUDES BUT IS NOT LIMITED TO ANY LIABILITY FOR INDEMNIFICATION OBLIGATIONS, AND LOSS OR DAMAGE TO INVENTORY.</b>
29.	<b>Force Majeure.</b> Contractor shall not be liable for delays, failures in performance, or any loss or damage to Inventory or property resulting from events beyond the reasonable

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	warehouse complex.
11.	<b>Inventory Transfer.</b> Contractor shall use reasonable efforts to ensure that outgoing Inventory is rigidly controlled. Contractor shall issue the carrier such bills of lading as are required by law.
12.	<b>Computer Linkage with NHSLC.</b> Contractor shall maintain its capability as of the effective date of this Amendment to interface with the NHSLC's computerized system.
13.	<b>Security.</b> Security of the Inventory is of primary concern. Contractor shall have adequate equipment and mechanisms to ensure that all doors and windows and other potential means of access to the warehouse contents, records of transactions between the warehouse and the NHSLC and/or suppliers, and administrative control areas are secure and connected to an adequate alarm system. Motion detectors and/or photo-electric beams and/or other acceptable mechanisms are expected to protect against intruders entering by other means.  <b>Secure access and egress to/from, the warehouse should be maintained and monitored at all times.</b>
14.	<b>Fire.</b> The warehouse shall be in full compliance with all State and local fire codes. The Inventory storage area shall be protected by an automatic sprinkler system which, when triggered, will immediately notify the Fire/Police department and the central security authority.  Contractor shall provide current certification for the fire protection systems.  Contractor shall possess or shall obtain all applicable State and Local permits for the storage of:  a. all wine and spirits and related Inventories constituting flammable liquid on the premises,  b. with mean concentration of the Inventory taken as 80 proof (40% ethyl alcohol), but with  c. the potential for storage of ethyl-alcohol/water mixtures of up to 200 proof (100% ethyl alcohol),  d. in containers which are usually made of glass or plastic, mainly in 750ml and 1750ml sizes, but  e. with the possibility of plastic containers up to 55 US gallons in capacity, and  f. with most Inventory stored in corrugated cardboard boxes containing six (6) or twelve (12) bottles.
15.	<b>Subcontractors/Personnel.</b> The use of any and all subcontractors must be approved in advance by the NHSLC which approval shall not be unreasonably withheld.
16.	<b>Additional Requirements.</b> The Contractor will reasonably cooperate and coordinate with the transportation contractor(s) employed by the NHSLC to move Inventory from the warehouse complex.
17.	The Contractor shall furnish all personnel and equipment necessary to properly process, inventory, store, and load spirits and wine and related Inventory for the NHSLC. It then must accurately report required data to the NHSLC via network files transmitted on a daily basis in accordance with processes in place as of October 1, 2013.

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	of 10,000 cases per day for transfer, Monday through Friday. Further, Contractor shall endeavor to maintain the ability to process and load a maximum of 20,000 cases per day, Monday through Friday.
<b>PART 3:</b> The following amendments shall apply between November 1, 2013 through December 13, 2013.	
Exhibit A of the Agreement is deleted and replaced with the following new Exhibit A-1.	
1.	<b>Shipments.</b> Contractor shall process, inventory, store, and load orders from the NHSLC, vendors and suppliers for transfer of Inventory to the Exel, Inc., warehouse located in Bow, New Hampshire and/or to NHSLC owned or operated warehouses. The transfers shall be conducted pursuant to the process specified in Section 3 below.
2.	<b>Warehouse Capacity.</b> Contractor shall maintain adequate warehouse storage capacity for Inventory.
3.	<b>Process.</b> For orders received under this Section 3 Contractor shall use reasonable efforts to prepare Inventory for shipment to the receiving warehouse on the next available shipping day. Contractor shall maintain the ability to accept transfer orders from the NHSLC and/or NHSLC vendors/suppliers on a 24-hour basis. For orders received under this process, subject to the receiving warehouse's ability to receive transferred Inventory and carrier and appointment availability, Contractor shall process and load a minimum of 10,000 cases per day for transfer, Monday through Friday. Further, Contractor shall endeavor to maintain the ability to process and load a maximum of 20,000 cases per day, Monday through Friday.
4.	<b>Orders.</b> The NHSLC shall receive electronic orders from brokers for the transfer of Inventory from Contractor to Exel. Brokers shall obtain NHSLC approval before entering the orders into Contractor's electronic system provided for ordering of Inventory transfer.
5.	<b>Conducting Business with the NHSLC.</b> Subject to the provisions of this Agreement, Contractor shall maintain the data-transfer capabilities existing as of the effective date of this Contract Amendment A at all times (day, night, weekends, holidays).
6.	<b>Warehouse General Requirements.</b> Contractor's warehouse complex will comply with federal, state and local regulations to the extent applicable to Contractor's warehouse as a matter of law.
7.	<b>Temperature.</b> Contractor's warehouse complex shall at all times be kept at a temperature range suitable for the long-term storage of alcoholic beverages, without spoilage. Generally, minimum temperature of any Inventory shall be 45 degrees Fahrenheit and the maximum temperature of any Inventory is 85 degrees Fahrenheit.
8.	<b>Audit.</b> All Inventory shall be separated in such a manner that it is possible to determine upon audit the ownership of such Inventory.
9.	<b>Inventory.</b> Contractor shall maintain the electronic inventory process in place as of October 1, 2013 during the contract period as Inventory is depleted.
10.	<b>Transportation Access.</b> The majority of Inventory movement will be by tractor-trailer but a wide variety of vehicles ranging from fixed-bed trucks to vans and even private automobiles, shall be adequately accommodated to support transfer of Inventory.  Access to all loading/unloading bays or truck docks shall be on a paved surface such as tar or an equivalent approved material of adequate load capacity, and in good repair. At no time, including the processes of docking and turning shall it be necessary for incoming or outgoing vehicles to leave the paved area.  All access roads to the warehouse are required to be paved and approved by NHSLC and local authorities to handle the volume and nature of anticipated traffic to and from the

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WHEREAS, pursuant to an Agreement approved by the Attorney General, as a result of RFP #2011-02, on February 9, 2012 (hereinafter referred to as the "Agreement"), Law Warehouses, Inc. (hereinafter referred to as "Contractor") agreed to supply certain services upon the terms and conditions specified in the Agreement;

WHEREAS, pursuant to the Agreement Section 18 and RSA 176:18, the Agreement may be modified or amended only by a written instrument executed by the parties thereto and approved by the Governor and Executive Council; and

WHEREAS, the Contractor and the New Hampshire State Liquor Commission ("NHSLC") have agreed to amend the Agreement in certain respects.

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties agree as follows:

**PART 1: The following amendments shall apply through December 13, 2013:**

1. Add new definition: "Inventory" means "Wines and spirits received at the Contractor's warehouse prior to November 1, 2013 for the sole purpose of the Contractor's direct distribution and transfer of bailment on behalf of the State to licensees and state liquor stores pursuant to the Agreement."
2. Amend Form P-37, General Provisions, Section 1.7 (Completion Date): Delete "October 31, 2013" and replace it with "December 13, 2013."

**PART 2: The following amendments to the Agreement shall apply through October 31, 2013.**

Exhibit A: Scope of Work/Services of the Agreement is hereby amended as described in Table 1:

**Table 1**

<b>Contract # 2011-02 Exhibit A Section Number</b>	<b>ADDED TEXT</b>
<b>Add new section 1.1</b>	<b>1.1 Shipments to Exel.</b> Contractor shall process, inventory, store, and load orders of Inventory from the NHSLC, vendors and suppliers for transfer of Inventory to the Exel, Inc. warehouse located in Bow, New Hampshire commencing on October 7, 2013, pursuant to the process specified in Section 11.3.1 below.
<b>Add new section 10.1</b>	<b>10.1 Sub Pack Ordering and Delivery.</b> Contractor shall process, inventory, store, and load sub-packs of selected Inventory that have been designated by the NHSLC as available by the sub-pack and by the case to the Exel, Inc. warehouse in Bow, New Hampshire commencing on October 7, 2013 pursuant to the process specified in Section 11.3.1.
<b>Add new section 11.3.1</b>	<b>11.3.1 Transfer Orders Process.</b> Contractor shall maintain the ability to accept transfer orders from the NHSLC and/or NHSLC vendors/suppliers on a 24-hour basis. For orders received under this process, subject to Exel's Bow, New Hampshire warehouse's or New Hampshire owned or operated warehouse's ability to receive transferred Inventory and carrier and appointment availability, Contractor shall: from October 7, 2013 through October 31, 2013, maintain the capacity to process and load a minimum of a total of 30,000 cases per day Monday through Friday, which total 30,000 cases consists of a combination of licensee/NHSLC retail store orders plus transfer orders; from November 1, 2013 through December 13, 2013, maintain the capacity to process and load a minimum

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	control of the Contractor, unless Contractor has applicable insurance as described in Section 28 (Limitation of Liability) above, in which case Contractor's liability shall be subject to the limitations contained therein.
<b>HEADER</b>	<b>DISCLAIMER</b>
	<b>The Contractor and NHSLC agree that the creation and/or execution of this Amendment does not, in any way, act to waive any legal position either party may have. The execution of this agreement is not an admission by either party that the contract amendment is, or is not, required for the transfer of Inventory or any product to Exel. The execution of this agreement is not an admission by either party that Law may, or may not, conduct warehouse operations absent a contract with NHSLC. The execution of this agreement does not prohibit either party from asserting their respective legal positions. Each party agrees that it will not use this document as evidence against the other party in any future proceeding. Lastly, this provision does not prevent either party from enforcing any rights it may have under this agreement.</b>
<b>HEADER</b>	<b>P-37 TERMS.</b>
	<b>Any applicable terms of the P-37 as amended by Exhibit C remain in effect during the Extension Period.</b>

Exhibit B of the Agreement is hereby amended as follows:

**Table 2**

<b>Contract # 2011-02</b>	<b>AMENDED AND ADDED TEXT</b>
<b>Exhibit B Section Number</b>	
<b>HEADER</b>	<i>Insert new header followed by the below provisions immediately after paragraph 4 of Exhibit B.</i> <b>Charges for Inventory Shipped to Exel's Bow Warehouse or State Owned or Operated Warehouse</b>
<b>Add new section 5.1</b>	The NHSLC, vendors, and suppliers shall continue to pay Contractor the charges set forth in Exhibit F of the Agreement (attached hereto as Appendix A), during the term of the Agreement as follows: From October 7, 2013 through October 31, 2013, Contractor will receive applicable charges for the Inventory, regardless of where the Inventory is stored (i.e. Contractor shall be paid applicable charges through October 31, 2013 even if Inventory is transferred and stored at an Exel's Bow warehouse or state owned or operated warehouse prior to October 31, 2013). For Inventory remaining in Contractor's warehouse after October 31, 2013, Contractor will receive applicable charges contained in Exhibit F (attached hereto as Appendix A) until the Inventory is transferred, except that only NHSLC shall be invoiced and liable for full payment of the following outbound order processing charges with respect to transfer orders by NHSLC, vendors and suppliers: a) Cases: \$0.25 per case/\$25.00 minimum per order; and b) Subpacks: \$0.75 per bottle/\$25.00 minimum. The NHSLC shall use best efforts and cooperate with Contractor to ensure that all invoices for fees to NHSLC, vendors and suppliers are fully and timely paid by suppliers and vendors.
<b>Add new section 5.2</b>	"Outbound order processing" shall be charged to NHSLC by the picking unit and shall consist of the creation of a packing slip for orders received from NHSLC stores or licensees, as well as transfer orders received from the NHSLC, and the preparation of any stock-out report or back

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	order report for each case or picking unit of Inventory to be delivered to NHSLC stores, sold by the NHSLC to NHSLC on- and off-premise licensees, or transferred to the Exel, Inc. warehouse in Bow, New Hampshire.
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**Execution in Counterparts:** This Agreement may be executed in counterparts each of which shall constitute one Agreement and such execution may be evidence by signatures delivered by facsimile or other electronic transmission. Except as provided herein, all provisions of the Agreement shall remain in full force and effect. This modification shall take effect upon the approval date from the Governor and the Executive Council.

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IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

  
\_\_\_\_\_  
Brian Law, President  
Law Warehouses, Inc.

Date: Oct 4, 2013

Corporate Signature Notarized:  
STATE OF New Hampshire  
COUNTY OF Hillsborough

On this the 7<sup>th</sup> day of October, 2013 before me,  
BRIAN LAW, the undersigned Officer \_\_\_\_\_,  
personally appeared and acknowledged her/himself to be the President,  
of LAW WAREHOUSES, Inc, a corporation, and that she/he, as such  
Officer - President being authorized to do so, executed the foregoing instrument for  
the purposes therein contained, by signing the name of the corporation by her/himself as  
President.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Kathleen J. Hummel  
Notary Public/Justice of the Peace

My Commission Expires: February 4, 2014  
  
(SEAL)

**State of New Hampshire**

\_\_\_\_\_  
Chairman Joseph Mollica  
State of New Hampshire  
New Hampshire State Liquor Commission

Date: \_\_\_\_\_

**Approved by the Attorney General (Form, Substance and Execution)**

\_\_\_\_\_  
State of New Hampshire, Department of Justice

Date: \_\_\_\_\_

10/10/13

10/10/13

STATE OF ILL  
DEPT OF JUSTICE  
2013 OCT -8 AM 10:15

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IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

\_\_\_\_\_  
Date: \_\_\_\_\_  
Brian Law, President  
Law Warehouses, Inc.

Corporate Signature Notarized:  
STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, before me,  
\_\_\_\_\_, the undersigned Officer \_\_\_\_\_,  
personally appeared and acknowledged her/himself to be the \_\_\_\_\_,  
of \_\_\_\_\_, a corporation, and that she/he, as such  
\_\_\_\_\_ being authorized to do so, executed the foregoing instrument for  
the purposes therein contained, by signing the name of the corporation by her/himself as  
\_\_\_\_\_.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public/Justice of the Peace

My Commission Expires:

(SEAL)

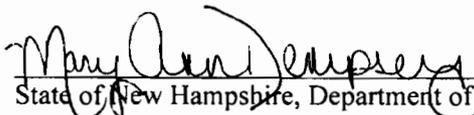
**State of New Hampshire**



\_\_\_\_\_  
Chairman Joseph Mollica  
State of New Hampshire  
New Hampshire State Liquor Commission

Date: 10/4/2013

**Approved by the Attorney General (Form, Substance and Execution)**

  
\_\_\_\_\_  
State of New Hampshire, Department of Justice

Date: 10/4/13



## CERTIFICATE OF VOTE

I, Jack R. Law, hereby certify that I am a duly appointed Director of Law Warehouses, Inc.

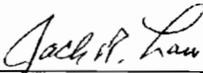
I hereby certify the following is a true copy of a vote taken at a meeting of the Board of Directors of the corporation, duly called and held on Friday October 3, 2013, at which a quorum of the Board was present and voting.

**DULY VOTED:**

On motion made and duly seconded, it was unanimously voted to that Brian H. Law, President; negotiate with the NH State Liquor Commission to obtain a contract extension at terms acceptable to Law Warehouses, Inc. Furthermore, Brian H. Law has full authority to enter into such agreement and sign necessary documents to bind the contract.

There being no further business, on motion duly seconded, it was voted to adjourn at 1:30pm.

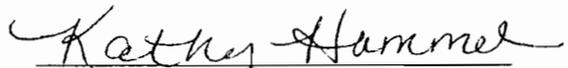
This signature authority has not been revoked and remains in full force and effect as of the date of the proposal.

  
\_\_\_\_\_  
Director

State of New Hampshire  
County of Hillsborough

On this 3rd day of October 2013, before me Kathy Hammel, personally appeared Jack R. Law, who acknowledged himself to be Director of Law Warehouses, Inc., a New Hampshire corporation, and, as Director, that he executed the foregoing certification.

In witness whereof I hereunto set my hand and official seal.

  
\_\_\_\_\_  
Kathy Hammel  
Notary Public



# State of New Hampshire Department of State

## CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LAW WAREHOUSES, INC. is a New Hampshire corporation duly incorporated under the laws of the State of New Hampshire on December 27, 1955. I further certify that all fees and annual reports required by the Secretary of State's office have been received and that articles of dissolution have not been filed.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 3<sup>rd</sup> day of October, A.D. 2013

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/03/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh USA, Inc 99 High St Boston, MA 02110 Attn: Boston.certrequest@Marsh.com Fax: 212-948-4377  SD4638-wareh-liab-13-14	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____ <b>E-MAIL ADDRESS:</b> _____	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Law Realty Co., Inc., Law Warehouses, Inc., Law Motor Freight, Inc., BSP Trans., Inc., Bulk Haulers, Inc., State Street Realty, Inc., Heavy Duty Truck & Diesel Service, Inc., CLawrk, LLC 27 Airport Road Nashua, NH 03063	<b>INSURER A:</b> Atlantic Specialty Company	
	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES**      **CERTIFICATE NUMBER:** NYC-006396297-10      **REVISION NUMBER:** 7

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> Y N/A				WC STATUTORY LIMITS    OTH-ER E L. EACH ACCIDENT \$ E L. DISEASE - EA EMPLOYEE \$ E L. DISEASE - POLICY LIMIT \$
A	WAREHOUSE LEGAL LIABILITY		790-011-711-0000	09/01/2012	11/01/2013	LIMIT 10,000,000 DEDUCTIBLE 5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
EVIDENCE OF INSURANCE COVERAGE.

<b>CERTIFICATE HOLDER</b> NH STATE LIQUOR COMMISSION STORRS ST CONCORD, NH 03301	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	<b>AUTHORIZED REPRESENTATIVE</b> of Marsh USA Inc. Elizabeth Stapleton <i>Elizabeth Stapleton</i>





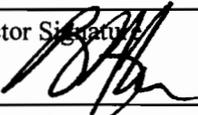
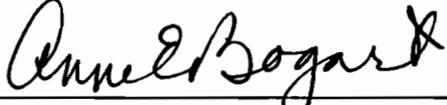
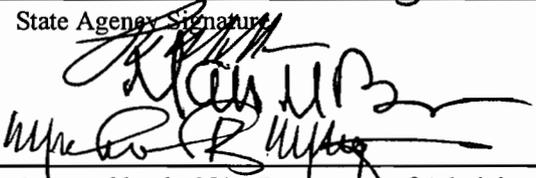
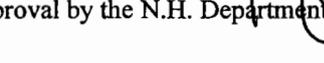


AGREEMENT

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 Law Warehouses, Inc.		1.4 Contractor Address 27 Airport Road, Nashua, New Hampshire 03063	
1.5 Contractor Phone Number (603) 883-5531	1.6 Account Number	1.7 Completion Date October 31, 2013	1.8 Price Limitation
1.9 Contracting Officer for State Agency George P. Tsiopras, CFO		1.10 State Agency Telephone Number 603-230-7010	
1.11 Contractor Signature 		1.12 Name & Title of Contractor Signatory Brian H. Law, President	
1.13 Acknowledgment: State of <u>New Hampshire</u> County of <u>Merrimack</u> On, <u>February 1, 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)		<b>ANNE E. BOGART</b> <b>NOTARY PUBLIC, NEW HAMPSHIRE</b> <b>COMMISSION EXPIRES 3-26-2013</b>	
1.13.2 Name and Title of Notary Public or Justice of the Peace <u>Anne E. Bogart</u>			
1.14 State Agency Signatory 		1.15 Name/Title of State Agency Signatory Joseph W. Mollica, Chairman Mark M. Bodi, Commissioner 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: <u>Lisa M. Egliz</u> On: <u>2/9/12</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 Contactor 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 Limitaion 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 State 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.

**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 absence 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, formulae, 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.

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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 termination 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 an 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 constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved 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.

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 identified 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 by 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.

**EXHIBIT A**  
**CONTRACT SERVICES**

**OPERATION OF BAILMENT WAREHOUSE AND DISTRIBUTION CENTER**

1. 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 warehouses (as defined below in Paragraph 14). 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. Except as otherwise provided herein, Contractor shall comply with the requirements for warehousing and distribution services as specified in the Request for Proposals 2011-02 ("RFP") issued by the NHSLC and attached hereto as Exhibit D including all appendices and all clarifications and amendments only to the extent that Contractor has agreed to any such RFP requirements as specified in Contractor's proposal submitted in response to the RFP which is attached as Exhibit E (the "Proposal"), 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 to the extent that such compliance does not require Contractor to incur any additional expenses or costs. In the event that any provision of the RFP or Proposal shall conflict or be inconsistent with any provision of Exhibits A, B, C or F of this Agreement, such provisions of this Agreement 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 on-and off-premise 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 Product for the sole, limited and temporary purpose of meeting occasional temporary seasonal needs.
4. **Warehousing Capacity.** Contractor shall at all times maintain adequate warehouse storage capacity for product which may be adjusted according to reasonable needs, as agreed to by the parties.
5. **Bonded Warehousing.** Contractor shall, upon request by NHSLC, make available for use by the NHSLC and by vendors a customs bonded warehousing area. NHSLC and Contractor agree that in the event that NHSLC determines that a customs bonded area is

required, NHSLC shall provide Contractor with a minimum of sixty (60) days prior notice in writing. Rates for customs bonded warehousing services shall be negotiated between NHSLC and Contractor and made a part of this Agreement.

6. Annual Inventory. An annual physical audit and inventory of all NHSLC-owned product shall be conducted by Contractor at the rates specified in Exhibit F of this Agreement. Contractor shall complete the annual physical audit and inventory within two (2) business days, not to exceed four (4) consecutive days, as mutually agreed to by the parties.

7. Liability for NHSLC Product. Subject to the provisions of this Agreement, Contractor shall be liable for any loss or damage to all liquor and wine products of the NHSLC during the period of time beginning from when Contractor officially receives product at Contractor's warehouse until possession of product is officially transferred to the transportation contractor.

8. Notwithstanding the foregoing or any provision of this Agreement to the contrary:

(a) LIMITATION OF LIABILITY. CONTRACTOR SHALL BE LIABLE UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LIABILITY FOR ANY INDEMNIFICATION OBLIGATIONS UNDER PARAGRAPH 13 OF THE FORM P-37 (GENERAL PROVISIONS) AND LOSS OR DAMAGE TO PRODUCT, ONLY TO THE EXTENT CONTRACTOR HAS APPLICABLE INSURANCE COVERAGE, AND IF SUCH COVERAGE APPLIES, AND ONLY UP TO THAT AMOUNT OF INSURANCE COVERAGE THEN AVAILABLE TO CONTRACTOR. IN NO EVENT SHALL CONTRACTOR BE LIABLE FOR ANY PAYMENTS OR DAMAGES THAT ARE NOT COVERED BY CONTRACTOR'S INSURANCE; and

(b) Force Majeure. Contractor shall not be liable for delays, failures in performance, or any loss or damage to product or property resulting from events beyond the reasonable control of the Contractor, unless Contractor has applicable insurance as described in paragraph 8 (a) above, in which case Contractor's liability shall be subject to the limitations contained therein.

9. Receiving.

(a) Contractor will use reasonable efforts to offer receiving appointments within two (2) business days of request by the delivering carrier, and during peak volume periods, within four (4) business days of request by the delivering carrier. Contractor will not be in default if appointment cancellations contribute in a manner to any appointment scheduling delays. Product shipped to the warehouse shall be unloaded on or after the appointment time to prevent temperature-related spoilage.

(b) Product Receiving -Contractor will maintain regular receiving hours at its warehouse from 6 AM to 9:30 PM so as to better accommodate incoming product shipments.

10. Sub Pack Ordering and Delivery. Contractor shall maintain a capacity to fill orders from NHSLC stores and NHSLC licensees requesting sub-packs of selected products designated by the NHSLC as available by the sub-pack and by the case. The number of identifiable product codes to be available by both the sub pack and by the case shall be determined by the Contractor. NHSLC and Contractor agree to limit the number of product codes in the sub-pack program to no more than three thousand (3,000) codes.

11. Cycle Time for Delivery to NHSLC Stores and Licensees.

11.1 NHSLC Store Orders. Contractor shall maintain the ability to accept orders from NHSLC stores on a 24-hour basis. Unless otherwise agreed by both parties, orders received by Contractor from NHSLC stores by 11:35 P.M. shall be picked and loaded for shipment to the ordering store on the following scheduled shipping day.

11.2 Licensees Orders. Orders received by the Contractor by 7:30 p.m. from the NHSLC will be available for pick-up the next scheduled shipping day. Contractor will maintain pickup hours at its warehouse from 8:45AM to 4:00 PM.

#### TECHNICAL SPECIFICATIONS AND REQUIREMENTS

12. Warehouse. Contractor has proposed a single warehouse complex. A “complex” is defined as any building or group of buildings located within the City of Nashua or as otherwise approved by the NHSLC. The warehouse complex will be referred to as the “warehouses” or the “warehouse.”

13. Location of Product. NHSLC may designate which NHSLC Product will be stored at Contractor warehouse. The criteria for such selection will be governed by the goal of minimizing billings and costs to NHSLC.

NHSLC and Contractor agree that if NHSLC Product is transferred from NHSLC warehouse to Contractor Warehouse, or from Contractor Warehouse to NHSLC warehouse, until the Completion Date specified in Block 1.7 of the Form P-37 (General Provisions) (the “Completion Date”), totaling more than fifteen percent (15%) of Contractor’s annual average standing inventory or average annual case shipping volume, either party may request a renegotiation of rates, however, this provision will not apply to routine daily transfers,

14. Conducting Business with the NHSLC. An integral portion of this Agreement is “SPECIFICATIONS FOR WAREHOUSES” (SFW) contained in RFP Appendix N. This document describes the general activities of the NHSLC, and established protocols used by the NHSLC to conduct business with private warehouses.

Subject to the provisions of this Agreement, Contractor shall provide data-transfer capability according to NHSLC specifications at all times (day, night, weekends, holidays).

15. Warehouse General Requirements. Warehouse will comply with federal, state and local regulations to the extent they apply to warehouse as a matter of law.

Selected warehouse facilities shall at all times be kept at a temperature range suitable for the long-term storage of alcoholic beverage, without spoilage. Generally, the minimum temperature of any product shall be 45 degrees Fahrenheit and the maximum temperature of any product 85 degrees Fahrenheit.

Except when directed to the contrary by a bailment customer or the NHSLC, product shall be distributed on a "First in / First out" basis to prevent improper aging.

To ensure security and minimize freezing during the winter, the warehouse shall at all times have sufficient shipping, receiving, docking and storage capacities to promptly unload incoming road traffic typically within two (2) hours after the scheduled appointment on the warehouse premises during normal business hours.

Most product will arrive on 48" x 40" 4-way hardwood pallets or slip-sheets. 1750 ml product usually arrives 6 bottles to a case, and each pallet is stacked 12-block by 5 high. 750 ml product usually arrives 12 bottles to a case, and each pallet is stacked 14-block by 5 high. There are many packaging variations and product sizes. Contractor shall effectively handle product arriving in industry-standard packaging.

The NHSLC will provide a yearly timetable of holidays, but may require warehouse-services outside the usual warehouse hours. During peak periods Contractor shall agree to a reasonable expansion of hours to accommodate the receipt or shipping of product.

16. Audit. All liquor, wine, or beverage shall be separated in such a manner that it is possible to determine upon audit the ownership of such product.

All reporting and auditing functions shall coincide with the NHSLC's Fiscal Periods, with Fiscal Year ending on June 30th at midnight.

Contractor shall conduct a full annual physical inventory at a mutually agreed time, and provide an accurate book inventory (data files and reports) coinciding with the State's Fiscal Year end. Contractor shall provide a schedule outlining any anticipated downtime or disruption in service that may result from performing the annual inventory. In addition, Contractor shall reconcile differences with the NHSLC on a continuing basis and submit to random audits of product by the NHSLC's Auditors, or the NHSLC.

Contractor shall comply with the audit requirements of the NHSLC's Auditors and NHSLC officers to ensure tight control of product.

There shall be a cycle inventory of a product whenever the product is depleted, or apparently "short", or as deemed necessary by the NHSLC.

17 Transportation Access.

17.1 Road: Incoming and Outgoing Requirements

17.2 Access. The majority of product movement will be by tractor-trailer, but a wide variety of vehicles ranging from fixed-bed trucks to vans, and even private automobiles, shall be adequately accommodated to support the Licensee trade and small suppliers.

Access to all loading/unloading bays or truck docks shall be on a paved surface such as tar or an equivalent approved material of adequate load capacity, and in good repair. At no time, including the processes of docking and turning shall it be necessary for incoming or outgoing vehicles to leave the paved area.

All access roads to the warehouse are required to be paved and approved by NHSLC and local authorities to handle the volume and nature of anticipated traffic to and from the warehouse.

17.3 Dock and Approach. It is anticipated, based on current experience, that the volume of deliveries (to and from the docks) by trailer will necessitate warehousing facilities having at least sixteen (16) docks, with locking external doors so that an open trailer can be safely left at the dock during non-business hours. Each of these docks must be raised with an adjustable height feature to safely accommodate different sized trailers of up to thirteen foot six inches (13'6") in height, fifty-three (53) feet long, and one-hundred-two inches (102") wide. Each dock shall have a "level" floor and "level" approach, where "level" is defined as a gradient no greater than would be necessary for proper drainage. Each dock shall have an approach area sufficiently large to allow a vehicle of size equal to the maximum capacity of the dock to maneuver safely and easily even though adjacent docks are in use.

To support the Licensee trade, at least two (2) additional loading/unloading docks suitable for light-truck / light-van / automobile traffic shall be provided. These docks shall be at ground level and each shall allow a vehicle of up to twelve feet (12') in height, and ninety-six inches (96") wide to fully back into the warehouse safely.

To accommodate trucking need and periods of heavy activity, additional paved surface suitable for the storage of at least twelve (12) trailers awaiting loading or dispatch, without interference to warehouse or trucking operations, shall be provided.

17.4 Floor Capacity and Storage Strategy. Product may arrive at the warehouse in gift-wrap, or in nonstandard pack. Product shall be traceable by bin location, product code, status code, and date of arrival and by vintage on selected products.

Warehouse must maintain and possess a responsive and dynamic computer controlled location system capable of meeting DoIT requirements defined in RFP Appendix K.

Contractor shall be able to meet the NHSLC's requirements for an increase in inventory until the Completion Date.

The warehouse shall provide adequate storage space, operational capacity and tracking ability to conduct any and all business and/or transactions which occur as a public warehouse to the NHSLC.

The warehouse shall provide adequate space and facility, at full capacity, to isolate products in special statuses, such as, but not limited to:

- a. Breakage and damage.
- b. Unsaleable status (permanent and/or temporary).
- c. Carrier returns.

The warehouse capacity shall be determined on the basis of providing FIFO (First In/ First Out) distribution. The warehouse shall have the capability and capacity to distribute product according to a strategy other than FIFO as required by the NHSLC and/or the Supplier; typically, alternate strategies are to hold existing product which has some attribute not apparent on the case packaging, and ship from more recently arrived stock first.

Notice is hereby given that the NHSLC's suppliers frequently adopt new merchandising strategies, particularly at periods of peak demand.

17.5 Floor Movement Capacity. Product distribution shall not be constrained by lack of capacity until the Completion Date.

17.6 Product Distribution. Licensees make separate arrangements (subject to NHSLC control) to pick up their product from the warehouse.

Contractor shall label cases. The label size, format, color, quality, and position applied to the case shall be approved by the NHSLC. A sample label is provided as RFP APPENDIX O, see also RFP APPENDIX Q.

Contractor shall ensure that outgoing product is rigidly controlled. Contractor shall issue the carrier such bills of lading as are required by law.

The NHSLC and Contractor shall mutually agree on the scheduling of outgoing product in accordance with the practice utilized by the parties under the Bailment Warehouse and Transportation Services Agreement dated February 20, 1997, as amended.

The possibility of trucks from several warehouses arriving simultaneously at an NHSLC liquor store is to be avoided. The NHSLC needs to have personnel available to

off-load product at the time of arrival and will incur costs unless product arrives at the specified time.

Contractor shall have the capability to safely operate outside normal business hours.

Contractor may schedule pickup by licensees directly from the warehouse provided distribution to NHSLC stores takes precedence.

17.7 Computer Linkage with the NHSLC. Contractor shall interface with the NHSLC's computerized systems. Details are provided in RFP Appendix K.

Contractor shall meet as reasonably necessary with NHSLC computer and business systems personnel and conduct such tests as may be reasonably necessary, to ensure that Contractor's computer system is able to conduct business according to NHSLC requirements.

17.8 Security. Security of the bailment inventory is of primary concern. Contractor shall have adequate equipment and mechanisms to ensure that all doors and windows and other potential means of access to the warehouse contents, records of transactions between the warehouse and the NHSLC and/or suppliers, and administrative control areas are secure and connected to an adequate alarm system. Motion detectors and/or photo-electric beams and/or other acceptable mechanisms are expected to protect against intruders entering by other means.

Secure access and egress to/from, the warehouse should be maintained and monitored by a competent authority at all times.

17.9 Fire. The warehouse shall be in full compliance with all State and local fire codes.

The product storage area shall be protected by an automatic sprinkler system which, when triggered, will immediately notify the Fire/Police department and the central security authority.

Contractor shall provide current certification for the fire protection systems.

Contractor shall possess or shall obtain all applicable State and Local permits for the storage of:

- a. all wine and spirits and related products constituting flammable liquid on the premises,
- b. with mean concentration of the product taken as 80 proof (40% ethyl alcohol), but with

c. the potential for storage of ethyl-alcohol/water mixtures of up to 200 proof (100% ethyl alcohol),

d. in containers which are usually made of glass or plastic, mainly in 750ml and 1750ml sizes, but

e. with the possibility of plastic containers up to 55 US gallons in capacity, and

f. with most product stored in corrugated cardboard boxes containing six (6) or twelve (12) bottles.

18. **Business Continuity.** The Contractor shall provide and maintain a business continuity plan identifying backup capacity for warehouse operations in the event of the interruption of services including natural or man made disasters or catastrophic events.

19. **Subcontractors /Personnel.** The use of any and all subcontractors must be approved in advance by the NHSLC which approval shall not be unreasonably withheld.

20. **Additional Requirements.** The Contractor will reasonably cooperate and coordinate with the transportation Contractor(s) employed by the NHSLC to move product from the warehouse to NHSLC retail stores.

21. The Contractor shall furnish all personnel and equipment necessary to properly receive, process, inventory, store, and load spirits and wine and related products for the NHSLC. It then must accurately report required data to the NHSLC via network files transmitted on a daily basis.

22. Warehouse personnel will load outgoing shipments into vehicles with appropriate equipment. The warehouse shall be responsible for providing the transportation contractor with the quantity and type of spirits and wine and related products, supplies, and displays listed on the bills of lading provided by the NHSLC. The transportation contractor shall sign and date the bills of lading at the time of pickup from the warehouse and leave the original with the warehouse.

23. The transportation contractor shall coordinate with the warehouse supervisor or designee to pick up loads at scheduled times. Scheduled times may include shipping on Saturday and Sunday.

24. Changes to delivery schedules due to unforeseen circumstances or holidays may be mutually agreed between the warehouse contractor, transportation contractor, and the NHSLC.

25. **Shortages/Breakages:** Liability on shipments from any designated warehouse will be as follows:

a. The Contractor is/are responsible for shortages found at stores on sealed trailers from the respective shipping points.

b. The transportation contractor is responsible for damaged merchandise received by a store at the time of delivery and for shortages from trailers arriving at stores with broken trailer seals.

26. The Contractor, in proper performance of this Agreement, subject to Acts of God or other circumstances beyond the control of Contractor, shall:

a. Receive product in a timely manner based on warehouse appointment schedules.

b. Store all product in a timely and appropriate manner.

c. Load all outgoing trucks in a timely manner to properly accommodate established store delivery schedules

d. Secure loads in such a fashion as to form a unitized pallet. This is particularly beneficial for stores equipped to receive pallet deliveries.

27. Contractor shall fully comply with all applicable laws and regulations including but not limited to those set forth in RFP Appendix M to the extent that they apply to the Contractor as a matter of law. All employees engaged in the handling of spirits and wine must be 18 years of age or over. Contractor shall maintain a warehouse license to the extent required by applicable law and be registered through the Office of the Secretary of State to do business, under the laws of the State of New Hampshire. In the event of a statutory change in the minimum age, the above item shall reflect that age.

28. An assignment for the benefit of creditors or bankruptcy on the part of the Contractor shall be cause for termination of the Agreement at a time to be specified by the NHSLC.

29. All overages from any warehouse designated by the NHSLC must be returned to the originating warehouse by the transportation contractor.

30. Inclement/Severe Weather. Contractor shall determine whether weather conditions or other circumstances are such that loading scheduled deliveries is unsafe. In the event of such determination, loading shall cease and Contractor shall provide timely notice to the NHSLC.

31. Contractor shall maintain its reporting services related to warehousing activities for suppliers, brokers, and the state. The NHSLC and Contractor agree to review the reporting services and, upon mutual agreement, make changes to reduce the cost and improve the efficiency of the reporting services.

END OF EXHIBIT A

**EXHIBIT B**  
**CONTRACT PRICE, METHOD AND TERMS OF PAYMENT**

1. Bailment Warehouse Service Charges.

1.1 Rates Effective -Term. Until the Completion Date, Contractor shall provide bailment warehouse services to NHSLC vendors/suppliers at the rates specified in Exhibit F.

1.2 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 Contractor warehouse. Contractor shall charge NHSLC handling fees only for product received into the warehouse directly for NHSLC's account (incoming product owned by NHSLC). NHSLC shall not be charged handling fees for internal transfers of ownership of product from a vendor/Supplier bailment inventory to the account of NHSLC.

1.3 Storage Charges. NHSLC vendors/suppliers shall be charged storage charges as provided in Exhibit F.

1.4 Allocated Product Storage. For purposes of this Agreement, "allocated product" shall mean a product designated as "allocated" by the NHSLC and which is generally allocated for purchase by either specific licensees or classes of licensees, is of limited availability, and/or for which sale is managed over a period of time. Allocated product held in inventory shall be charged storage at the allocated product rates provided in Exhibit F.

1.5 NHSLC Storage Charges. 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 at the rates provided in Exhibit F. NHSLC-owned stock in excess of 35,000 cases received during any month shall be charged storage from Day 1 at the rates as provided in Exhibit F.

2. Outbound Order Processing Costs for NHSLC.

2.1 "Outbound order processing" shall be charged to NHSLC by the picking unit and shall consist of the creation of a packing slip for orders received from NHSLC stores or licensees, preparation of any stock-out report or back order report and the preparation and affixing of labels for each case or picking unit of product to be delivered to NHSLC stores or sold by the NHSLC to NHSLC on-and off-premise licensees.

3. Method of NHSLC Payment for Contract Services.

3.1 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 and the per case and total charge, plus any miscellaneous charges incurred.

3.2 Invoices shall be accompanied with adequate backup data supporting all charges.

4. Payment Terms. Payment by NHSLC will be due on Contractor invoices upon receipt. No late charges or interest charges shall be billed to NHSLC.

END OF EXHIBIT B

## EXHIBIT C

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").

ADD PARAGRAPHS 3.3 and 3.4

3.3 If a new contractor is not selected to provide the Services by the Completion Date specified in Block 1.7 of the Form P-37 (General Provisions) (the "Completion Date"), the Agreement may be extended up to an additional six (6) months from the Completion Date (the "Transition Period") provided that:

3.3.1.1 NHSLC provides Contractor a minimum of six (6) months written notice prior to the Completion Date of the State's request to extend the Agreement for a transition period, specifying the definitive and exact period of the Transition Period which shall not exceed six (6) months;

3.3.1.2 The parties reach mutual agreement on the rates that will apply to the Services during the Transition Period; and

3.3.1.3 During any such Transition Period, Contractor shall not be required to purchase or maintain any bonding, and the State shall have no rights to any Contractor bonds.

3.3.1.4 If a new Contractor is selected and the parties agree to extending the agreement for the Transition Period as described above, Contractor will provide NHSLC with reasonable assistance to transition services to a new contractor during the Transition Period such as the transfer of NHSLC product to the warehouse of the new contractor, provided that all costs and expenses incurred by Contractor and any costs and expenses associated with any such transition services shall be borne by NHSLC or the new contractor. NHSLC shall determine in its reasonable discretion the timing of any such transfer of product which shall occur within normal working hours of Contractor, unless otherwise agreed by Contractor. Net overages and shortages by Supplier shall be used to determine any financial obligation between Contractor and the supplier. Net shortages will be paid to each Supplier at the Supplier's cost upon invoicing by each Supplier. NHSLC will require the new contractor to reasonably cooperate and work with Contractor, including, but not limited to, performing cycle counts as necessary to verify any discrepancies.

**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 Except as otherwise provided herein or as otherwise agreed by NHSLC, rates shall not change until the Completion Date.

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 DEFAULT/REMEDIES.**

Either party may terminate the Agreement and pursue its remedies at law and in equity for the material breach of the Agreement by the other party, provided that the injured party has given the other party prior written notice of such material breach, and there has been a failure to cure such material breach within thirty (30) business days after receipt of such notice by the other party 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 9 AND INSERT THE FOLLOWING:

**9 Computer System Services**

**9.1 Data Exchange**

**9.1.1 File Transfer Systems.** Contractor and the NHSLC shall work together to maintain and update as needed the Data file transfer system. Contractor shall provide Data transfer capabilities according to NHSLC specifications as of the Effective Date, except that Contractor shall not be required to make any changes or additions to its Data transfer capabilities if requested by the NHSLC if the cost of such requested changes exceeds a total of five thousand dollars \$5,000.00 during the term of the Agreement and any extensions unless the additional costs exceeding five thousand dollars (\$5,000.00) are fully borne by the NHSLC.

**9.1.2 Additional Data.** The NHSLC and Contractor shall work together to develop additional Data files, fields and specifications to meet the needs of any related computer systems being developed, including using good faith efforts to reach agreement on the allocation of responsibility for any material increase in cost.

**9.1.3 Confidentiality of Data and Information.** Contractor shall maintain in confidence all NHSLC and NHSLC Supplier/vendor and NHSLC customer Data and all Information derived from this Data which becomes available to Contractor in connection with its services under this Agreement and shall use such Information only for providing services pursuant to this Agreement. All Data and Information acquired or developed by Contractor in the performance of this Agreement shall be and remain the property of the NHSLC. This section shall survive the termination or expiration of this Agreement. Contractor shall retain the right during the term of this Agreement, subject to NHSLC approval which shall not be unreasonably withheld, to sell, transfer, or otherwise furnish information reports to qualified third parties and to assess charges at its discretion. A third party is qualified if it requests an information report regarding its own product or product that the third party represents. The NHSLC is not liable for payment of any such charges.

9.1.3.1 Notwithstanding the foregoing, Contractor may publicly disclose, including issue a press release or other public statement that refers to the Agreement or the existence of the parties' business relationship without the prior written consent of the State. Further, subject to the confidentiality provisions of the Agreement and NHSLC approval, which shall not be unreasonably withheld, Contractor may publicly disclose any information concerning the Agreement that is available for public disclosure under applicable laws and regulations, including without limitation, N.H. RSA Chapter 91-A.

**9.1.4 Copyright and Intellectual Property Rights.** NHSLC's website remains the NHSLC's property. Contractor's website(s), known as "www.lawarehouses.com" and "www.nhliquor.com" software program(s) developed for the operation of the internet website, and Contractor's internet web ordering system shall be and remain Contractor's property. The Contractor shall retain the right to use its web ordering system for non-alcoholic product ordering purposes during or after the term of this Agreement. Notwithstanding, all right, title and interest to all NHSLC Data, Information, textual graphics, audio, video, visual graphics shall remain with the NHSLC. The NHSLC grants the Contractor a nonexclusive nontransferable limited license for the term of this Agreement to use and produce the NHSLC Data, Information, textual graphics, audio or video content and information exclusively for the purposes set forth in this Agreement. This section shall survive the termination or expiration of this Agreement.

**9.1.5 Information Retention.** Contractor will make periodic operating system and programmatic backups to ensure that the Contractor's warehouse management system can be functionally restored.

**9.1.6 Warranty.** Contractor warrants that it has title to, or is allowed to use, the software and hardware necessary to perform its obligations for the State under this Agreement.

**9.1.7 Performance Standards.** Excluding scheduled down-time, down-time associated with components that are dependent upon the availability of the State's systems, and communication link failures, force majeure acts as defined in this Agreement, and other events beyond the Contractor's control, the Contractor will insure that Contractor's system will be available 24 hours per day, 7 days per week with a 99.9% uptime, provided that no failure of Contractor's system to meet this standard is due to interruption of normal data flow from the State's systems.

**9.1.8 Maintenance/Repairs.** Contractor will use reasonable efforts to maintain its system in full operational condition. Contractor must insure that all failures to its system are corrected within 72 hours.

**9.1.9 Compliance with Laws and Regulations.** Contractor will comply with all applicable laws and regulations that apply to the Contractor in performing file transfer services for the State.

**9.1.10 Definitions**

**9.1.10.1 Licensees** - any person issued a license of any kind by the NHSLC to engage in the sale of liquor, wine or beverages.

**9.1.10.2 Supplier** - a natural or unnatural person who is licensed as a vendor, manufacturer, or representative.

**9.1.10.3 Broker** - an agent of a liquor or wine vendor providing services on a commission basis.

**9.1.10.4 Website** - refers to specific URL on the internet.

**9.1.10.5 Web Ordering System** -a capability available on a website that allows authorized NHSLC licensees to place orders for liquor and wine.

**9.1.10.6 Web Ordering Pages** - refers to the specific pages of a website dedicated to the web ordering system

**9.1.10.7 Trusted Data Communication Connections** - refers to a secure communication link between two or more computers known to each other and usually employs encryption and password controls.

**9.1.10.8 Information** -any Data that can be stored in or retrieved from a computer.

**9.1.10.9 DATA** As used in this Agreement, the word “data” shall mean all information entered into or maintained by Contractor’s Warehouse Management System that consists of receiving transactions, shipping transactions, inventory transfers, inventory adjustments, physical inventory adjustments, inventory balances, order data, purchase order files and credit files related to the warehousing and distribution of wines and spirits under this Agreement.

**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 and substitute the following:

Paragraph 14.1.2 fire and extended coverage insurance for 100% of acquisition cost of any and all liquor and wine products owned by the NHSLC up to a total of two million dollars (\$2,000,000).

Amend Paragraph 14 by adding Subparagraph 14.1.3 as follows:

14.1.3 Contractor shall have and maintain for all premises used to provide services to NHSLC pursuant to this Agreement an all risks insurance policy which shall provide 100 % acquisition cost coverage of any and all liquor and wine products owned by the NHSLC up to a total of two million dollars (\$2,000,000). Policies shall name the NHSLC as a loss payee. A certificate of insurance demonstrating compliance with the requirements of this Paragraph 14 shall be provided to NHSLC prior to execution of the Agreement.

Amend Paragraph 14 by adding Subparagraphs 14.1.4-14.1.6 as follows:

14.1.4 Performance Bond. Upon final approval of this Agreement, Contractor shall provide to NHSLC in form satisfactory to NHSLC, a performance bond in the amount of One Million Dollars (\$1,000,000.00), which shall be retained by the NHSLC until the Completion Date.

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 Contractor shall maintain a warehouse license to the extent required by applicable law.

AMEND PARAGRAPH 16 as follows:

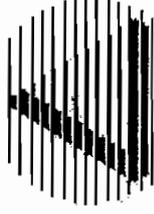
Add "or Contractor" after "the State" in both sentences. Strike "on the part of the Contractor" at the end of the paragraph.

In 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."





# State of New Hampshire Liquor Commission



LAW WAREHOUSES INC  
LAW WAREHOUSES  
27 AIRPORT RD  
NASHUA NH 03063

LIQUOR/WINE/BEVERAGE WAREHOUSE

OFF-PREMISES BEVERAGE/WINE/LIQUOR

License No. **565112**

Effective Date: **01/01/2011**

Expires: **12/31/2011**

This license is issued and is subject to the conditions prescribed in Title XIII of the revised statutes annotated and regulations enacted by the commission thereunder. This license is effective for the period specified above unless sooner revoked and is not transferable.

State Liquor Commission

Mark M. Bodi, Chairman

Joseph Mollica, Commissioner

This document and any addendum must be conspicuously displayed on the described premises.

AUDIT NO. 215180



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 222279

Certificate No. 004115870

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Barbara A. Thompson, Carolyn E. Wheeler, Novetta M. Anderson, Kellie McKinney, Leslie M. Patterson, and Loretta M. Jones

of the City of Knoxville, State of Tennessee, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 1st day of April, 2010

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 1st day of April, 2010, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.



[Signature]
Marie C. Tetreault, Notary Public

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

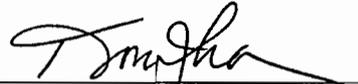
**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 27TH day of MAY, 2011.

  
Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at [www.travelersbond.com](http://www.travelersbond.com). Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

VERIFICATION CERTIFICATE FOR INDEFINITE TERM BOND

Travelers Casualty and Surety Company of America

, Surety upon

a certain Bond No. 104079686

dated effective 04/30/2003  
(MONTH-DAY-YEAR)

on behalf of Law Warehouses, Inc.  
(PRINCIPAL)

and in favor of State of New Hampshire  
(OBLIGEE)

Amount of bond \$1,000,000.00 (One Million Dollars)

Description of bond New Hampshire State Liquor Commission Bailment Warehouse Contract Bond

Premium: [REDACTED]

and that the said bond remains in effect, subject to all its agreements, conditions and limitations, and ends only with the cancellation of said bond or other legal termination.

Signed and dated on 05/26/2011  
(MONTH-DAY-YEAR)

Travelers Casualty and Surety Company of America

By Kellie McKinney  
ATTORNEY-IN-FACT Kellie McKinney

Marsh USA, Inc.  
Agent

1111 Northshore Drive, Suite N-550, Knoxville, TN 37919  
Address of Agent  
865-769-7700  
Telephone Number of Agent



*A Family of Distribution Companies Serving New England Since 1882*

**Law Warehouses, Inc.**

27 Airport Road,  
Nashua, NH 03063

(603) 883-5531

Fax: (603) 883-9921

www.lawwarehouses.com

## CERTIFICATE OF VOTE

I, Jack R. Law, hereby certify that I am the duly appointed Director of Law Warehouses, Inc.

I hereby certify the following is a true copy of a vote taken at a meeting of the Board of Directors of the corporation, duly called and held on Saturday May 21, 2011, at which a quorum of the Board was present and voting.

### DULY VOTED:

On motion made and duly seconded, it was unanimously voted to that Brian H. Law, President, negotiate with the NH State Liquor Commission and other parties as needed to obtain renewal contract terms acceptable to Law Warehouses, Inc. for the next contract period (May 1, 2012 - April 30, 2027). Furthermore, Brian H. Law has full authority to enter into such agreement and sign necessary documents to bind the contract.

There being no further business, on motion duly seconded, it was voted to adjourn at 12:15pm.

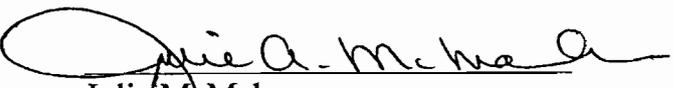
This signature authority has not been revoked and remains in full force and effect as of the date of the proposal.

  
\_\_\_\_\_  
Director

State of New Hampshire  
County of Hillsborough

On this 7<sup>th</sup> day of July 2011, before me Julie McMahon, personally appeared Jack R. Law, who acknowledged himself to be Director of Law Warehouses, Inc., a New Hampshire corporation, and, as Director, that he executed the foregoing certification.

In witness whereof I hereunto set my hand and official seal.

  
\_\_\_\_\_  
Julie McMahon  
Notary Public  
**My Commission Expires April 28, 2015**



*A Family of Distribution Companies Serving New England Since 1882*

**Law Warehouses, Inc.**

27 Airport Road,  
Nashua, NH 03063  
(603) 883-5531  
Fax: (603) 883-9921  
[www.lawwarehouses.com](http://www.lawwarehouses.com)

February 9, 2012

Lisa English  
New Hampshire Department of Justice  
Office of the Attorney General  
33 State St.  
Concord, NH 03301

Dear Ms. English:

The signature authority contained in the Certificate of Vote issued by Law Warehouses, Inc. on July 7, 2011 has not been revoked and remains in full force and effect as of February 9, 2012.

Should you have any questions, please feel free to contact me at 883-5531 x309 or by email at [brianlaw@lawwarehouses.com](mailto:brianlaw@lawwarehouses.com)

Sincerely,

Brian H. Law  
President

STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 9th day of February, 2012 by Brian H. Law, President of said Law Warehouses, Inc., a New Hampshire corporation, on behalf of the corporation.

Notary Public

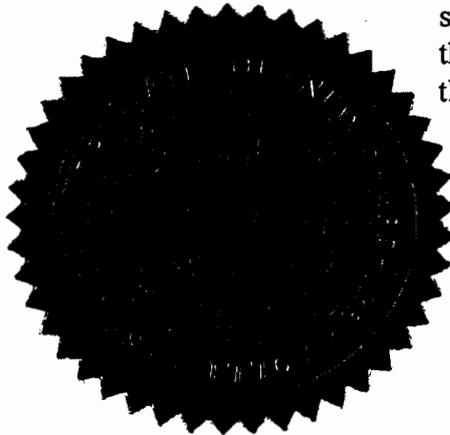
**My Commission Expires June 25, 2013**

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LAW WAREHOUSES, INC. is a New Hampshire corporation duly incorporated under the laws of the State of New Hampshire on December 27, 1955. I further certify that all fees and annual reports required by the Secretary of State's office have been received and that articles of dissolution have not been filed.

In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 31<sup>st</sup> day of May, A.D. 2011



*William M. Gardner*

William M. Gardner  
Secretary of State



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/16/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh USA Inc. 99 High Street Boston, MA 02110 Attn: Boston.Certrequest@marsh.com Fax: 212-948-4377  S04638-ALL-GAW-10-11	<b>CONTACT NAME:</b> <b>PHONE (A/C. No. Ext):</b> <b>E-MAIL ADDRESS:</b>	<b>FAX (A/C. No.):</b>	
	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> Zurich American Insurance Co		16535
<b>INSURED</b> LAW REALTY CO., INC., LAW WAREHOUSES, INC. LAW MOTOR FREIGHT INC., BSP TRANS INC., BULK HAULERS, INC. STATE STREET, INC., HEAVY DUTY TRUCK & DIESEL SERVICE, INC 27 AIRPORT ROAD NASHUA, NH 03063	<b>INSURER B:</b>		
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
	<b>INSURER F:</b>		

**COVERAGES**                      **CERTIFICATE NUMBER:** NYC-005892099-04                      **REVISION NUMBER:** 3

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJE CT <input type="checkbox"/> LOC			GLO 3888657-00	11/01/2010	09/01/2011	EACH OCCURRENCE	\$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS  <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			TRK 3888658-00	11/01/2010	09/01/2011	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
							EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC 3888656-00	11/01/2010	09/01/2011	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: CERTIFICATE OF INSURANCE IS ISSUED TO PROVIDE EVIDENCE OF INSURANCE.

**CERTIFICATE HOLDER**                      **CANCELLATION**

LAW WAREHOUSES, INC. ATTN: CHRISS CARRIER 27 AIRPORT ROAD NASHUA, NH 03063	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE of Marsh USA Inc.  William G. Cornish
	



*A Family of Distribution Companies Serving New England Since 1882*

**Law Warehouses, Inc.**

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Nashua, NH 03063  
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Sincerely,

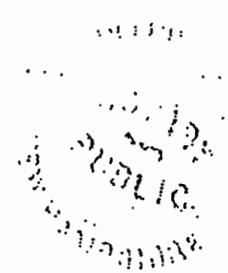
Brian H. Law  
President

STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 9th day of February, 2012 by Brian H. Law, President of said Law Warehouses, Inc., a New Hampshire corporation, on behalf of the corporation.

Notary Public

**My Commission Expires June 26, 2013**



**EXHIBIT D**

**RFP for Warehouse Services for Wine & Spirits  
& Related Products**

**FOR**

**RFP 2011-02**

**BAILMENT WAREHOUSE SERVICES**

**Attached to original only**

**EXHIBIT E**

**LAW Warehouses, Inc.  
Proposal Offer**

**FOR**

**RFP 2011-02**

**BAILMENT WAREHOUSE SERVICES**

**Attached to original only**

**Requests under RSA 91-A to Review Exhibit E should  
be filed with the NH State Liquor Commission**



## EXHIBIT F

### Warehouse Service Charges

May 1, 2012 through December 31, 2012

#### **BASIC BAILMENT CHARGES:**

##### **INBOUND HANDLING:**

Charged to: Suppliers/NHSLC

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	\$ 1.20 per case
Codes of 181 - 299 cases	\$ 1.05 per case
Codes of 300 - 669 cases	\$ 0.95 per case
Codes of 670+	\$ 0.85 per case
Pallet packs	\$ 6.75 per pallet
Cases received uncoded or other <u>unsaleable</u> status	\$ 5.00 per line item surcharge
Licensee/Liquor Stores Returns - charged to the SLC	\$ 5.00 per case / \$1.00 per bottle / \$14.50 per pallet

##### **STORAGE:**

Charged to: Suppliers/NHSLC

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	\$ 0.10 per case per 14 days
Cases in inventory	85 - 182	days from receipt	\$ 0.25 per case per 14 days
Cases in inventory	183 - 365	days from receipt	\$ 0.70 per case per 14 days
Cases in inventory	366+	days from receipt	\$ 1.25 per case per 14 days

Allocated inventory	1 - 84	days from receipt	\$ 0.10 per case per 14 days
Allocated inventory	85+	days from receipt	\$ 0.25 per case per 14 days

Any case, 0-365 days, on an unsaleable status:	\$ 0.70 per case per 14 days
Any case, 366+ days, on an unsaleable status:	\$ 1.25 per case per 14 days
Cases in SLC inventory 1 - 28 days from receipt/transfer	\$ 0.00 per case per 14 days -1st 35,000 cases/month

Pallet packs in inventory	1 - 84	days from receipt	\$ 4.50 per pallet per 14 days
Pallet packs in inventory	85 - 182	days from receipt	\$11.40 per pallet per 14 days
Pallet packs in inventory	183 - 365	days from receipt	\$31.80 per pallet per 14 days
Pallet packs in inventory	366+	days from receipt	\$55.65 per pallet per 14 days

Any Pallet pack, 0-365 days, on an unsaleable status:	\$31.80 per pallet per 14 days
Any Pallet pack, 366+ days, on an unsaleable status:	\$55.65 per pallet per 14 days

##### **OUTBOUND ORDER PROCESSING/REPORTING:**

Charged to: NHSLC

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.

Normal order processing: charged to SLC	\$ 0.12 per case
Manual Non-Auto Orders: charged to Supplier/SLC	\$ 0.17 per case / \$25.00 minimum
Non-Auto Sub-pack Orders	\$ 0.75 per bottle / \$25.00
Out-of State Sub-pack Orders	\$ 0.75 per bottle / \$25.00
Sub-pack 'Less than Full-Case' Picking: charged to SLC	\$ 0.60 per sub-pack unit

EXHIBIT F  
Warehouse Service Charges  
May 1, 2012 through December 31, 2012

**ACCESSORIAL SERVICE CHARGES:**

---

**ADVERTISING MATERIAL**

Handling (small/large)  
Storage (small/large):

Charged to: Suppliers  
\$0.85/2.25 per carton  
\$0.60/4.00 per carton per month

**BLANKETS**

Handling:  
Storage:

Charged to: Supplier  
\$35.60 per blanket  
\$ 7.25 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

Charged to: Suppliers/NHSLC  
Regular Time  
\$ 39.65 per person/per hour  
Overtime  
\$ 59.50 per person/per hour  
Sunday/Holiday  
\$ 89.25 per person/per hour

**EXTRA WAREHOUSE LABOR & EQUIPMENT**

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

Charged to: Suppliers/NHSLC  
Regular Time  
\$ 75.70 per person/per hour  
Overtime  
\$ 92.20 per person/per hour  
Sunday/Holiday  
\$138.30 per person/per hour

**OFFICE SERVICE CHARGE**

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

Charged to: Suppliers/NHSLC  
Regular Time  
\$39.65 per person/per hour  
Overtime  
\$ 59.50 per person/per hour  
Sunday/Holiday  
\$ 89.25 per person/per hour

**ANNUAL PHYSICAL INVENTORY**

\$ 0.18 per case  
\$ 0.18 per bottle

Charged to: Suppliers/NHSLC  
Charged to: Suppliers/NHSLC

**SPECIAL DOCUMENTATION RUNS**

For the printing and forwarding of reports and/or  
invoices available electronically

Charged to: Suppliers  
\$30.00 per run

**FACSIMILE CHARGE**

Charged to: Suppliers  
\$ 1.25 per page

**DESTRUCTION OF INVENTORY**

Rate subject to change based on  
disposal fees and transportation costs.

Charged to: Suppliers/NHSLC  
\$ 4.40 per case (0-55)  
\$ 3.50 per case (56+)