



Washington State Liquor Control Board

State Store Auctions Terms and Conditions

(Amended April 17, 2012)

Disclaimer

All available information has been reported in this listing. There may be deficiencies present that Washington State Surplus Programs and/or Washington State Liquor Control Board (WSLCB) is unaware of. You are bidding on these item(s) "as is, where is." All sales are final. Personal inspection is strongly advised. Failure to inspect property shall not be grounds for a refund claim or property abandonment.

Consideration of Bid

The State of Washington Surplus Programs reserves the right to reject any and all bids and to withdraw from sale any of the items listed.

Location and Inspection

If you wish to visit a specific store(s) please see the individual auction listing for specific store hours contained within the auction. Site visits will only be allowed during normal business hours. A preview of the backroom and back office areas is allowed by appointment. Appointment contact information is posted on the auction web site.

Notice of Award/Announcement of Apparent Successful Bidder (ASB)

Upon conclusion of the auction you will be notified via e-mail by PublicSurplus.com if you are the apparent successful bidder (ASB). This does not mean that you are necessarily the overall "Winner" of the auction. In determining the overall winner of the auction(s) the WSLCB will be evaluating in whole and in part the option(s) that represent the best overall value to the state.

Two auctions will be conducted simultaneously:

- 1) The "Right" at an individual state liquor store location.
- 2) The "Right" at all state liquor store locations.

The WSLCB reserves the right to make an award based on that bid or group of bids which represent(s) the best overall value to the state. In determining the best overall value, the state will be evaluating maximum reasonable value to the state.

The WSLCB will evaluate and compare the sum of the Individual Store high bids to any All Store Network bids that may have been received. If the total value of an All Store Network bid exceeds the value of all Individual Store high bids combined, then the auction award will be given to the All Store Network bid. The winning bidder will be responsible for paying their bid amount 6% buyers premium, and any fixture or inventory removal costs that apply.

Cost avoidance will be centered on the potential expenses to the state of removing store fixtures and disposing of inventory.

In order to demonstrate the Bidder's interest and ability to assume responsibility for the store inventory and fixtures, the following documents must be submitted to the WSLCB no later than May 7, 2012,

1. a landlord's Letter of Intent to lease the auctioned state store current address to the bidder.
2. a bank Proof of Funds to show Bidder can secure funds for the Bidder's anticipated inventory purchase.

In the event either of these documents is not received by the date specified above, the bidder will be responsible for any fixture or inventory removal costs that apply.

The WSLCB in conjunction with Washington State Surplus Programs reserves the right to not make an award if it is deemed to not be in the best interest of the State of Washington. Other factors that may impact the WSLCB's ability to make an award include legislative and/or judicial action.

These auctions are for the exclusive right(s) to apply for a spirit retail license associated with the location of the former state liquor store in its current footprint. This includes certain fixtures that may vary by location, and does not represent any specific monetary value. It is not expressed or implied that the holder of the right must operate a liquor-licensed businesses or apply for a liquor license. The ability to engage in the retail sales of liquor shall be limited to those winners who may qualify separately for a Spirit Retail License.

The designated winner of the auction(s) will be issued the "right" to apply for a spirit retail license associated with the location of the former state liquor store in its current footprint. That "right" must be registered with the WSLCB to be valid. If the legal holder of the right wishes to transfer ownership of the right, both parties must comply with the established WSLCB transfer process. Failure to maintain proper registration of the right with the WSLCB may cause the right to be deemed null and void.

The information contained below is a tentative schedule of events, the information contained in the schedule of events is being provided as informational only and is subject to change. Any changes to this schedule will be sent out via the public surplus website to registered bidders.

Tentative Schedule of Events:

March 8, 2012:	Public auction opens
April 20, 2012:	Public auction closes.
April 23 – 27, 2012:	Bid evaluation period
April 30, 2012:	Announcement of winning bidder(s)
May 4, 2012:	Payment due from winning bidder(s).

Winning Bidder Options

In addition to the right to apply for a spirit retail license associated with the location of the former state liquor store in its current footprint, the winning bidder shall have the following options:

1. Purchase all remaining inventory in the store as of the close of business on May 31, 2012 at a special discounted price of cost less \$7.97 per case. Bidder must obtain a spirit retail license in order to purchase the inventory.
2. Engage the landlord and pursue a lease for occupancy of the location associated with the right.
3. In the event the winning bidder is unable to reach agreement with the landlord, they may request the relocation of the right to another address within one (1) radius mile of the state store location. The new location would be subject to jurisdictional comment.
4. Sell or transfer the right to another individual.
5. Do nothing.

The winning bidder also has the option to consider hiring displaced WSLCB workers who are fully trained in liquor retail operations. Bidders may be eligible for a rebate of the 6% buyer's premium based upon Store Bidder Rebate Formula in the event the bidder hires displaced LCB employees.

Payment

After auction closing and the conclusion of the evaluation period, there will be an e-mail announcement of the overall winner(s) of the auction process. The overall winner must make full payment to Washington State Surplus Programs within five (5) business days after the announcement of the winner. Payment can be made via: Cash, Cashier Check, Money Order, and Electronic Funds Transfer (EFT) or in person, by mail, or by phone (cash payments in person only, do not mail cash). A 6% buyer's premium will be charged to the winning bidder at time of payment. When making payment, be sure to include the auction item number.

Remit Payment To: Washington State Department of Enterprise Services
Attn: Surplus Programs: LCB Auction
P.O. Box 41030
Olympia, WA 98504-1030

Street Address:
7511 New Market Street SW
Tumwater, WA 98512

Failure to Pay

If the winning bidder fails to pay within the five (5) business days, they will be blocked from bidding on the Washington State Surplus Program site. By registering to bid on the auctions you are hereby acknowledging that you are entering into a binding agreement. Violation of the binding agreement, due in part by your inability to pay may result in the state of Washington filing legal action against you for the actual loss incurred by your failure to pay.

If judicial action voids Initiative 1183 or delays its implementation, payments will be returned or held in escrow until it is determined whether the auction can be finalized. WSLCB reserves the right to resell an item or items if item(s) are not paid in full within (5) business days after announcement of the winner. In the event of a NO-SALE auction the WSLCB may retain the un-auctioned right for future disposition.

Sample Fixtures

Below is a general list of fixtures that is reflective of most of the auction locations. The actual fixtures/assets contained within a specific location may vary.

- Shelving
- Display Cabinets/Wine Gondolas/Wire Racking
- Check stands
- Supplies (office & cleaning)
- CCTV security system
- Alarm System

- General Office Furniture (desks, chairs, file cabinets).
- Hand Trucks
- Shopping Carts
- Security Safe

Unless otherwise permitted, the winning bidder is responsible for all assets/fixtures located at the address of the site being auctioned. Use of fixtures and/or disposition of the assets as a result of the auction are the sole responsibility of the winning bidder.

Indemnification

To the fullest extent permitted by law, Bidder/Winner shall indemnify, defend, and hold harmless the Washington State Surplus Program and WSLCB and all officials, agents and employees of the WSLCB, from and against all claims for injuries or death arising out of or resulting from the Auction process or subsequent "right" process. "Claim," as used in this context, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting there from.

Bidder/Winner obligations to indemnify defend, and hold harmless includes any claim by Bidder/Winner agents, employees, representatives, or any Subcontractor or its employees.

Bidder/Winner expressly agrees to indemnify, defend, and hold harmless the Washington State Surplus Program and WSLCB for any claim arising out of or incident to Bidder/Winner or any Subcontractor's performance or failure to perform. Bidder/Winner obligation to indemnify, defend, and hold harmless the WSLCB shall not be eliminated or reduced by any actual or alleged concurrent negligence of Washington State Surplus Program and WSLCB or their agents, agencies, employees and officials.

Bidder/Winner waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless Washington State Surplus Program and WSLCB and their agencies, officials, agents or employees.

Warranties

There are no warranties expressed or implied as a result of this auction process.

Personal Liability

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the Washington State Surplus Program and WSLCB when executing their official duties in good faith, be in any way personally liable or responsible

for any agreement herein contained whether expressed or implied, nor for any statement or representation made herein or in any connection with this agreement.

Licensing, Accreditation and Registration

The Bidder/Winner shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary or related to the auction process to include but not limited to acquiring a Retail Spirits License issued by the WSLCB.

Governing Law

This Auction shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court of Thurston County.

Conflict

To the extent possible, the terms of this Auction shall be read consistently.

Please note: These terms and conditions are subject to change without notice.

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