



**INTERIM MANAGEMENT AGREEMENT (IMA) BETWEEN:**

Entity of Current Licensee: \_\_\_\_\_ DBA Name: \_\_\_\_\_

Entity of New Applicant: \_\_\_\_\_ DBA Name: \_\_\_\_\_

**NOTE: If the new owner of the business will NOT be taking over operations before the license is transferred, the IMA is not necessary, but please fill out this form and submit it with the application attesting that you will NOT be using an IMA.**

If the intent is that the business is to remain open, utilizing the current business's DABS liquor license during the interim period between the licensee who is selling or transferring the business, and before the new DABS applicant can obtain a new license approved by the Commission and/or until the new business license is no longer conditional, the transfer of a DABS retail license will require an IMA.

**The following are required:**

1. Because the current DABS licensee (transferor or seller of the business) still holds the DABS license, all proceeds from the sale of alcohol at the licensed business must still flow to them and NOT to the new applicant/owner of the business because the new applicant is not yet licensed. This is true during the transition period even if the buyer has acquired the lease or owns the premises.
2. During the transition period, revenue must still be reported, and sales and income taxes must be paid under the DABS licensee's account numbers.
  - a. If the current DABS licensee (transferor/seller of the business) will remain on the premises to operate the business during the transition period but no longer owns or has rights to the building and equipment, the seller of the business may lease back the facility and equipment from the new owner under a management agreement.
  - b. If the current DABS licensee (transferor/seller of the business) still owns or has rights to the building and equipment, then the seller of the business may hire the new owner/applicant to manage and operate the business during the interim period for a reasonable fee (fair market value).
3. The duration of the IMA between the current DABS licensee and the new applicant/owner will begin when the sale is completed and is limited to the period during which the new owner is actively applying for a DABS license with the commission and the newly awarded license is no longer conditional. The new owner must agree to use their best efforts to obtain the license.
4. The bond, insurance, and business license must remain in the name of and be the responsibility of the current DABS licensee during the interim period. However, the new buyer may agree to reimburse the seller of the business for any necessary costs to maintain the bond, insurance, and business license during the interim period (for instance, on a pro-rata basis).
5. The current DABS licensee is ultimately responsible for any violations that occur during the interim period, and the violations will go on the seller of the business's violation history record. However, the new DABS applicant/owner may agree to pay any fines and costs associated with any violation that occurs during the interim period.
6. The current DABS licensee (seller of the business) is ultimately responsible for timely renewing the DABS license if the renewal cycle occurs during the period of the agreement. However, the buyer may agree to reimburse the former owner for any renewal fees.
7. Not until final approval of the change of ownership which includes conditional requirements have been met, may the proceeds from the sale of alcohol for the period of time following the transition period begin to flow to the new buyer.
8. The agreement ends on the day after the day the commission grants the DABS license, or until the newly issued conditional license is no longer conditional.

**INTERIM MANAGEMENT AGREEMENT ATTESTATION:**

**CHECK THE APPROPRIATE BOX:**

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

or

We attest that the current owner will be staying and operating the license until the new applicant's license is transferred or the new license is no longer conditional, and an IMA is not necessary.

**SIGNATURES:**

1. \_\_\_\_\_  
Date Business Seller/Current Owner of the DABS license

\_\_\_\_\_  
Title / Position Authorized Signature

2. \_\_\_\_\_  
Date New Applicant/New Owner of the business

\_\_\_\_\_  
Title / Position Authorized Signature