

Program Introduction

Pursuant to §§ 4.1-111 and 4.1-119, Code of Virginia, the Virginia Alcoholic Beverage Control Authority ("Authority") hereby establishes a "Net Payment Program." The purpose of this program is to allow authorized distilleries that meet the qualifications of the program to forgo as part of the monthly payments they make to the Authority: the costs of goods sold, the commission at the applicable legal rate, and the case-handling fee.

Program Conditions

To be considered for participation in this "Net Payment Program", a distillery shall demonstrate to the Authority's satisfaction the following:

1. The distillery has provided to the Authority for a period of six (6) months accurate, timely and verifiable accounting records, including both reports and deposits in accordance with its Distillery Store Agreement and the Distillery Store Manual and Operating Procedures for Distillery Stores, and
2. The distillery is in full compliance in all respects with its Distillery Store Agreement and the Distillery Manual and Operating Procedures for Distillery Stores, and
3. The distillery has demonstrated satisfactory compliance according to its latest Authority internal audit, and
4. The distillery is not the subject of any ongoing or pending enforcement matter with the Authority.

Approval for participation shall be the sole and exclusive right of the Authority.

Program Removal

A distillery that fails to comply on a continuing and ongoing basis with each of the requisite qualifications for program entry shall be removed from the "Net Payment Program" in accordance with the Distillery Store Agreement, including but not limited to, provisions contained in paragraph five (5) of the "Terms and Conditions" of the Distillery Store Agreement.

Program Agreement

Subject to fulfilling the aforementioned conditions, I desire to participate in the "Net Payment Program."

Distillery Name

Signature

Date

I do not wish to participate in the "Net Payment Program."

Distillery Name

Signature

Date

Internal Use Only

Finance Approved

Internal Audit Approved

Law Enforcement Approved