

SMALL SHOPS MARKETPLACE RULES AMENDED 07/27/20

1. Rental Procedure

- 1.1. All licensing agreements are on a month to month basis. You must pay your rent in full when you first move into Small Shops Marketplace. The next month's rent is due on the last day of the month before the next month starts. (Ex: January rent is due on Dec. 31st.)
- 1.2. Defining Mid-Month: A period starting 4 days after the month begins and ending 4 days before the month ends. Ex: July 4th to July 28th
- 1.3. Standard Prorating Procedure when a Shop Owner moves into a space Mid-Month is to prorate the following month's rent charge by the exact day moved in. (Moving in exactly halfway through June means July's rent charge will be halved)
- 1.4. Anyone carrying a balance by the 10th of the month will be charged a \$30.00 late fee.
- 1.5. Once a shop has been rented there will be absolutely no refunds of any kind.
- 1.6. There will be percentage deducted from your sales at the end of the month. This percentage is stated on your licensing agreement along with your monthly rent.
- 1.7. If you choose to share a shop with someone that will be between you and them, we can only rent the space to one person and that is the person that we will deal with. Additional partners may not be acknowledged as the shop owner in certain circumstance.

2. Altering and Ending the Rental

- 2.1. When requesting additional space for your shop, or when requesting to move your shop, the corresponding request form must be filled out.
- 2.2. Payment for an additional space must be made upfront before moving in. If moving in mid-month, standard prorating rules apply for that space.
- 2.3. When transferring to a larger space mid-month, you will have to pay the difference in full before moving. You may not transfer to a smaller space mid-month.
- 2.4. Small Shops Marketplace requires written or emailed notice by the 20th of the month for a Shop Owner to move out. If proper notice is not given in time you may be charged next month's rent.
- 2.5. We at the Small Shops Marketplace reserve the right to evict any Shop Owner at any time.
- 2.6. If you fall behind in your rent, Small Shops Marketplace reserves the right to evict you and hold your merchandise for resale to recover the lost revenue. By signing this you understand that if you do not pay your balance in full you will forfeit all merchandise, showcases, walls, shelves, etc that are in the store.

Shop Owner's Initial and Date: _____

3. Additional Charges and Fees

- 3.1. Some of our spaces have electrical outlets. If there is an outlet in your space, you may only use the outlet provided you have paid an electrical charge, which will vary from \$20 monthly on up, depending on usage levels. Anyone using electricity without paying may be evicted. Absolutely no extension cords per the fire marshal. It is the Shop Owners duty to ensure that all electrical cords in your shop are safe and not frayed.
- 3.2. As stated in the licensing agreement, a portion of the monthly rent charge totaling to \$0.16/ft² is budgeted for advertising. Your own advertising efforts can alter or nullify this charge depending on the current advertising programs in place.
- 3.3. If a check intended to pay rent bounces, you will be charged for the bounced check fee from the bank.
- 3.4. Anyone leaving garbage in their shop, by the back or front doors, or anywhere else besides the dumpster will be charged a \$25.00 cleanup fee. Anyone caught dumping behind the buildings and beside or in the dumpster will be fined accordingly.

4. Monthly Sales Payouts

- 4.1. If you choose not to pay your rent, it will automatically be deducted from your sales. We will not reverse this deduction if you pay late.
- 4.2. Overpaying on rent only carries forward one month. Any extra money in your account gets lumped in with your sales check.
- 4.3. Checks will be ready for pick up at Small Shops Marketplace on the 10th of the month. If you want them mailed to you, we can do so. Printouts will be given monthly with your checks.
- 4.4. In certain circumstances a Shop Owner's check can be cancelled and added to their account as a credit.
- 4.5. In the event of a lost check we can re issue, but the price of the stop payment fee will be deducted from the new check. Any Shop Owner check that is lost, stolen or damaged and in need of replacement will be required to pay the stop payment fee to have the check reissued. Checks that are just damaged and are present will be required to pay a reissue fee.

5. Taxes and Licensing

- 5.1. Sales Tax – We collect all sales tax and pay that sales tax under our sales tax #. If you are required to pay sales tax, you need to fill out your tax papers with a collection of 0 and inform the state that the collected tax was paid under our number.
- 5.2. You should keep your monthly printouts as we do not by default give you any year end statements. It is your responsibility to keep up with your sales for the year. Once you have left Small Shops Marketplace, we may no longer have access to your information.

Shop Owner's Initial and Date: _____

5.3. Any Shop Owner who wishes to sell candy, homemade food, jams, and jellies, etc must carry the proper license to do so. This will be your responsibility to check with the local health department to make sure you have all the proper licenses.

5.4. Shop Owners are not required to have business licenses.

6. Processing and Selling Merchandise

6.1. Do not mark down prices on tags. You must replace tags if you want to change prices.

6.2. Tags must be secured to your items so they cannot be removed easily.

6.3. You must warranty any electrical items that you bring to your shop to sell. This also goes for all computer equipment. The store will hold you responsible for any returned items that do not work.

6.4. Items with problems must be tagged with problems listed and marked "as is".

Customers will have 24 hours in which to return faulty electrical equipment (there may be cases in which more than 24 hours will be given). Be specific when writing tags, especially on appliances and electronics, include brand name, model #, color and serial numbers.

6.5. Small Shops Marketplace does not have a return policy. If you wish to permit returns or exchanges you must personally do so.

6.6. Small Shops Marketplace does not do layaways.

6.7. We will not keep any Shop Owner's merchandise behind the counter to sell.

6.8. We will not place your items on hold for customers unless you specifically request us to.

6.9. Small Shops Marketplace will not call you for customer offers on items under \$100. If your prices are 100% firm, simply tell us so and we will not call you with customer offers. We reserve the right to refuse any customer offers.

7. Shop Appearance

7.1. It is the sole responsibility of the Shop Owner to keep their shop clean. We do not clean Shop Owner's shops (exceptions exist for substantia; messes or messes made by Small Shops Staff). You are asked to clean and maintain your shop at least once a week. Any shop not kept up may be evicted.

7.2. We expect you to always have merchandise in your shop, we will not allow Shop Owners to rent space and leave it vacant. Merchandise in the shop must be priced; you will be contacted if an item is not tagged.

7.3. Shop Owners are expected to be in no less often than weekly to restock and merchandise their shops. If your shop appears empty or understocked, you may not be renewed.

7.4. You cannot post or hang advertisements for other businesses in your shop. You cannot have business cards or flyers for other businesses in your shop.

Shop Owner's Initial and Date: _____

7.5. We additionally keep and provide a list of Display Guidelines regulating the appearance of shops. Violating these guidelines may be grounds for non-renewal.

8. Merchandise Composition

- 8.1. You are not allowed to sell illegal "knock off" merchandise in Small Shops Marketplace. You will be held responsible for any illegal merchandise that you bring into Small Shops Marketplace. There are strict laws governing these types of designer purses, hats, sunglasses, phone cases, etc, they cannot be brought into our stores and sold for any reason. There are no exceptions to this rule.
- 8.2. No Shop Owner may duplicate a line of items that are currently being carried by an existing Shop Owner. If there is duplication that we deem harmful, we may, at our sole discretion, decline to renew the license of one of the Shop Owners involved in the dispute.
- 8.3. Generally, no more than 10% of your space can be used to sell items that are not part of your approved merchandise, and those items must relate to your main product line. (Ex: Reading lights in a bookstore)
- 8.4. No functional vending or coin operated machines of any kind are allowed in shops. This includes all gum, candy, and toy machines. Candy machines available for sale must be completely empty. No exceptions.
- 8.5. Absolutely no tobacco products, including e-cigs/vapes/firearms / guns / weapons/pornography of any sort can be sold. No whiskey decanters that contain whiskey can be sold. Animals that have been preserved such as fish, deer, etc. are not allowed by law to be sold.

9. In Store Conduct

- 9.1. Complaints or problems should be discussed with a manager. Outbursts and bad behavior will not be tolerated. Such outbursts and scenes at the front counter may result in an eviction.
- 9.2. Missing items can often be found throughout the store. Please search the entire store carefully before insinuating that an item is stolen. The cashiers cannot control the public and their behavior.
- 9.3. Any financial or personal disputes between Shop Owners will not be our responsibility.

10. Safety and Security

- 10.1. You as the owner of the shop are responsible for making sure your shop is always safe for shopping. It is your responsibility to make sure there are no hazards or unsafe conditions in your shop that could cause injury to employees or shoppers.
- 10.2. Shop Owners can purchase insurance for their shops, it may be added to your homeowner's policy, or some companies offer it separately. We recommend that you purchase insurance for your merchandise and for the liability of anyone who might get injured in your shop.

Shop Owner's Initial and Date: _____

- 10.3. All knives, crossbows and other dangerous items must be kept in locked cases. They cannot be purchased by anyone under 18 years of age.
- 10.4. Small Shops Marketplace is not responsible for lost, stolen, broken, or damaged merchandise, as well as acts such as tag switching or mis-rings. We cannot and will not reimburse Shop Owners for any such acts.
- 10.5. To keep tag switching down, every Shop Owner is required to put a shop number and an item description on every tag.
- 10.6. Every Shop Owner must enter and exit through the front doors of the building, and every Shop Owner must stop at the front desk when leaving to let the cashier's check the merchandise you are taking out.
- 10.7. Showcases have been shown to be a magnet for theft. Since this is a huge problem for all of us, we reserve the right to restrict or forbid the use of showcases in a shop. We cannot guarantee merchandise in cases. Each Shop Owner needs to accept responsibility for their case and merchandise.

11. Operation of Small Shops Marketplace

- 11.1. Overhead lights, heat and air conditioning are all things that break down or quit at times, these things will be repaired as we are able to. We cannot guarantee the working condition of any of these things.
- 11.2. Small Shops Marketplace reserves the right to alter business hours for any reason. We will not give refunds on rent if we must be closed for weather, natural disasters, or any other reason we deem necessary to be closed.
- 11.3. Shop Owners are not allowed to "man" or work their shops without prior approval.
- 11.4. Small Shops Marketplace allows for Shop Owners to set up events for free. These events can be held outside or in our designated event room. Events must be cleared up with management and approved a minimum of 2 weeks in advance, and we may reject an event proposal or shut down an active event for any reason.

Shop Owner's Initial and Date: _____

* The rules will be amended from time to time. All Shop Owners are to abide by any rules that are added.

*Remember that at no time can any of us control the public's actions and behavior. We make every effort to sell your merchandise and make this a profitable business for you. Please give all employees the respect they deserve. Other stores have some other individual rules that Shop Owners are expected to follow; please discuss those with the manager of each store. Some towns do require that you carry a business license, please check with management about yearly license fees. By signing this contract, you fully understand and accept all liability for your merchandise that you put in our marketplace and understand that you are releasing Small Shops Marketplace from any liability. You also understand the rules and will agree to abide by them.

*Small Shops Marketplace is a place of business. We expect all Shop Owners and their guests to behave appropriately, just as we expect all Small Shops Marketplace employees and staff to do. We are all here to make money and grow our individual businesses and brands, and we are all a team. If you have any concerns, our management team has an open-door policy and any Shop Owner may request an appointment with management at any time and it will be honored.

*Small Shops Marketplace is committed to adding value to our Shop Owner and working with each of you to help you be as successful as possible in your business. Because of that, we will provide learning experiences, classes, and seminars from time to time to further your business education. These are normally free, and we strongly encourage you to take advantage of these opportunities.

_____ Shop Owner Signature and Date

_____ Manager Signature and Date