

RULES AND REGULATIONS

USE OF MALL AT SEARS BY CENTER MARKET

1. **Purpose:**

These Rules and Regulations (“Regulations”) establish the terms and conditions governing use of the Anchorage Shopping Center, LLC, dba the Mall at Sears (“Mall”), by the Center Market (“CM”). Individual vendors participating in the CM, their agents, owners, employees, and all other persons or entities acting in any capacity on their behalf (referred to collectively as “Vendors”) are subject to these Regulations. The Regulations are intended to clearly articulate aspects of sale area design and appropriate Vendor conduct relating to use of Mall space. These Regulations apply in addition and are subject to (1) the Temporary Space License Agreement between CM and the Anchorage Shopping Center, LLC (“ASC”) and (2) any contract between the CM and an individual vendor (“Vendor Contract”).

For the purposes of this document the term “ASC” refers to the Anchorage Shopping Center, LLC, its agents, owners, employees, management and all other persons or entities acting in any capacity on its behalf. **No contractual relationship between ASC and individual vendors is created by these Regulations.**

2. **Display Guidelines:**

a. Fixtures & Accessories:

- i. Fixtures, signage, chairs and/or props outside of the CM Designated Area—as identified in the Contract—are not allowed.
 - “Fixtures” refer to any part of the display that is provided by the Vendor—including counters, tables and support structures, in addition to specific display fixtures. Display fixtures include but are not limited to props and accessories used to display Vendor products.
- ii. With the exception of displays located against a wall or empty storefront, displays in the mall’s common area may not exceed four (4) feet in height.
- iii. ASC considers the appearance and condition of fixtures to be of paramount importance. Fixtures should be attractive, in good repair and clean. No metal grid type fixtures may be used unless they are covered or backed with a solid-colored opaque material to minimize the visibility of the grid. Fixtures and displays must either match or have a uniform appearance.

- iv. Brochures and pamphlets must be placed in literature holders.
 - v. Audio or video equipment, should it be used, shall not be heard or seen in the common area beyond the Vendor's designated space.
 - vi. Tables used for temporary display must use floor length coverings on all sides. Any fabric that is used for tabletop displays must be clean and appear wrinkle-free. ASC recommends Vendors use dark-colored covers with slight stretching capacity, as these tend to hide or minimize wrinkles. Examples of suitable covers may be found by searching sites such as Ebay and Amazon for "Trade Show Table Covers."
 - vii. All trash containers, supplies (bags, boxes, papers, etc.), back stock, storage containers, and personal items, such as outerwear, must be concealed from public view from all shopper vantage points.
 - viii. Seasonal décor is not permitted without prior approval by ASC Management. Vendors seeking approval must request approval **through CM**. If permitted, Vendor agrees to immediately remove any decoration should it become damaged in any way. Seasonal décor applies to all holidays, including but not limited to: Halloween, Christmas, Valentine's Day, and Easter.
- b. Lighting:
- i. Vendors are prohibited from providing additional lighting.
- c. Signage:
- i. Vendors are required to use professional and uniform signage. Trade names, sale signs, and seasonal signage must be in good taste, consistent with the product offered and may be removed at the sole discretion of ASC Management and CM.
- d. Electrical:
- i. Any electrical equipment used by Vendor must be UL listed, and shall be fully contained within their fixtures and concealed from public view.
 - ii. All wiring, power cords, junction boxes and other connections must be fully concealed. All devices consuming power must be plugged into a heavy duty power strip possessing a built in circuit breaker.

- iii. Interconnecting extension cords and power strips is a violation of Occupational Safety and Health Administration regulations and the National Electrical Code, and is strictly prohibited. Their use increases potential dangers from overloading, which can lead to electrical failure and possible fire.
- iv. Devices such as space heaters and fans are not permitted.

3. Cleaning, Maintenance and Trash Removal:

- a. Vendors are responsible for maintaining their designated area and leaving it clean upon their departure. This includes the floor. All display areas must be neat and clean at all times.
- b. All spills must be cleaned up immediately by Vendor. In the event spill containment is beyond the control of Vendor, Mall Security must be notified immediately to arrange clean-up.
- c. If food and/or beverages are being served, a non-permeable material must be placed under and around the sale/food distribution area on the Mall floor to protect it from any spills.
- d. Vendor is liable to ASC for any costs incurred in repairing damage or discoloration to Mall flooring if such damage or discoloration arises as a result of Vendor use of the Designated Space, such as through a spill.
- e. Vendor is responsible for timely trash removal. All empty boxes and cartons must be removed from the display area or hidden under tables immediately.
- f. Upon departure, Vendor must remove all trash and debris from the Mall premises.

4. Specific Guidelines for Vendors using a Retail Merchandising Unit/Cart ("RMU"):

- a. Overall display height cannot exceed 18" from the top drawer unit or 30" from the base if the upper drawer unit is not in use. ASC considers 10" glass blocks to be preferred fixtures for use on top of drawer units.
- b. No merchandise or display fixtures are to be placed on the cash wrap area.
- c. Vendor is prohibited from attaching merchandise, security cameras, additional lighting, or display fixtures to any part of the RMU using nails, screws, tape, staples, etc. Vendor is prohibited from damaging the RMU in any way.

- d. Vendor is prohibited from attaching stickers or taping signs to poles, shelves, cash wraps, or anywhere else on the RMU.
- e. Mall Management will provide one chair per RMU. Vendors must receive ASC approval, through CM, before bringing additional personal chairs to the Mall.
- f. Vendors must not sit, or allow others to sit, on a RMU.

5. Conduct:

- a. The Mall is private property. To ensure a desirable shopping environment all Vendors must adhere to the following Code of Conduct:
 - i. Vendors must be at least 18 years old to staff a sales area by themselves.
 - ii. Use of obscene language and gestures, and/or racial, religious or ethnic slurs is prohibited and will not be tolerated.
 - iii. Friends, family and children are not allowed to loiter around the sales area.
 - iv. Children may accompany Vendor but must stay in Vendor's designated area and be closely supervised.
 - v. While recognizing many Vendors work a full day at their location, every effort should be made to limit eating and drinking in the sales area. Smoking is prohibited unless noted by fixed signage outside the Designated Space. All beverage containers must be capable of sealing fully to prevent spills. If set in an area visible to the public, containers must be free of company logotypes or other identification, including Pepsi and Coke logos. Vendors must use a non-branded, sealable container even for beverages purchased at the Mall.

6. Soliciting:

- a. Vendors are prohibited from soliciting customers through any disruptive noises, yelling, barking, or hawking.
- b. Vendors are prohibited from solicitation through the distribution of pamphlets.
- c. Vendors engaged in selling merchandise must remain within their designated area at all times. Vendors are prohibited from approaching customers or performing demonstrations in common areas.

- d. Vendors are **prohibited from making unprompted sales pitches to random customers walking through Mall common areas**. Unless eye contact is made, or a potential customer exhibits an interest in a Vendor’s product, Vendors should not speak to them. Once an individual indicates they are not interested in a Vendor’s product THE PITCH IS OVER. Engaging in continued, unwanted sales pitches targeted towards customers walking away is prohibited and will not be tolerated.
- e. Pitches must be made at a conversational level. Vendors are prohibited from raising their voices to make sales pitches. A shopper should not be able to hear a sales pitch unless they are standing in the Vendor’s specific sales area.
- f. Vendors are prohibited from using terms of endearment when addressing shoppers, including but not limited to: honey, sweetie, baby, and darling.
- g. Vendors are **expressly prohibited from touching potential customers** without their prior permission. This prohibition includes, but is not limited to: pulling individuals into a sales area or performing demonstrations on inappropriate body parts.

7. Dress Code:

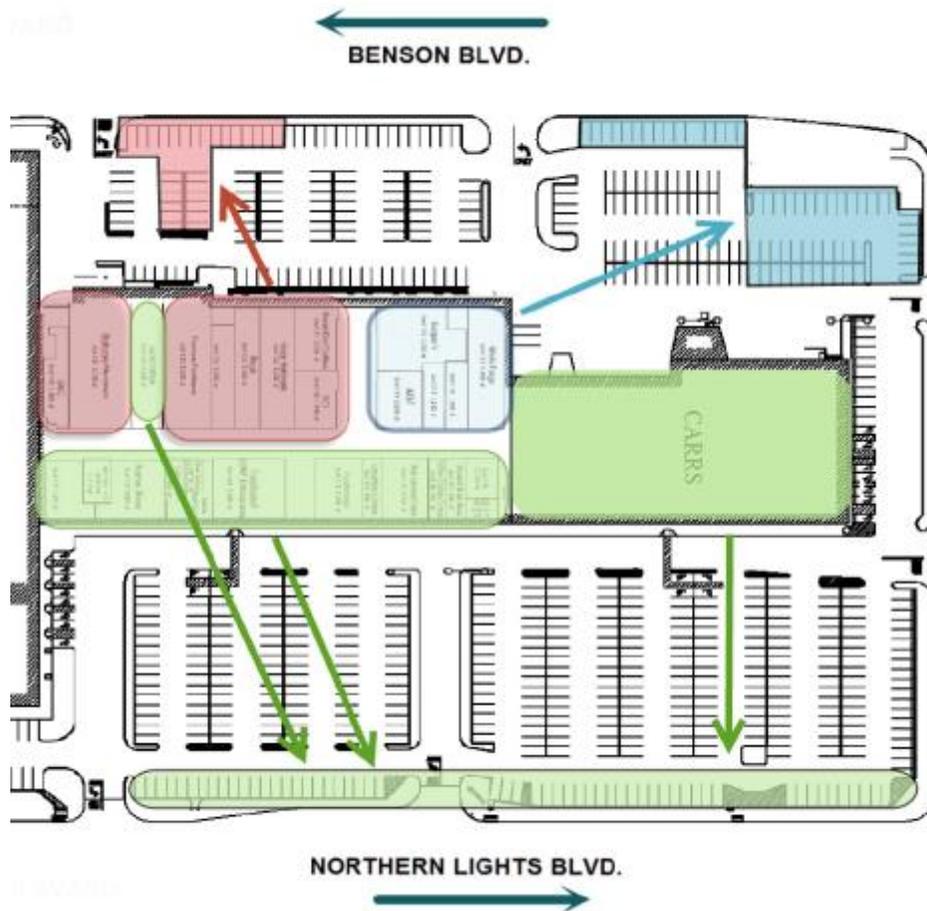
- a. ASC maintains the right to establish a dress code for individuals doing business at the Mall, including Vendors. Vendors must maintain a professional and neat appearance.
- b. The following chart illustrates specific examples of appropriate and inappropriate workplace attire:

	Appropriate	Inappropriate
Tops	Use common sense. Business casual, properly fitting attire	Oversized, revealing or tattered shirts. This includes crop tops, tank tops, mid-drift and low cut tops.
Pants	Business casual for appropriate season. Pants should fit and be in good condition. Dress shorts are permitted provided they are knee length or longer. Denim shorts are not permitted.	Sweatpants, baggy pants, spandex or any type of workout wear.

Dresses/ Skirts	Appropriate length dresses and skirts.	Mini-skirts or dresses that would inhibit the ability to bend over. Strapless dresses.
Footwear	Loafers, boots, flats or dressy sandals. Tennis or athletic shoes may be worn provided they are in excellent condition.	House shoes/slippers, tattered and worn shoes, or bare feet.
Other	Uniforms required by the employer that are in compliance with the above criteria	Headwear, including baseball caps and visors (unless primary use of retail unit). Sunglasses.

8. Vendor Parking:

- a. In order to insure there is plenty of room for Mall customers, Vendors and their employees are required to park in the Blue or Green areas indicated below:



9. Public Wi-Fi:

- a. Use of Wi-Fi is for the benefit of Mall customers. Vendors should appropriately limit personal use.

10. Non-Conformance:

- a. Vendor use of the Mall and participation in the CM is contingent upon adherence to these Regulations. **ASC may immediately revoke a Vendor's use of the Designated Area for any violation of these Regulations and refuse entry into the Mall at Sears.** While not all violations may result in revocation; the situation will be analyzed by ASC Management on a case-by-case basis, as described in the Vendor contract with CM.

11. Disclaimer:

- a. **These Regulations do not provide CM or individual Vendors with any additional rights or causes of action against ASC.** Nothing in these Regulations should be interpreted to negate, contradict, or otherwise diminish any Vendor obligations, duties, and limitations contained in an individual Vendor Contract. Moreover, nothing in these Regulations should be interpreted to negate, contradict, or otherwise diminish any of CM's obligations, duties, and limitations under the Temporary Space License Agreement. **It is the duty of individual Vendors and CM, not ASC, to ensure compliance with these Regulations.**

EXHIBIT A: Language to be included in Center Market Vendor Contracts.

1. Vendor shall operate exclusively within the space allocated to the Center Market (“CM”) and subject to the terms and conditions of the Center Market Vendor Contract (“Contract”) and the Center Market Rules and Regulations (“Regulations”). **VENDORS ARE NOT IN PRIVITY (i.e. in contract with) THE ANCHORAGE SHOPPING CENTER, LLC (“ASC”) dba the MALL AT SEARS. CM’s use of space at the Mall at Sears is subject to a Temporary Space License Agreement. VENDORS ARE NOT PARTY TO THAT AGREEMENT.**
2. By participating in the CM, Vendor acknowledges receipt of ASC’s Regulations and acknowledges that the Regulations are an integrated part of this Contract with CM. Vendor shall design and maintain its area/space/displays/etc. in and operate its business in accordance with the Regulations. Vendor further acknowledges that some of these standards are subjective in nature, but are nevertheless an important aspect of ASC’s goal to maintain a uniform, attractive and desirable shopping environment.

By agreeing to these Regulations, Vendor agrees that compliance with ASC’s standards is a condition of their participation in the CM and agrees to abide by such standards even though they may be subjective in nature. Further, Vendor acknowledges and agrees that ASC may revise and update its Regulations from time to time and such new standards are binding on Vendor. Updated Regulations will be distributed by ASC to CM and through CM to Vendor. The Regulations are binding on Vendor at the time they are delivered to CM. **Vendor agrees it does not have any cause of action against ASC in the event of any alleged non-receipt of the revised Regulations from CM. It is CM’s exclusive duty to distribute revised Regulations to Vendors and to ensure receipt.**

3. ASC has sole discretion in determining what merchandise may be sold at the CM. **The advertisement, display, and sale of merchandise is subject to ASC approval pursuant to their agreement with CM. ASC reserves the right to prohibit the advertisement, display, and sale of any item for any reason.** Vendors seeking merchandise approval must seek approval through CM and are not to contact ASC directly. This is a material term of Vendors privilege to sell at CM.
4. Sampling and sale of food products for onsite consumption is allowed, however, Vendor is prohibited from cooking or assembling food onsite. Exceptions may be permitted on a case-by-case basis, but ASC approval, through CM, must be sought. To ensure compliance with their agreement with ASC, CM reserves the right to limit the sale and production of food sold at the CM. The use of hot plates or like kind electrical appliances is forbidden without specific approval from ASC.

5. Vendor warrants it has obtained all necessary federal, state, and municipal permits, licenses and approvals related to the operation of business at the CM. This includes, but is not limited to, all applicable food and/or product safety laws and regulations. Evidence of compliance will be furnished by Vendor to CM within _____ hours upon request.
6. Vendor is liable for any damage to property owned by ASC, including defacement and vandalism, if that damage or defacement is in any way related to Vendor's operation. This includes any acts or omissions by Vendor, its agents, employees, guests, or invitees regardless of whether those acts or omissions were negligent, intentional or malicious. Vendor is liable for any cleaning costs ASC incurs as a result of Vendor activities. Reimbursement for costs expended by ASC to clean or repair damage or defaced property is due immediately upon ASC's submission of documentation verifying the costs to CM and Vendor, and at no time later than Vendor's next payment to CM.
7. The rights under this Contract may not be assigned by Vendor to any other party. Any assignment shall render this Contract void.
8. **Duty to carry insurance.** Vendor shall obtain and keep current, at its sole expense, comprehensive liability insurance (including product liability coverage), with a single occurrence limit of at least \$300,000.00 and property insurance covering all risk of loss, including theft and mysterious disappearance, and in an amount sufficient to cover the replacement value of its property, inventory and display. The liability policies shall name Anchorage Shopping Center, LLC; and Denali Commercial Management, Inc.; as additional insureds. Vendor shall obtain workers compensation coverage for its employees as required by law. All policies shall contain an express waiver of subrogation against ASC. Vendor shall provide certificate of insurance demonstrating the existence of such policies to the CM along with the completed license agreement prior to the first day of use requested. All insurance shall be primary in nature and shall not be excess or concurrent with coverage of any kind which may be carried by ASC or CM. **ASC does not carry, and has no obligation to carry, any form of insurance on behalf of Vendor.**
9. **Assumption of Risk.** Vendor understands that the operation of its business activities in the Designated Space has inherent risks of damage to property or personal injury. ASC is not responsible for any loss or damage to property associated with the operation of the CM. **ASC does not insure Vendors against risks such as loss, injury, theft, vandalism, water damage, or any other type of damage even if those risks are caused by the negligent actions of the ASC, to the fullest extent permitted under law. VENDOR EXPRESSLY AGREES TO ASSUME AND ACCEPT ALL INHERENT RISKS, INCLUDING RISKS CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OF ASC.**

Vendor releases ASC to the fullest extent permitted by law, from all claims of every kind resulting in loss of life, personal or bodily injury or property damage, even if those claims arise out of ASC's negligence. ASC shall not be responsible or liable at any time for any loss or damage to Vendor's merchandise, stock-in-trade, equipment,

fixtures or other personal property of Vendor or to Vendor's business. ASC shall not be responsible or liable to Vendor or to those claiming, by, through or under vendor any loss or damage to either the person or property of vendor that may be occasioned by or through the acts or omissions of persons occupying other areas within the ASC. ASC shall not be responsible or liable for any defect, latent or otherwise, in the ASC or any of the equipment, machinery, utilities, appliances or apparatus therein.

Vendor AGREES its release of ASC's liability as provided in this section is a bargained for condition of its participation in the CM and that were ASC not released from liability, the CM would not be permitted to operate at the Mall at Sears or Vendor fees would higher.

10. **Security.** Vendor is solely responsible for ensuring the security of property and persons associated with its use of the Designated Space. ASC will not provide any security measures on behalf of Vendor and CM beyond those measures already taken during the normal course of mall business. Security officers will only assist with managing and de-escalating a situation upon the occurrence of a disturbance or crime in the ASC. It is the responsibility of CM and Vendor to handle criminal matters with law enforcement agencies.
11. **Storage of Property.** Routine storage of property is not permitted. In the event that permission has been granted to store property within the ASC, storage must be conducted pursuant to the Regulations. ASC does not carry and has no obligation to carry any form of insurance related to Vendor property. If permission is granted, ASC will at no time assume the duty to act as a bailor, warehouseman, and or lessor. The shopping center will be locked after operational hours, however, mall and tenant employees will still have access to common areas. **Vendor understands storage of property is entirely at Vendor's own risk and waives against any claims against ASC for lost, stolen, damaged, or destroyed property, including claims of negligent acts or omissions by ASC.**
12. **Indemnification.** Vendor will indemnify, hold harmless, and defend ASC from all claims, demands, actions, or causes of action arising out of the operation of Vendor's business under this Contract. This includes any acts or omissions by Vendor, any of its agents, employees, guests, or invitees regardless of whether those acts or omissions were negligent, intentional or malicious. This indemnification clause includes, but is not limited to, all claims, demands, actions, or causes of action relating to injury to persons and/or property.
13. **Costs and Fees.** Vendor agrees to pay all attorneys' fees and all costs incurred by ASC resulting from any claims, demands, actions, or causes of actions arising out of the operation of Vendor's business at the CM. Vendor agrees to pay all costs, expenses and attorney's fees incurred by ASC in enforcing the terms of this Contract between Vendor and CM, including those incurred as part of settlement, trial, and/or appeal proceedings.

14. **Law and Forum.** If Vendor files a lawsuit against ASC, Vendor agrees to do so solely in the State of Alaska, and further agrees that the substantive law of Alaska shall apply in that action without regard to any conflict of law rules.
15. **Termination.** Vendor understands its right to participate in the CM at the Mall at Sears may be revoked at any time by ASC for noncompliance with the terms of its Contract between Vendor and CM, or the Regulations. This includes actions or omissions by the Vendor, their affiliates (including family members or friends), and their customers, which detrimentally affects the safety and/or commercial interests of the Mall, its tenants, customers, or other Vendors. **ASC reserves the right to ban any individual vendor, with three (3) days advance written notice for any reason.** Vendor waives any and all claims for consequential damages arising from any exercise of such right and will promptly yield possession upon such notice.

While not all violations may result in revocation; the situation will be analyzed by ASC Management on a case-by-case basis. **Vendors are not in any type of privity with ASC (i.e. the Temporary Space License Agreement between CM and ASC does not confer any rights upon Vendors in relation to ASC or impose any obligations upon ASC with respect to Vendors). Vendors do not have contractual or other rights with ASC to sell at CM. Expulsion decisions are final and any claims for pre-paid rent must be brought exclusively against CM.**

If ASC Management determines a violation has occurred, both CM and Vendor will be provided with a written notice of violation. ASC may choose, at its sole discretion, to delegate responsibility for overseeing cure of the violation to CM management. **If Vendor does not cure the violation within twenty-four (24) hours of receipt of the written notice, ASC Management is authorized to take curative steps as necessary to bring Vendor into compliance with these Regulations. CM and Vendor will be liable to ASC, jointly and severally, for any costs expended by ASC in curing the violation.** Reimbursement for costs expended by ASC to cure the violation is due immediately upon ASC's submission of documentation verifying the costs to CM and Vendor, and at no time later than Vendor's next payment to CM.

16. **Disclaimer.**

This Contract does not provide Vendor with any additional rights or causes of action against ASC. It is the duty of individual Vendors and CM, *not* ASC, to ensure compliance with Vendor Contracts and the Regulations.

Occupant Acknowledgement of Receipt:

I hereby acknowledge the receipt of the above Rules and Regulations this _____ day of
_____.

Occupant/Business Name

Signature