



THE CITY OF TORONTO
Real Estate Services Division
St. Lawrence Market Complex

Leasing & Programming Guidelines

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ST. LAWRENCE HALL
EST. 1850

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Abbreviation Index

Abbreviation	Description
COTA	City of Toronto Act
PAPP	Preauthorized Payment Plan
PO	Property Officer
SRE	Supervisor Real Estate
MSLMC	Manager St Lawrence Market Complex
RES	Real Estate Services
SLM	St. Lawrence Market (South)
SLMC	St. Lawrence Market Complex
The City	The City of Toronto

Section I: Forms of Tenancy

A. South Market

(a) Application for Tenancy

When a vacancy becomes available for lease, the established mix of uses and guidelines will be reviewed to determine the preferred type of business use for the space. Spaces available for lease will be identified by a "Notice to Lease" sign physically located in the vacant leasable space, by flyers posted in the SLMC Administrative Office and on the website. Applications may also be drawn from an existing pool of tenant applications, which are kept on file for one (1) calendar year.

Applications for tenancy at the South Market are instructed to complete and submit a *South Market Tenancy Application* which provides information pertaining to the proposed use, amount or type of space requested and relevant business financial information.

The ideal tenant profile for the SLM must meet the following to ensure a good fit:

- A business that is compatible with the positioning of the SLM as a speciality product market
 - Selling a product that is unique and not widely available in other retail stores;
 - Product mix complements and/or fills a gap of existing product offering of the SLM
 - Not a franchise or corporate chain
- Has high standards regarding merchandising, customer service and the overall image of the business;
 - Puts the needs of the customer first;
 - Is very knowledgeable about the products being sold;
 - Has an owner with a permanent presence at the SLM or has a long-term manager that is willing to develop relationships with customers;
- Has the ability to pay for the space that he or she is occupying and will pay this rent on time, all of the time;
 - Positive financial statement projections
 - Possesses a positive credit score
 - Financing options available to tenant such as a line of credit or loan
 - Has not declared bankruptcy in the past
- Willing to have an open relationship with SLM Management regarding sales figures and other tenant issues;
 - Utilizes a point-of-sales system
 - Retains the services of an accountant and/or bookkeeper to maintain books and records
- Exhibits a commitment to the success of the SLM, not just the individual business.

The application will be reviewed in addition to an interview with the applicant to further discuss their suitability for tenancy. Subsequently, a walkthrough of the prospective premises would be conducted to discuss any renovation or improvements.

If the applicant is determined to not meet the established criteria or due to a lack of vacancies or unsuitable units, the applicant will be notified and their application will be kept on file for one (1) year.

(b) Purchase and Sale of a Business (Transfer or Assignment of Lease)

SLM tenants do not have the right to sell any SLM property, their business space or their lease. They possess the right to sell their business which includes their customer base they have developed, inventory of equipment and goods, and the goodwill they have established.

When a tenant decides to sell their business to a third party, the Tenant will either assign the lease or surrender the lease under the responsibility of the SRE and the PO with consultation and final approval from the MSLMC. If the Tenant surrenders the lease, the City will execute a new lease with the assignee (otherwise known as the purchaser). An assignment of a lease involves assigning the Tenant's rights and obligations under the lease to the assignee, and both the assignee and the current tenant are bound by the covenants of the original lease pursuant to the lease.

The SLMC's principal interests in reviewing proposed business sales are for the overall welfare of the SLMC, for the ability of the new buyer to meet their financial obligations and for the ability of the new tenant to contribute to the overall product mix of the SLM.

Section 14.01 and 14.02 of the tenant lease stipulates that consent is required by the landlord and the conditions subject to tenant before an assignment of their lease is approved.

The following are the SLMC's key considerations in reviewing a proposed sale:

1. Prospective applicant's experience, industry knowledge and acumen to operate a successful business in the Market's retail environment;
2. The applicant's ability and willingness to operate the business in accordance with the requirements of the SLM's ordinance and guidelines;
3. The applicant's financial ability to purchase the business (including down payment and debt service), to pay the rent and other operating costs, to complete any planned or required tenant improvements; and/or to purchase the necessary equipment and merchandise/product on an on-going basis;
4. The applicant's credit history and business plan for operating expense, revenues, and cash flow as well as sales projections; and
5. The cash flow adequacy after debt obligations and improvement requirements.
6. The prior business experience, credit record and financial strength of the tenant;
7. The extent to which the proposed use contributes positively to the mix of the SLM's businesses;
8. The level of investment in equipment, inventory, and business fixtures the applicant must make.
9. The current tenant's financial standing and any arrears owing with and without interest

The business owner along with the prospective buyer determines the price for the sale of business. The SLMC does not set the price however will consider the business sales price in relation to the sales volume performance of the current owner. The SLMC's prime interest is to ensure that the new owner has a realistic assessment of the existing business cash flow and the means to meet the terms of the sales agreement and the rental terms of the lease. A valuation of the sales price by a qualified business valuator is required to ensure the amount has been objectively determined.

Interview Prospective Tenant & Seller

The prospective tenant would be interviewed to further ascertain the suitability of the buyer of the business. It is preferred that the prospective buyer is interviewed with the seller so that each party understands what has been discussed. We will also not release any record of business sales volume without the seller's prior written consent. Conduct a walkthrough of the current store and determine if renovations or improvements are required. If so, these plans are included in reviewing the sale.

Special Conditions

Special conditions may be placed in response to any concerns regarding either the financial capability or experience of the buyer. These special conditions may include:

1. When the prospective buyer has little experience in the business, the existing owner may be required to train the new operator for a period of time;
2. When there is uncertainty that the new owner will be able to meet rental payments from initial business cash flow, the first 6 to 12 months may be required to be placed on deposit;
3. Where the new owner may not be personally involved with customer service, a designated on-site manager may be required.
4. When new equipment or tenant improvements are needed, approval of the sale may be conditioned on the new owner's commitment to make the improvements in a specified time period.
5. If the current owner's lease is to be assigned, the current owner may be required to remain as a guarantor on the lease.

Sale of Business with Change of Use: While most proposals to purchase a business assume the continuation of the specialty use, however in some instances the SLMC may agree to a proposal from a tenant to transfer their lease to a third party who would engage in a new type of business. In such instances, the SLMC staff would apply both the standards defined for review of a new business application and the sale of business to determine appropriateness of the proposed change.

(c) Lease Negotiation

If it is determined that the applicant is a good fit for the market, the next step is to enter lease negotiations.

The *South Market Tenant Lease* is used for all tenants with provisions for added charges of percentage rents, utilities, realty taxes, promotional fund, temporary space, additional rent and common area expenses. It a structured leased scenario with very fixed and narrow areas of negotiation.

The SLMC staff reviews a number of criteria in selecting tenants and negotiating rent terms and seeks to match businesses with spaces and rents that are reasonable for that type of business and suitable for the general mix of market.

1. Type of Business: Types of business will be selected to provide a "harmonious mix of use". Preference is often given to businesses that complement the existing product mix of the SLM. The SLMC will evaluate business proposals in terms of a reasonable expectation of sales performance by comparable businesses in that location.
2. Location: Locations with higher pedestrian traffic are more valuable for commercial retail functions. These spaces will have a higher base rent ("minimum monthly rent", per the lease; also expressed as dollars per square foot).
3. Size of Space: Smaller spaces generally pay a higher rate per square foot because they tend to be more efficient and generate a higher value of sales per square foot.
4. Semi-gross rent: The appropriate level of semi-gross rent will vary by the type of retail business as different types of business have varying operating margins.
5. Percentage rent: All leases combine semi-gross rent plus percentage rent. The latter which is only payable if monthly sales exceeds the Natural Breakpoint. The Natural Breakpoint is calculated based on the monthly rent paid (semi-gross and temporary) divided by a predetermine percentage based on the category the tenant falls into. Current percentage rent ranges from two (2) to eight (8) percent. Standard industry references for percentage rents will be used when practical.

6. Temporary Space: Some units will have space to accommodate for temporary space (adjacent to the store area) to be used for various purposes such as displays for products. This space is leased at the same rate established for semi-gross rent.
7. Length of Lease Term: The length of the lease term will vary from as short as month-to-month to as long as five (5) years with options that may be granted for a period of one (1) year up to five (5) years. The general standard that will apply to renewal of leases for tenants will be either a five (5) year lease or a three (3) year lease with a two (2) year option given that the tenant is consistently and fully in compliance with their lease terms and whose business economic performance is strong. For new tenants, the general standard shall be a two (2) year lease with a three (3) year option unless considerable financial contributions are incurred by tenant for purchase of business or improvements to business.

Key considerations for term length are as follows:

1. A tenant's lease term may be less than standard due to:
 - a. History of tenants' non-compliance with lease requirements, particularly with regards to rent payments, reporting of sales; and maintaining mandatory business hours;
 - b. Weak business economic performance or uncertainty concerning the financial capacity of the tenant;
 - c. Tenant desire for flexibility for future business decisions;
 - d. Landlord desire for flexibility for major renovation or change of use; and
 - e. Adequacy of premise maintenance by tenant and responsiveness to landlord requests for correction of problems with tenant's equipment, facilities, or business practices that interfere with the operation of other tenants or adversely affect the soundness of the SLM facilities and building systems;
 - f. Lack of business experience;
 - g. Uncertainty if the proposed business will add to the beneficial mix of use or other relevant reason.
2. A tenant's lease term may be longer than standard due to:
 - a. Reinvestment plans by the business require terms allowing appropriate amortization and payback, and the reinvestment plans are likely to enhance the business's sales performance;
 - b. Fixed capital investments for operation of the business are substantial and the tenant therefore requires the security of a lease in excess of the general standard.
 - c. The landlord desires the security of a long term lease to meet its financial requirements.
8. Build-Out Schedule: To prevent adverse impacts upon other businesses of long term tenancy, the SLMC will require tenants proposing improvements to commit to a build-out schedule leading to a deadline date by which they will be open for business. Please see the section on Renovations to Unit for detailed procedures.
9. Gross Rent to Gross Sales Ratio: As a general rule, the cost of occupancy (i.e. semi-gross rent, temporary rent and percentage rent) for a business in the SLM should represent a percentage of sales that provides for reasonable business net income. The SLMC acknowledges that business operations in the SLM has a unique impact on potential revenues compared to other retail locations.
10. Annual Escalations: The standard annual escalation for SLM leases the lessor of the actual increase in the Consumer Price Index (CPI) or two and half percent (2.5%). The SLMC may increase rents higher at the expiration of term leases and for month-to-month agreements.

Special Lease Conditions Affecting Individual Lease Terms

1. Lease Terms Negotiated on an Individual Basis
 - a. Base rent for location, size of space and type of business
 - b. Percentage rent for type of business
 - c. Specific terms of permitted use
 - d. Specific tenant improvement and sales target obligations/natural breakpoint figure
2. Special Considerations Negotiated in Selected Cases
 - a. Extended lease term due to significant capital investment by tenant
Rent discount for special provision of goods/services to low and moderate-income customers
 - b. Changes in permitted use (subject to SLMC approval)
3. Unique Policies/Procedures during Lease Term
 - a. Specific guidelines used by SLMC to review financial and other terms of a proposed business sale

Business Incubator Program

The Business Incubator Program is managed by City's RES in collaboration with Economic Development and Culture Division's Toronto Food Business Incubator Program. The Program provides start-up and fledgling food and food related business entrepreneurs with the opportunity to test the market with their products at the St. Lawrence Market at a low start-up cost. The main goal is to develop successful businesses that will have a positive impact on the overall product mix at the Market and will graduate to full fledged businesses at either the Market or elsewhere in Toronto.

Confidentiality

Tenants and prospective tenants may seek the advice and personal assistance of others to aid them in lease negotiations at their own discretion. However, SLMC staff will not discuss financial terms of such leases with any representative of the tenant without the tenant's prior agreement. If such representative is not professionally bound to maintaining such discussion with confidentiality (i.e. tenant's legal representative or accountant), the SLMC shall require such representative to sign a statement agreeing to respect the confidential nature of such discussion.

Formal legal requests to the SLMC (i.e. Freedom of Information request) may require the release of information concerning a tenant's lease or file.

(e) Termination

If there are circumstances where the lease may be terminated early (not due to the natural expiry of the term) for example:

- i) tenant in monetary or non-monetary default pursuant to the lease agreement (includes insolvency) or;
- ii) tenant claims that City as landlord is in default or;
- iii) request received from tenant for consent to early termination

The SLMC will review possible reasons for early lease termination and determine whether it is the appropriate course of action. Some factors to consider include whether or not the tenant is a single purpose company with no assets, there are not personal guarantees or indemnities for the lease, or the tenant is willing to pay a lump sum to mitigate the loss of rent.

Emphasis is placed on encouraging the tenant to correct a situation before using the threat of lease termination to cure a problem. In an effort to prevent further adverse impacts, the SLMC may take the following steps to address chronically underperforming and/or struggling businesses which are unable to meet their lease obligations:

- First work with the tenant in a cooperative manner to identify and provide corrective actions.
- Efficiently use SLMC resources to fulfill our obligation to provide a positive business environment for all tenants
- Work with the tenant to set clear and defined criteria to judge the effectiveness of a tenant's ability to correct serious problems. This can include establishing milestones for changes in the business operation.
- Inform the SLMC Management of the status of such corrective action plans which could lead to termination of tenancy for a commercial space. If the tenant does not satisfactorily remedy the situation and correct all defaults after appropriate notice, the SLMC Management may proceed with termination of the lease.

The following non-payment of rent situations could lead to a decision to terminate a business tenancy for reason of default of lease:

1. Non-payment of rent after notice of default; and
2. Chronic late payment as defined as four (4) late payments in a twelve (12) month period.

However, serious problems other than non-payment of rent are likely to lead to a termination of the lease, including:

1. Instances of material misrepresentation, fraud and/or assaultive behavior toward shoppers, other tenants or SLMC staff and the failure of the tenant to correct such problems;
2. Conduct of illegal activity on the business premises;
3. Failure to correct fire, building or health safety violations on the leased premises after due notice;
4. Numerous customer service complaints; and
5. Not maintaining mandatory business hours.

(f) Lease Expiry

The onus is on the tenant to give notice to the landlord not more than twelve (12) and less than six (6) months before the date of expiry of the initial term of the lease.

Extension/New Lease

If the tenant has renewal rights under their lease, they must not be in default under any of the conditions or terms of the lease including the covenant to pay rent.

No Renewal Rights (or renewal rights have expired)

If the tenant wishes to remain on the site, they will be informed of the expected market rent for the leased premises when proper authority is received to extend the lease.

Continue in Overhold

The lease provides that upon the expiration of the lease, the tenant may continue to occupy the premises on a month-to-month basis. The SLMC requires tenants with expired leases to sign month-to-month agreements using the most current lease document.

The end of a term lease provides the opportunity for both the tenant and the SLMC to evaluate the past performance of the business. The SLMC may require the tenant to identify future business plans and performance targets or improvements to their unit as a condition of a renewal. In some cases the SLMC

may conclude that tenancy should be best continued on a month-to-month basis while concerns of business performance are worked on.

(g) Rent Collection

As stipulated under section 5.02 of the tenant lease, semi-gross rent is due in advance on the first (1st) day of each calendar month of each rental year. The semi-gross rent is based on an annual rate per square foot of the leased premises. Most tenants pay semi-gross rent using a PAPP which is setup at the beginning of the lease. Included in this amount are charges for storage rent, realty taxes, promotional fund and other service charges, as they are a predetermined and do not fluctuate month to month.

Tenants are also subject to a percentage rent as per section 5.03 of the tenant lease, which requires a pre-specified percentage of gross sales in excess of a pre-determined breakpoint. This will vary from tenant to tenant. Section 5.04 requires that a tenant shall deliver a report detailing their monthly gross sales on the 10th day following the end of each calendar month. In addition, utility charges generated by the SAP system are billed to the tenant.

Interest

Interest charges begin to accrue on amounts owing thirty (30) days after it has been invoiced. They are automatically generated by SAP at a rate of 7.70% as per Section 5.10 "Interest on Overdue Payments" clause of the lease:

"All amounts of Semi-Gross Rent and Additional Rent shall bear interest from their respective due dates until the actual dates of payment at a rate of five percent (5%) per annum in excess of the prime commercial rate of interest charged by the Landlord's chartered bank at Toronto for commercial loans from time to time, calculated and compounded monthly."

Rent Delinquencies

1. When there are non-sufficient funds made via PAPP or by cheque, Corporate Accounts Receivable will issue an invoice within fourteen (14) days and will directly charge the tenant an administrative fee of \$40.00 to their account. The tenant will be verbally advised of the NSF.
2. Tenants who are delinquent in regular monthly charges or percentage rent payments for less than thirty (30) days will be assessed a late charge the greater of:
 - Five percent (5%) of the unpaid balance of current charges plus HST
 - Fifty dollars (\$50) plus HST
3. For tenants who are regularly delinquent and/or more than sixty (60) days delinquent, the tenant will be notified in writing to induce payment within seven (7) calendar days. If a tenant fails to pay after the date indicated, the matter may be forwarded to Legal Services with relevant information including a summary of amounts owing, correspondence and any documentation to take legal action against the tenant in question.
4. Tenants who are regularly and chronically delinquent, defined as late four (4) times in the prior twelve (12) months, are subject to receiving a Notice of Incurable Default under which their lease may be terminated.

(h) Financial Audit of Tenants

On annual basis, an independent external accounting firm will conduct financial audits on selected tenants to verify the sales reported to SLMC and thus percentage rent collected.

(i) General Inspections

A general inspection of each tenant's leased premises occurs on an annual basis by SLMC staff. The objective of these annual inspections is to ensure they are in good standing with all clauses of the lease by observing and documenting infractions with respect to the following:

- Use Clause
- Store Area Measurement
- Tenant Renovations/Leasehold Improvements
- General Cleanliness and Upkeep
- Health and Safety
- Use of Aisle Space and Common Areas for Storage

If infraction(s) remain unresolved, the tenant is notified in writing that if the outstanding infractions are not resolved by a specified date, that the City will hire a contractor to address the infraction(s) and the tenant will be billed back the full amount plus a fifteen percent (15%) administrative fee as additional rent. These terms are specified in Section 12.01 of the tenant lease stating that if:

"...the Tenant refuses or neglects to carry out any maintenance, repairs and replacements properly as required pursuant to this Article..."

"...the Landlord may, but shall not be obliged to, perform such maintenance, repairs and replacements, upon having provided fifteen (15) days' prior written notice, and upon completion thereof, the Tenant shall pay to the Landlord its costs within thirty (30) days of the receipt of an invoice."

"The Tenant shall further, in the event of maintenance, repair, and/or replacement pursuant to this Article, whether under urgent circumstance or otherwise, pay a sum equal to fifteen percent (15%) of such costs, representing the Landlord's overhead."

(j) Electrical Safety Authority (ESA)

Periodic inspections by ESA inspectors are conducted generally once during a calendar year to ensure compliance with *Ontario Electrical Safety Code*.

(k) Insurance Renewal

All tenants are required to acquire the following insurance in the name of the tenant and the City as an additional insured as outlined in Section 11.01 of the tenant lease:

- Risk Property
- Business Interruption
- Crime
- Commercial General Liability (in the amount of two (2) million dollars)

(l) Renovations to Unit

Tenants are permitted to construct or renovate their leased premises as per Section 12.02 of the tenant lease but must obtain SLMC Management approval. The tenant submits an application including preliminary plans (i.e. drawings and specifications of fully-dimensioned plans and construction drawings of proposed project prepared by qualified consultant), and other applicable documents for review and approval by SLMC Management.

The request is assessed against the following criteria:

- The nature of construction/renovation;
- The extent of plumbing and/or electrical work;
- The time and duration of project;
- The types and quality of materials being used;
- The Impact on tenant and surrounding tenants' business;
- The overall design and cohesiveness of the project with the SLM;

- The name of proposed contractor and their credentials;
- The amount of the proposed budget/quote obtained;

If the preliminary plans are approved, the tenant will be advised to submit their plans to Toronto Building to determine if a *Building Permit* is required for their proposed project.

Changes to Scope of Project

The tenant may make modifications to the scope of the project from time to time during the term of the project. Any such change or modification shall only be made in a writing, which must be signed and dated by both the tenant and Landlord.

Post Project Completion

Upon completion of the project, the tenant is required within sixty (60) days after the completion of work to submit in writing a *Declaration of Completion*:

(i) stating that the work has been performed in accordance with all provisions of Schedule C of the tenant lease and that all deficiencies if any that we have brought to their attention has been corrected; and

(ii) stating that there are no Construction Liens, Worker's Compensation Liens, or other liens and affecting the Leased Premises or Centre with respect to work, services or materials relating to the tenant's work.

(m) Exhaust Systems

Tenants that are permitted to cook food and are equipped with exhaust systems are to be inspected and cleaned for grease buildup every six (6) months by a properly trained, qualified and certified person.

Exhaust Ducts

On an annual basis, SLMC Management will retain a contractor to inspect the ductwork that supports the exhaust systems.

(n) Fire Suppression

Fire suppression systems (sprinklers) are installed inside exhaust system units. Servicing of these systems are required every six (6) months and is the responsibility of the tenant under Section 12.01(d) to comply

(o) Changes to Use Clause

Each tenant's lease contains a use clause (currently found in the tenant's *Offer to Lease Letter*) that outlines what the tenant is specifically permitted to sell within their leased premises.

Audit of Use Clause

Every two (2) to five (5) years as determined by SLMC Management, a random audit of all tenants' use clauses will be performed to understand the tenants' current product offering and compare it against what their use clause permits. This information is extremely important in assessing the product mix of the SLM.

Changes to Use Clause

When a tenant requests to modify their use clause (add, remove or adjust), they are required to complete and submit an *Application to Change Use Clause*.

The application is assessed against the following criteria:

- How does it fit with the existing product mix of the tenant and the SLM overall
 - Does it complement, fill a gap or conflict with the current product offering
 - Impact on the balance of vendor category mix

- The nature of the product itself
 - Quality
 - The supplier's practices
 - Reputation
 - Price point
- The projected sales from the additional product

(p) Interceptors (Grease Traps)

An interceptor or a "grease trap" is connected to any fixture or drain that discharges wastewater containing oil, grease and/or solids and is mandated by the following COTA section:

"The City of Toronto Sewers Bylaw, Municipal Code, Chapter 681, requires all commercial, industrial and institutional food facilities to dispose of fats, oils, and grease properly and to install and maintain a proper interceptor (also known as a "grease trap") on appropriate plumbing fixtures."

It is also stipulated in the following section of the tenant lease:

Section 12.04 Grease Traps

The Landlord shall, at the cost of the Tenant, ensure the installation of appropriate grease interceptors/traps throughout the Centre and in each Leased Premises, stipulated by Chapter 681 of the Municipal Code and by the Ontario Building Code, both as may be amended from time to time. The Tenant shall ensure that said grease traps/interceptors and plumbing fixtures are kept free of any and all obstructions. In the event that the Landlord is fined or damage occurs to the Common Areas and/or the Leased Premises of other Tenants because of Tenant default with respect to said grease interceptor/trap stipulations, the Tenant shall pay the Landlord's costs in this regard in the manner contemplated. The Landlord shall engage a third party contractor to execute a regular inspection and cleaning protocol. The Landlord shall cause the appropriate servicing of the grease interceptors/traps in the Leased Premises.

The installation and ongoing maintenance of tenants' interceptors have been outsourced to a third party plumbing contractor. Tenants are fully responsible for these contracted services and charged as an additional rent on their monthly rental invoices.

(q) Sampling

Tenants may be permitted to sample products sold in their stores, in accordance with the following regulations:

- All sampling activity takes place within the boundaries of the tenant's Lease Premises (including Temporary Areas);
- All sampled products are in keeping with the Use Clause of the tenant;
- All sampling activity abides by all other general rules and regulations of the tenant's Lease; and
- The sampling activity does not create a hazard or nuisance to the public or other tenants.

(r) Temporary Space

Tenants that possess temporary space adjacent to their leased premises are charged their semi-gross rate stipulated in their lease. It is assumed that the temporary space is being used at all times even if the tenant uses the space one day a week. From time to time, the SLMC staff will conduct periodic random inspections to confirm that the temporary space a tenant is utilizing is true to what they are permitted to use as documented in their lease.

(s) Storage Area

Tenants that lease storage areas are laid out in a separate lease from the tenant lease. Storage leases are signed on a one (1) year term from January to December. Each September, the process of renewing these leases commences with conducting a review of available storage space and opening up applications for interested tenants. If vacancies arise throughout the year, tenants would be advised and applications would be accepted.

Tenants requesting for storage space are to complete and submit an *Application for Storage Space*. Based on the available storage space, the PO will review the applications against the following criteria:

- the amount of existing storage available to the tenant;
- proposed usage of storage area;
- the types of products sold on the leased premises.

(t) Patio Vending

Periodically, space on the patio of the SLM will become available for occupancy. Generally speaking, the tenants occupying the indoor space connected to these areas will be given priority to vend. However, in times of vacancy, other tenants will be offered an opportunity to occupy these outdoor spaces. Tenants interested will be required to complete and submit an *Application for Patio Vending*. The request is assessed against the following criteria:

- The date, time and location of vending
- The impact of surrounding tenants' businesses
- The product(s) being sold
- The proposed layout of vending (i.e. equipment, tables, electrical usage, etc.)
- Summary description of any signage / displays accompanying sampling activity

On the first day of the approved vending activity, the SLMC staff is responsible for ensuring that the vending activity adheres to the following regulations:

- All vending activity takes place within the boundaries of the Lease Premises of the tenant;
- All products being sold are in keeping with the Use Clause of the tenant;
- All vending activity abides by all other general rules and regulations of the tenant's Lease and licence; and
- The sampling activity does not create a hazard or nuisance to the public or other tenants.

The tenant will also be required to record any sales of the products, and provide this information to the SLMC administrative office within a Sales Report for the duration that the vending activity took place, as well as within monthly gross sales reporting.