



27 S. Lowry Street, Smyrna, TN 37167
(615) 207-6826

Affiliate Merchant Agreement

Mission and vision for The Market is to be a business cooperative where a collection of independent merchants come together to collectively sell their merchandise. Merchants who desire affiliation with the Market are joining a community of individuals who are dedicated to promoting and prospering their business along with other Market affiliated businesses. Participation by Affiliate Merchants as volunteer sales staff is encouraged so customers may benefit from your knowledge and learn about your craft. Customer interaction will also improve our merchants' ability to better understand the wants and needs of our customer base. Affiliate Merchants should view their participation with the Market as an investment of time in their business. There is a financial incentive built into the fee structure for Affiliate Merchants who desire to volunteer 16 or more hours per month. See "Fee Structure, bullet 6".

Parties: This Agreement is made by and between _____ [Personal Name] herein after known as "Affiliate" and Rhonda P. Allen d/b/a The Market. The effective date of this Agreement is _____.

Term: Affiliate Merchant agrees to an initial term of three (3) months from "effective date". Affiliate Merchant may renew this Agreement on a 3-month basis following the initial term. If Affiliate Merchant's inventory is on the premises as of the first day of the month, then rent will be due for the entire 3-month period. Affiliate Merchant must provide thirty days prior written notice to terminate agreement, so long as initial term has been satisfied. The Market may terminate the agreement at any time with written notice.

Setup & Take-down: All labor is the responsibility of the Affiliate Merchant. No staff will be available to provide setup or take-down assistance. Each Affiliate Merchant must stay within their assigned space or additional fees may apply.

Inventory Maintenance:

1. Affiliate Merchants are required to maintain their inventory in a clean, orderly and aesthetically pleasing manor.
2. Affiliate Merchant shall restock and rotate inventory on a regular basis.
3. Merchandise which has not sold within ninety (90) days, may be removed at the request of The Market.
4. All inventory shall be tagged by Affiliate Merchant with the price and Affiliate Merchant code clearly labeled.
5. Seasonal merchandise may be on display sixty (60) days prior to season/holiday and must be removed thirty (30) days following the season/holiday.
6. Discounts or promotional pricing may be implemented by Affiliate Merchant with permission from The Market.
7. The Market will designate a "Clearance Area" within the store. The Market will approve all merchandise prior to Affiliate Merchant placing it in the Clearance Area.
8. The Market has the final decision on accepting or rejecting any merchandise.

Space/Location: All space assignments will be done at the discretion of The Market. Spaces vary in location and size and are priced accordingly. Prices as of the date of agreement are listed on Page 4 of Affiliate Merchant Agreement. Prices are subject to change and will be adjusted with written notice from The Market. The Market may rotate merchandise location as needed to appeal to customers. Affiliate Merchant grants permission for The Market to use merchandise in display windows, promotional materials and internet.

Fee Structure:

1. Affiliate Merchant may lease display space priced by the square foot or by fixture provided by the Market. Fixtures provided by Affiliate Merchant must be compatible with a color palette which has been pre-approved by The Market. Color samples are available at The Market. Affiliate Merchants may be asked to submit a sketch drawing, photos or other rendering of their completed display. All Merchandise is expected to be new, unless pre-approved by The Market. All merchandise is expected to be of the highest quality and free from defects. **Affiliate Merchants are expected to guarantee their merchandise from material defects for a period of thirty (30) days, antiques excluded.** Space and rent rate adjustments may be made effective the first day of each month.
2. All Affiliate Merchants will contribute fifteen percent (15%) of their gross sales to a marketing fund to offset advertising, marketing, operational and promotional fees. Expenditures from this fund are made at the sole discretion of The Market.
3. Affiliate Merchants will not be charged 15% commission until after they have reached the breakeven point on their rent.
4. From time to time and on approval by The Market, individuals may be allowed to consign. Consignors do not pay rent. Their contribution to the marketing fund will be 30% unless otherwise agreed to by the Market. Affiliate Merchants who generate a low volume of business (i.e., \$20.00 or less per month), may participate under the consignment option for their fee structure. Switching between fee structures is permitted on the first calendar day of the month. No more than one switch between fee structures may be permitted during a fiscal quarter.
5. Upon execution of the Agreement, the first month's rent shall be pre-paid. Subsequent months may be deducted from the proceeds of Affiliate Merchant's monthly sales. If Affiliate Merchant's sales proceeds do not exceed their monthly rent, then payment for rent is due prior to the 18th day of the month. Any Affiliate Merchant with an outstanding balance as of the 25th day of the month will be deemed to be delinquent and additional fees may apply. Fees are outlined on Page 5 of this Agreement.
6. **Work Offset Rent:** Affiliate Merchants who volunteer to work sixteen hours per month will have their rent waived for the month in which they worked and will enjoy a 90/10 split for the same period. Affiliate Merchants who desire this arrangement must make their request known in advance of the calendar month and will collaborate with Rhonda Allen on a schedule. The Market reserves the right to limit the number of Affiliate Merchants who are eligible for the "work rent offset". Rent offset is capped at \$50.00/month.
7. No sub-letting permitted. The Market reserves the right to refuse space to any prospective Affiliate Merchant. **No refunds.**

Affiliate Merchant Rent & Fees: All rents or fees must be paid in full and received at **The Market c/o Rhonda Allen, 27 S. Lowry Street, Smyrna, TN 37167**. To insure that you get proper credit for your payment, write your Affiliate Merchant Code, Your Name and Your Business Name, on the front of the check or money order (DO NOT MAIL CASH). Payment may be mailed or hand delivered, but must be received prior to due date.

Payment for Goods Sold: Affiliate Merchant checks shall be issued on the 15th and 30th day of each month. Affiliate Merchants are responsible for picking up their checks in person unless other arrangements have been made. Checks will not be released to any person other than the Affiliate Merchant. Any outstanding fees will be deducted from sales proceeds prior to issue of check.

Exclusivity: If any Affiliate Merchant desires exclusive representation of a line of merchandise, they must list their lines or brand names on page four of this agreement. Full or partial exclusivity may be granted depending on the success of the Affiliate Merchant's representation. The Market will determine how exclusivity is enforced.

Hours of Operation: *Affiliate Merchants may set up during non-peak hours (Tues-Thurs) or by appointment.* The Market will be open to customers 10:00am-5:00pm, Tuesday through Saturday. Hours may be adjusted by The Market on a seasonal or “as needed” basis. The Market is a sole proprietorship and as such, there may be unscheduled closures. The Market will make every effort to minimize being closed during regular business hours. The Market will be closed the week between Christmas and New Years day.

Affiliate Merchant Parking: Except during periods of set-up and take down, Affiliate Merchants should park in the area provided for Affiliate Merchants in the parking lot behind the Donut Palace or on the loading dock. Affiliate Merchants will not park in the front of the building during the hours of operation.

Tables & Electricity: Electricity is available in most areas of the store. Please verify availability if electricity is essential for your display. There may be additional fees for electricity.

Alcoholic Beverages: Positively no alcoholic beverages may be consumed, sold or given away at The Market.

Tobacco: No cigarettes or other tobacco products may be sold or given away or used on Market grounds.

Taxes: The Market is required by the State of Tennessee to collect Sales Tax on all transactions. The Market will collect and remit Sales Tax to the Tennessee Department of Revenue on behalf of all Affiliate Merchants.

Reporting Affiliate Merchant Income: All Affiliate Merchants are independent contractors who supply goods for sale to the public through the Market’s retail store front. The Market will report Affiliate Merchant sales information as required by the Internal Revenue Service. It is the Affiliate Merchant’s obligation to maintain proper business records and comply with IRS guidelines for purposes of being self-employed.

Tax Law Compliance: The Market and Affiliate Merchant agree to comply with all State, Federal and Local laws regarding taxation. Affiliate Merchants will complete a W-9 to be kept on file by The Market in the event the IRS requires this information. Affiliate Merchant information will be kept in a locked file, off premises. If the Market is required by the IRS to report Affiliate Merchant sales information, Affiliate Merchant will be notified and issued a 1099.

Food: All processed foods must comply with all applicable state and federal health and safety regulations. It is the responsibility of each Affiliate Merchant to abide by all state and federal regulations which govern the sampling, production, labeling, or safety of the product the Affiliate Merchant offers for sale at The Market. Failure to comply may result in forfeiture of the Affiliate Merchant’s booth and other penalties as determined by the State of Tennessee. If you have any questions on this matter, please speak with the Rutherford County Health Department at 615-898-7880 or Tennessee Department of Agriculture at 615-837-5193.

Merchandise: The Market reserves the right to restrict the sale, display, or distribution of any objectionable printed material, photographs, films, books, etc. No used items (junk) will be permitted in The Market without consent from The Market. Antiques, collectibles and memorabilia are permitted. The Market does not condone the sale of counterfeit merchandise and is not responsible for any merchandise sold. Any merchandise prohibited by federal, state and/or local laws shall not be sold or solicited at The Market. Any additions to merchandise sold by Affiliate Merchant, beyond those products listed on the Affiliate Merchant Commitment Agreement must receive prior written approval from The Market. The Market may restrict the sale of certain merchandise by Affiliate Merchant.

Remodeling: No remodeling is to be done without prior approval from The Market. No holes will be permitted in the concrete floor or ceiling. Affiliate Merchant shall seek approval from the Market prior to nailing “excessive” (ten or

more) nail holes in the wall. Affiliate Merchant shall consult with the Market prior to hanging heavy objects to verify proper installation techniques have been followed.

Trash: Cardboard boxes and other Affiliate Merchant trash must be removed from by Affiliate Merchant. Trash receptacles located in and around The Market are for disposal of customer's small trash.

Hand Bills & Flyers: No one shall bring upon or distribute on the grounds any political, religious or soliciting matter or hand bills without prior written consent of The Market.

Sound: The Market reserves the right to keep sound emitting from any type of stereos, radios, televisions and/or any other sound to an acceptable level. Affiliate Merchants shall conduct themselves at all times in an acceptable manner.

Abandoned Property: Any property left after 5:00pm on the last day of Affiliate Merchant's lease shall be deemed abandoned by the Affiliate Merchant. The Market may remove such property and dispose of the same without liability. The Market may charge the Affiliate Merchant reasonable costs for disposing of such property.

Continuous Displays: Affiliate Merchants acknowledge that neither The Market, nor its owners are responsible for merchandise, displays or any other property left voluntarily by the Affiliate Merchant. The Affiliate Merchant is solely responsible for their merchandise at all times.

Governing Law: This Agreement is governed by the laws of the State of Tennessee.

Severability: If any portion of this agreement is found by a court of law to be unlawful, then that portion of the Agreement will be null and void with all other provisions of this Agreement binding.

Indemnification: Both parties agree to hold each other harmless for business conducted under the terms of this Agreement.

Affiliate Merchant Disclosure & Morals Clause: If Affiliate Merchant has ever been convicted of an illegal offense, they must provide full disclosure to The Market in advance of establishing a Affiliate Merchant/Consignor relationship. Affiliate Merchant shall not commit any act nor do anything which might bring Affiliate Merchant into public disrepute, contempt, scandal or ridicule, or which might tend to reflect unfavorably on The Market. Affiliate Merchant is under obligation to inform The Market of any behavior which might violate this clause. Violation could result in breach and termination of Agreement. Affiliate Merchant agrees that The Market has the sole right to interpret the provisions of this clause.

Petty Holdings, LLC, James M. Allen, Rhonda P. Allen d/b/a The Market assumes no responsibility for any items lost, stolen or damaged while on these premises. Affiliate Merchant agrees to hold The Market harmless from any liability or damage arising from Affiliate Merchant's use of the premises and/or injury to person or property resulting from items sold or exchanged thereon.

CODE:

Affiliate Merchant Agreement – Effective Date _____

Name: _____
Personal *Business*

Address: _____
Street *City/State/Zip*

Phone: _____ **Email:** _____

Emergency: _____

Website: _____ List specific items to be sold. Continue on reverse side if needed:

- Lease Terms:**
- \$1.50 x _____ sf = \$ _____
 - The Market Fixture \$ _____
 - Consign **70/30** split (Affiliate Merchant/Market)
 - 15% Gross Sales to Marketing Fund
 - Deduct Booth Fee from Sales

Additional Fees:

- Electricity: per outlet \$ **5.00**
- Late Fee **\$15.00**
- Returned Check Fee **\$35.00**

Total Due: \$ _____

Incorporated Business or W-9 Completed (indicate): _____.

I have read and agree to abide by the conditions of this Agreement with The Market.

Signature

Return completed form and payment (Payable to The Market) to:
The Market c/o Rhonda Allen • 27 S. Lowry Street • Smyrna • TN 37167
<http://themarket.typepad.com>
TheMarket27@gmail.com