

Smart Markets, Inc.

General Rules and Regulations

Eligibility

All persons who grow agricultural produce within a 200-mile radius of Northern Virginia; raise beef, lamb, pork, and/or poultry in accordance with Federal and State regulations; or produce foodstuffs in State-approved (where applicable) kitchens using local ingredients whenever possible are eligible for participation in Smart Markets farmers' markets. Smart Markets management expects all vendors to sign an agreement which acknowledges their understanding of these rules and regulations and their commitment to abide by them. Smart Markets will guarantee that our markets are producer-only. For Smart Markets, this means that all produce or products sold at our markets are provided by a vendor who has applied to be a participant in our markets and from whom we have all applicable paperwork including insurance and inspection certificates. We take this guarantee very seriously, as do our customers and organizational and corporate sponsors. We will vigorously undertake to inspect produce that arrives at our markets, and we will reserve the right to visit a farm at any time to verify your producer-only status. The vendor signature will serve as a contractual commitment and a pledge of adherence to this policy. Failure to comply can lead to temporary or permanent suspension and/or legal action. Smart Markets will sign and return a copy of the application form below to each vendor to indicate our commitment to the terms of the agreement.

Definition of Terms

Vendor: The producer of goods grown, raised or manufactured for sale in a Smart Markets market, including family members and bona fide employees of the farm or business owner.

Producer-only: Description of a market that permits only the sale of items grown, raised or produced by vendors who qualify as participants in our markets, though vendors are not required to appear in person to sell their own wares.

Product List: An accurate and explicit list of everything that the vendor intends to sell in a Smart Markets farmers' market. No item that is not on the list provided at the beginning of the market season can be sold without permission from Smart Markets management unless the vendor requests and receives permission to add one or more items after the season starts. This is not meant as a punitive measure; it is merely to ensure that our records are always up to date.

Farm/Kitchen Visit: A requirement by Smart Markets for all vendors sometime during their participation as vendors in our markets. First visits will be

announced and arranged with the vendor at least one week in advance; any other visits prompted by the need to verify producer-only status may be impromptu and unannounced.

Carrying: The practice of allowing one farmer or vendor to sell the produce or foodstuffs of another qualified and approved producer, including farmers and value-added vendors, in order to enable an owner of a smaller business to gain entrance to the farmers' market system, to further the objective of serving as a business incubator, to facilitate the incorporation of new and interesting products into the market, and to help small farmers to stay in business. This is a recognized practice by many market-management groups but not by others. When permitted, it is considered a trust arrangement but will be monitored to avoid the exploitation of the policy.

Market Master: As soon as economically feasible, Smart Markets will provide paid market masters at each market, and at the larger markets an assistant will also be hired during the busiest months. Market Masters will have specific duties and responsibilities that will be spelled out in a Job Description that will also be supplied to each vendor. Market Masters will be the primary point of contact during hours of operation and will interpret the rules and regulations in specific cases as necessary.

Market Application

Most of our eventual vendors will be invited to apply for participation by an email going out the first week of February. Vendors who have fully completed their commitment to Smart Markets during previous seasons will be given priority consideration for the 2010 season. Interested new applicants who did not receive an invitation are encouraged to contact management throughout this year to be considered for our markets. Present vendors are welcome to refer new applicants at any time during this year.

Because we have had several new market sites to consider this year, this announcement and attached application is being posted February 1. All responses are expected by February 28. Vendors who have participated in our markets the previous year will receive their assignments by March 8. All others will hear back from us by March 15.

Market Assignments

Each vendor will be asked to indicate their requirements, and space in the markets will be allocated with three considerations in mind:

- 1) Space available in the market area itself — if space is unlimited all vendors will receive their full requests up to but usually not exceeding three canopies.

- 2) Design and layout considerations of any particular market — sometimes the constraints of the market area dictate both allocation and location of particular vendors, such as where trucks are allowed as opposed to vans; where vendors may be required to set up and then park elsewhere; where natural or man-made barriers must be considered; where shade is most prevalent; and numerous other constraints that the site itself may present.
- 3) Management decisions based on an attempt to create a unique signature style for each market and to integrate farmers and producers into each market in a layout that enhances the variety and complimentary aspects of the offerings.

Any vendor may appeal a space assignment, and if their arguments are persuasive, management will consider a reassignment with due consideration of the above conditions.

Participation Fees

All applicants will be charged a \$50.00 application fee due by February 28, 2010. Last year I waived the additional fee per market to reduce up-front costs to participate, but this year I am requiring an additional \$10.00 for each market selected. This will provide much-needed start-up funds for us to pay for banners and other promotional materials to ensure a great start for every market, new and established. Vendors will also be charged a 3% commission on sales. A form for reporting of sales by market will be provided and required with each monthly check.

Market Set-Up

Vendors are encouraged to arrive at least an hour before the market opens, but the objective is to be ready to sell 15 minutes before opening. If a later arrival accomplishes the objective, the market master will have the prerogative to allow arrivals closer to opening.

All vendors are required to have with them weights for each of their tents; each day's weather forecast will dictate whether they are required. Smart Markets recommends four 8–10lb. weights which must be attached to the tent, not just laid at each corner. Bungee cords seem to work very well. This is non-negotiable, and vendors will be required to have proper weights in order to set up. Do not expect to talk me out of this requirement this year.

Sales are not permitted until the advertised opening time except when the market master determines that it is in the best interest of the vendors and/or customers to begin early. The same considerations apply to closing.

Smart Markets will always consider the desires and needs of the vendors, but in some locations accommodations must be made to ensure our access to the best

sites for conducting business, and that is our prime consideration: how to fit into a location in a way that creates a successful market for all of the vendors and satisfies the expectations of the host. This will require compromises, but we will also encourage compromise on the part of our hosts—in almost all cases we will bring something valuable to the neighborhood such as community spirit, economic development, and cultural outreach, and we will encourage and support programming that supports the goals and objectives of the neighborhoods we serve. All of our sites will have different requirements, but they will be selected because they promise successful results.

Market Cleanup

All vendors will bring a broom and/or rake to each market and participate in cleanup of our assigned area at the end of each market. Smart Markets will have in place written agreements with each host group or agency that pledge our commitment to leaving the area in the same condition in which we find it upon our arrival each week. If we notice persistent problems with the condition of the site when we arrive, management will address that issue, and we request that vendors report to us any unsafe or unsightly conditions noticeable upon arrival.

In 2010 vendors will be asked to produce brooms for inspection before set-up. Do not forget it. This is becoming more of an issue with our hosts, and in order to maintain our good record—which enables us to set up in such good locations without having to pay rent—this rule will be enforced.

All of these on-site rules and regulations will be enforced by either the Smart Markets president, paid market masters or assigned volunteers, and all personnel working for Smart Markets will have the authority to ask vendors to leave a market if the rules are not followed or if they are challenged in any way by vendor staff. The same applies to the following expectations.

Special Word about National Harbor

We have been invited this year to take over the management of a two-year-old market at the National Harbor resort and commercial center in Prince George's County, just below the Wilson Bridge. It is a large market with an existing participation of around 60 vendors. We have been asked to enhance and expand the market, and we will be looking for new vendors to accomplish both.

This market will be operated differently from the others, and vendors interested in participating will receive a separate set of rules. It will look very similar to this set but will contain a different fee arrangement and some rules and regulations that are pertinent to the site.

Vendor Requirements

- Vendors will bring only those items to sell that they have grown or made or which meet the value-added definition developed by the USDA and accepted by the State of Virginia, unless they have permission to “carry” for another vendor.
- Smart Markets requires that vendors and their employees not smoke within the market area during market hours.
- We expect that all vendors will properly and openly list all prices either on price cards or on a board displayed at the entrance to the stall. Smart Markets will provide laminated price cards free to all vendors.
- All vendors must have a sign with the name of their farm or business displayed for all to see. Throughout the season market management may be able to assist with the design and purchase of such signs as needed.
- If a vendor cannot make it to a market where their attendance is expected or if they are going to be late, they must call market management before the market opens to let them know. Failure to do this can result in expulsion from the market.
- All vendors who provide samples must comply with state food-safety regulations, which will be provided. At sites where hand-washing facilities are not readily and closely available, vendors must have a hand-washing station nearby if they will be cooking or heating anything for tasting. Vendors will be supplied with detailed instructions and assistance for meeting the guidelines.
- Vendors will supply copies of all federal, state and local certifications and business licenses before market openings each season.
- Vendors will be expected to comply with the unwritten rules of decorum and team spirit that Smart Markets will clarify as the season proceeds. We expect that all of our vendors will work together to create a winning team for each market. This expectation is a basic tenet of Smart Markets, and we take it seriously enough to enforce with expulsion if we determine that a vendor is attempting to undermine another vendor or the market itself. We are very proud of the team spirit we nurture and support, and our markets thrive as a result of this commitment.
Simply put: If a vendor causes trouble, they will be asked to leave.

This list of rules and regulations is considered accepted as binding guidelines for participation in Smart Markets by your signature.

Application for Market Participation

This application constitutes an indication of your interest in participating in one or more of our markets this year. Because we continue to open new markets each year, and though we have what we believe are great sites, we realize that you may have some reluctance to put all of those great country eggs in one basket by requesting to be in all of our markets. However, you should select all of the markets you really want to do, and I will be in touch with each of you to help you select the ones that will be best for you based on the composition of and competition within each market.

We will be doing major marketing within each market's target area and throughout the county. We will have a top-notch Web site and will send out weekly updates on what's available and what's happening at each market. We will eventually highlight each vendor on the Web site and link to your site if you have one. We will assist you in developing a Web site of your own if you want one. We will be hosting chef's demos, cooking classes and musical events throughout the season. And we will work with numerous governmental, corporations, small businesses and private nonprofit agencies to bring new shoppers to the market.

We also hope to launch a virtual shopping capability for at least one market to enable customers to select and pay for their order on the Web and then swing by to pick it up during market hours, or even earlier while we are setting up if that is what the shoppers request.

Terms of Participation

The completion of this form and its receipt will be treated as an indication of your interest, but if you are sure you want to participate in at least one Smart Markets market, you should send all the documentation requested and your \$50.00 check. You will be billed later for the per-market fee depending on how many markets you are assigned.

We will operate a producer-only market, and I will know if you are bringing produce that you have not grown. You will be asked to leave the market if you do not live up to that standard. Remember, though, that I am also here to assist you in selecting new crops and identifying demand for them in this area. I will work with you also to explore value-added opportunities and to help you to find a niche or expand your offerings. I hope you will never feel it necessary to bring anything you have not grown or made yourself just to be competitive.

Smart Markets will charge a commission of 3% of gross sales, payable monthly along with a completed form which details your sales at each market. We need this information to establish our insurance rates and to track for marketing purposes. If I do not know how you are doing at a particular market, I do not

know which markets need targeted marketing activities. The entire commission goes back into the support of the markets and will only occasionally be used to support on-site staff where needed to relieve me to attend to market-building activities.

You will be assigned space as 1) needed, 2) requested, and 3) determined by me in that order whenever possible. We want you to have the room you need to display your wares, and we will work with you on that.

You will be allowed two options that are not allowed by other markets:

1) You may share a tent with another vendor if you both have minimal display needs. You may share a salesperson or switch with each other from week to week by working out an arrangement that suits you both. I will be available to facilitate such an arrangement wherever and however possible.

2) You may sell another vendor's goods in your space—such as milk that you may bring from a neighboring farm—for a farmer who cannot afford to participate in a weekday market any other way and for a product that we would like to have in the market. You both will pay the commission on what you sell, but you can work out the sales arrangement between you. The vendor who is not present can pay the vendor on site to sell his/her product, or you may barter services. The other vendor whose product you “carry” will be required to fill out the complete application and submit it under his/her name, providing all necessary paperwork to support the application.

Eventually I will need from you all of the following; send what you have now with the application form.

1. A completed application form.
2. A copy of your insurance policy.
3. A list of what you propose to grow and/or manufacture for sale. I need this now so that I can produce balanced markets, but you will not be penalized if later on you decide that you want to sell something you did not originally include. If it is a producer-only item and you have the necessary documentation to produce it legally in this state or your state and sell it in this one, you may request its inclusion in your list at any time.
4. Copies of state or local kitchen inspections and any other documentation required for your participation in farmers' markets in Virginia.

**APPLICATION FORM
SMART MARKETS, INC.**

NAME OF BUSINESS_____

NATURE OF BUSINESS_____

CONTACT_____

MAILING ADDRESS_____

BUSINESS ADDRESS (if different):_____

DIRECTIONS TO PLACE OF BUSINESS_____

CONTACT INFORMATION:

TELEPHONE

HOME_____

WORK and/or CELL_____

FAX_____

E-MAIL_____

Market Participation

Please indicate how many tents you will need for display: _____

Please describe your truck – height and length: _____

Most of our summer markets will close the last market day in October; but we remain open to extending markets where the conditions are favorable for after-dark sales.

Please note any days or weeks during the season when you do not now expect to attend, paying particular attention to the dates of your first and last appearances in each market.

We the undersigned agree to abide by the rules and regulations enumerated above and to work together to create vibrant and successful markets for all to enjoy. We also agree to exercise respect for our customers, our hosts, our fellow vendors and our management teams at each market and to bring grievances to the immediate attention of the appropriate party with the objective of working through problems quickly, quietly and effectively.

Vendor: _____ Date: _____

Smart Markets President: _____ Date: _____

Your comments or suggestions are welcome:

Please return to:

Ms. Jean D. Janssen
Smart Markets, Inc.
2910 Beau Lane
Fairfax, VA 22031
(703) 463-0690

MARKET OPPORTUNITIES

Please indicate an order of preference, with #1 for your first choice, etc. Please indicate only those markets that you will attend if we assign you to them. Checking all in hopes of getting at least one undermines our efforts to give vendors their first choices and makes putting together balanced markets—for your benefit—doubly difficult.

Tuesdays: _____

Fairfax Corner Shopping Center
(Corner of Monument Drive and Government Center Parkway)
3:30pm - 6:30pm

Wednesdays: _____

Reston, Virginia
Corner of Reston Parkway and Sunrise Valley Drive
National Realty Building Parking Lot
3:30pm - 6:30pm

Thursdays: _____

Herndon Centre Shopping Center (Kmart Center)
Eldin Street, Herndon
3:30pm - 6:30pm

Fridays: _____

Trinity Center
Centreville
3:30 - 6:30pm

Saturdays: _____

Oakton
Unity Church of Fairfax
Hunter Mill Rd.
9:00am - 1:00pm (summer hours)

AND

National Harbor _____

Prince George's County, MD
9:00am - 1:00pm