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BARRISTERS & SOLICITORS

"UNDERSTANDING INSURANCE FOR SHOPPING CENTRE TENANTS"

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Fifty thousand sq. ft. are available for lease with outlets ranging from 750 sq. ft. and up. The developer is seeking a wide range of retail users to complement the existing merchandise mix.

Direct leasing inquiries to Marie-Andree Boutin at Cadillac Fairview Corporation Ltd., 1800 Ave., McGill College, Ste. 810, Montreal, PQ H3A 3J6 (514) 845-7111.

CAMBRIDGE TARGETS EXPANSION AT OAKRIDGE CENTRE

Cambridge Shopping Centres Ltd. is planning a 118,484 sq. ft. expansion at Oakridge Centre in Vancouver which will involve the addition of retail and residential space.

The project is still in the planning stages, but plans call for the addition of a 50,000 sq. ft. Brettons store and 70,484 sq. ft. of cru space to the 572,550 sq. ft. three-level enclosed mall. Plans also call for the addition of 154,000 sq. ft. of condominium units in two towers and 100,000 sq. ft. of residential space in a third tower. The entire project is targeted for completion in 1993.

Oakridge Centre is a 31-year-old centre located at the intersection of 41st Ave. and Cambie St. The centre houses 157 stores including a Woodward's department store and Safeway as anchors.

"The project is currently 100 percent leased," says Janet Marzolf, director of community relations for Oakridge Centre. "We don't think there will be any problem leasing the expansion."

Leasing inquiries can be directed to Dick Bederiaux-Cayne, leasing manager, at Oakridge Centre, 650 West 41st Ave., Vancouver, BC V5Z 2M9 (604) 261-2511.

HELPFUL LEASING HINTS

Ry J. E. Dennis Daoust

Goodman and Carr, Toronto

UNDERSTANDING INSURANCE FOR SHOPPING CENTRE TENANTS: This is the first in a series of articles which will deal with insurance matters in connection with stores in shopping centres.

The intent is to explain the types of insurance that standard net lease forms normally require and to explain the reasons why. The most common misunderstanding about insurance encountered in lease negotiations will also be dealt with.

To understand insurance obligations it is best to begin by considering certain basic facts behind drafting of insurance provisions in shopping centre leases.

1. Since the shopping centre lease is a net lease, the tenant is responsible for constructing and installing all of the improvements and equipment for the leased premises. What the landlord normally provides is a basic shell with concrete floors, no ceiling, no storefront, bare walls and no heating, ventilating and air-conditioning distribution, nor electrical or sprinkler distribution systems.

The tenant provides and installs at its expense all of the required partitioning, finishing and other improvements. In situations where the tenant leases space that has been previously occupied, it will normally accept the premises on an "as is" basis and will be responsible for all modifications.

2. Although the tenant is fully responsible for the cost of improvements and is responsible for repairing and replacing them, it is the landlord, and not the tenant that owns the improvements for trade fixtures. Trade fixtures are things which a tenant installs to enable it to carry on business, which are capable of being removed without causing material or irreparable damage to the premises, and which can be removed without being entirely demolished or losing their essential character or value.

3. There will be included within the boundaries of the leased premises parts of the shopping centre which are considered common elements. These would include structural columns, exterior wall assemblies, pipes, conduits and wires that serve other parts of the shopping centre. If any of these common elements, or if the structural roof, or floors which the leased premises occupy are damaged in connection with the tenant's use of the store, the landlord will look to the tenant to repair them.

4. None of the landlord's insurance policies is intended to benefit the tenant. This is so even though the tenant pays its proportionate share of the premiums for that insurance. The tenant has no right to the benefit of the landlord's policies.

5. The landlord expects the tenant (since a shopping centre lease is a net lease) to protect the landlord from any claims that are made against the landlord where they arise in connection with the tenant's occupation of the leased premises or in conduct of business in the shopping centre.

6. The landlord wishes to ensure that there is available at all times, sufficient funds to enable the tenant to satisfy its repair obligations, to enable it to protect

the landlord from claims by third parties relating to the tenant's use of the leased premises and the shopping centre, and to protect the tenant from becoming insolvent as the result of claims made against the tenant by other parties (which might include the landlord) as the result of the tenant's negligence or other wrongful acts.

7. The tenant must also have available sufficient funds to enable it to avoid becoming bankrupt should the leased premises, or other property which the tenant needs in order to enable it to carry on business, become damaged.

The insurance that a tenant needs in light of these seven basic facts falls into three general categories:

1. **Property Insurance**—This insurance includes the various types of insurance policies that provide coverage for the loss of damage to the property.

2. **Liability Insurance**—The kinds of policies that fall within this category provide funding in respect of liability which the insured has to third parties. Included in this category are a number of specialized forms such as tenant's legal liability, automobile, and non-owned automobile policies and coverages.

3. **Business Interruption Insurance**—This insurance provides coverage against the financial loss arising out of a complete or partial inability to conduct business or operations as a result of a loss of or damage to property.

In my next article, property insurance will be discussed. In later articles, the issue of liability insurance and business interruption insurance will be addressed.

S.B.I. MANAGEMENT LEASING LES PROMENADES LEVIS LAUZON FOLLOWING RENOVATION

Twenty-five thousand sq. ft. are available for lease at Les Promenades Levis Lauzon, a 141,000 sq. ft. development in Levis, Quebec.

S.B.I. Management completed a total renovation of the centre in the spring and is now moving forward with its leasing program.

The centre is located at the intersection of Kennedy and Trans Canada Hwy. and serves a secondary trading area of 75,900. Built in 1964, the centre is anchored by a 42,000 sq. ft. Steinberg and houses 30 retail outlets.

Available outlets range from 800 to 10,000 sq. ft. with the developer seeking a 17,000 sq. ft. junior department store, a stationery outlet and service-oriented retailers to fill the space.

Direct leasing inquiries to Claude Roubin at S.B.I. Management, Place du Canada, Ste. 1800, PQ H3B 2N2 (514) 848-9411.

358,000 SQ. FT. OF RETAIL SPACE BEING LEASED BY THE RETFORD GROUP

The Retford Group is leasing 358,000 sq. ft. of retail space through four projects being constructed in southern Ontario.

In Walkerton, construction is expected to start in January on **Walkerton Centre**, an 80,000 sq. ft. strip plaza. Leasing is currently underway on the project which is scheduled to open in August, 1991.

Leasing is also underway on **Amberlea Centre**, a 73,000 sq. ft. strip plaza being remerchandised in Pickering by Trilea Centres Inc. The centre is open with recommended retail use suiting service and convenience-oriented retailers.

In Bowmanville, an 80,000 sq. ft. strip plaza is being planned at the intersection of **Waverly Rd. and Hwy. 2**. The centre is scheduled to start construction next

spring with an opening scheduled for the summer of 1991. Leasing is underway with recommended retail use suiting a wide range of retail users including service-oriented retailers.

H & R Developments is constructing a 125,000 sq. ft. strip plaza at the intersection of **Maple, Keele and Rutherford streets** in Toronto. The centre is scheduled to open in 1991.

Leasing inquiries can be directed to Jim Hood at The Retford Group Inc., 2155 Dunwin Dr., Ste. 5, Mississauga, ON L5L 4M1 (416) 820-1777 Fax: (416) 820-1822.

THE SHOPS OF DELLBROOK SCHEDULED FOR FALL OPENING

Construction is nearing completion on phase one of The Shops of Dellbrook, a 60,000 sq. ft. strip plaza being constructed by The Rockport Group on Brock Road, a kilometre north of Hwy. 401.