

CONCOURSE  CONCESSIONS

Caffé D'arte®

ITALIA COFFEE ROASTERS 



Sea-Tac International Airport CEP
Food Service • Gourmet Coffee • Single Unit 8

Submitted: February 22, 2016



February 22, 2016



AirProjects, Inc. • Attn: Emily Escrader

908 King Street, Suite 400E • Alexandria, VA 222314

Tel: 703-683-5507 • Email: sea-tacleasing@airprojects.net

Subject: Sea-Tac Airport CEP - Food Service - Single Unit 8

Dear Ms. Escrader,

We are pleased to submit the following proposal in response to the subject CEP solicitation. As the respondent, Concourse Concessions LLC will enter into the Lease and Concession Agreement with the Port of Seattle. Please accept this cover letter as our Statement of Interest in CEP Food Service Unit #8.

We are thrilled about the possibility to continue our work at the Seattle-Tacoma International Airport by offering a new innovative concept, Caffé D'arte featuring Macrina Bakery, with a distinct, Northwest style, for our traveling customers.

This responsive proposal outlines our plan to showcase this new and exciting concept in the Central Terminal featuring two award winning local brands, Caffé D'arte and Macrina Bakery, offering fresh local gourmet coffee and select pastries. Also on our team are Northwest gourmet favorites Fran's Chocolates, and new specialty teas from locally based Miro Tea.

These local brands will be provided a first class facility to highlight their products by the all local team of professionals including Mesher Shing McNutt (architects), MJ Takisaki Construction (contractor) and Banner Bank (financing). Therefore, under our proposal, the revenues and associated jobs from our store will remain in the Pacific Northwest region.

Concourse Concessions possess the requisite experience and resources to deliver a first-class concept, from initial concept development and build-out, to the management of an established, successful, and on-going concession at SeaTac Airport.

With this experience and our current, established relationships with Caffé D'arte and Macrina Bakery, we offer a team that is proven and responsible in meeting the needs of our traveling customers and the Port of Seattle. We very much look forward to this opportunity.

Should you require discussions or any additional information, please do not hesitate to contact us. My business card and a flash drive containing an electronic PDF copy of our proposal are attached above.

Best regards,

A handwritten signature in blue ink, appearing to read 'David M. Fukuhara'.

David M. Fukuhara

Contact Person & Managing Director - Email: david@concourse-usa.com - Cel: 206.910.6105

22518 Marine View Drive S.
Des Moines, Washington 98198

t 206.824.6300 • f 205.824.1195
www.concourse-usa.com

Exhibit 10 Submittal Checklist

Port of Seattle Seattle-Tacoma International Airport Airport Dining and Retail Competitive Evaluation Process (CEP)



SEATTLE-TACOMA INTERNATIONAL AIRPORT

Submittal Checklist

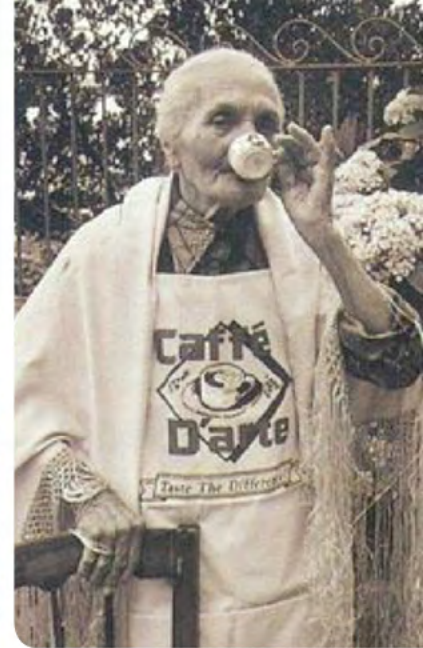
Please complete this checklist and **insert it as page one of your submittal**. Please ensure that you have reviewed and submitted all of the necessary information in your proposal as indicated in the checklist below. Please refer to the Submittal Instructions section of the CEP document for specific instructions for the documents that must be submitted.

Check	CEP Documentation	Proposer Action
<input type="checkbox"/>	CEP Document	Reviewed
<input type="checkbox"/>	Cover Letter	Submitted
<input type="checkbox"/>	Submittal for Sections One through Seven	Reviewed and Submitted with Proposal
<input type="checkbox"/>	Exhibit 1 – Passenger Airlines Operating at Sea-Tac	Reviewed
<input type="checkbox"/>	Exhibit 2 – Passenger Traffic Summary	Reviewed
<input type="checkbox"/>	Exhibit 3 – ADR Historical Sales Performance	Reviewed
<input type="checkbox"/>	Exhibit 4 – Draft Lease and Concession Agreement	Reviewed
<input type="checkbox"/>	Exhibit 5 – Lease Outline Drawing(s)	Reviewed
<input type="checkbox"/>	Exhibit 6 – Capital Investment Form	Reviewed and Submitted with Proposal
<input type="checkbox"/>	Exhibit 7 – Financial Offer Form	Reviewed and Submitted with Proposal
<input type="checkbox"/>	Exhibit 8 – Proforma Statement	Reviewed and Submitted with Proposal in pdf and Excel formats
<input type="checkbox"/>	Exhibit 9 – Operating a Concession Business at Sea-Tac	Reviewed
<input type="checkbox"/>	Exhibit 10 – Submittal Checklist	Reviewed and Submitted with Proposal
<input type="checkbox"/>	Port of Seattle's Airport Dining and Retail Design Guidelines	Reviewed
<input type="checkbox"/>	Port of Seattle Tenant Design and Construction Process Manual	Reviewed
<input type="checkbox"/>	Tariff Utility Rates	Reviewed



— **Section 1** —

Background, Experience & Financial Capability



“Our founder Mauro Cipolla started a Seattle gourmet coffee trend when he arrived from Italy in the 1970s. Today, we welcome the opportunity to broaden his Italian traditions at Sea-Tac International Airport.”

Joe Mancuso

General Manager - Caffé D'arte

Section One: Background, Experience, & Financial Capability

The company must demonstrate stability, experience and expertise in operating a business similar to that proposed in a challenging environment. The company must demonstrate that it has the financial capacity to fulfill the commitments of an Agreement with the Port. Information submitted in response to this section must include a narrative for each of the following items:

1. Demonstrate that the company meets or exceeds the minimum requirements as stated in this CEP.
 - Eighteen months of experience in food service, retail and or/service operations at airports, transportation facilities, shopping centers or business districts. Such prior experience must be with operations of similar complexity generating a sales volume of similar size to that being proposed.

Response: Concourse Concessions meets all the “Minimum Requirements” and has operated food service concessions at Sea-Tac Airport since June of 2004, which is around 138 months of experience. One of our concessions, Waji’s, is around 600 sq. ft. and generated over \$2.7 million in sales in 2015. Waji’s is similar in size to CEP Unit 8, yet generated almost \$1 million more in sales during 2015.

Also, Concourse has operated two different gourmet coffee brands on Concourse A at Sea-Tac Airport. Both stores also featured fresh bakery items and quality foods. The first was Tully’s Coffee, which we operated from 2004 – 2013. After the Tully’s corporation filed for bankruptcy, we converted our store to the Coffee Bean & Tea Leaf (CBTL) brand, which we have operated since 2013 to the present. In 2015, our CBTL store earned just over \$1 million in revenues, despite facing relatively lower traffic at the end of Concourse A.

This experience, along with a fresh new design, will assure the success of our proposed Caffé D’arte featuring Macrina Bakery concept.

- Must demonstrate the financial capacity for the initial investment and the ability to sustain operations over the life of the agreement.

Response: Concourse Concessions will pay at least 50% of the project development and build out costs from existing cash reserves. The balance, will be financed utilizing our existing, strong relationship with Banner Bank, who is a solid, local bank headquartered in Washington State. For working capital, if needed, we will utilize our strong relationship with Banner Bank and Wells Fargo, both highly acclaimed local and national banks, where we maintain a line of credit in excess of \$100,000 total. We have relationships with both banks that have spanned many years and both banks are interested in financing this project. However, in keeping with our theme of proposing an all local team, we have selected Banner Bank as our financier of choice on this project, Their attached Letter of Interest (3d), as well as our company Financial Statements (1d), are part of our CEP proposal.

- Must never have defaulted on a prior agreement.

Response: Concourse has never defaulted on a prior agreement. Concourse has remained current and in good standing throughout the entire duration of our existing sublease agreements at Sea-Tac Airport.

- Must never have had an agreement terminated for cause.

Response: Concourse has never had an agreement terminated for cause.

2. Provide the legal business name, full address, telephone, email address and website of the company.

Response:

Legal Business Name:

Concourse Concessions LLC

Full Address:

22518 Marine View Drive S.
Des Moines, WA 98198

Telephone: (206) 824-6300

Fax: (206) 824-1195

Emails: info@concourse-usa.com
david@concourse-usa.com

Website: www.concourse-usa.com

3. Provide a description of the business entity (i.e., corporation, LLC, partnership, joint venture or sole proprietorship) along with the following information depending on the type of organization:

- If an LLC, attach the Articles of Organization and list the name and address of each member.

Response: Concourse Concessions LLC is a Limited Liability Company (LLC). The members are as follows:

David M. Fukuhara.....51% Owner

5870 Seward Park Avenue S. Seattle, WA 98118

Mark Takisaki.....49% Owner

6231 Lake Shore Drive S., Seattle, WA 98118

See attached (1a) Articles of Organization for Concourse Concessions LLC.

4. Identify the sources of funding to be used for tenant improvements and working capital.

Response: The sources of funding will come from the following:

Company Checking & Savings Accounts. Currently, the company is showing total bank balances of \$235,436 per January 31, 2016. Our plan is to pay for 50% of the tenant improvements from our existing cash reserves.

Bank Financing. Concourse has strong banking relationships with both Banner Bank and Wells Fargo. Concourse has decided to finance the balance of tenant improvements with Banner Bank, since they are a local bank, headquartered in Washington State. See attachment (3d)

Credit Line. Concourse Concessions currently has a line of credit with both Banner Bank and Wells Fargo for \$50,000 each. Our company finances are also supported with three company credit cards from Banner Bank, Wells Fargo and Bank of America for \$120,000 each. If needed, we will draw from that credit line to use as working capital.

Our pro-forma projections in Section 4 indicate a positive ability to pay back any loans or borrowing, from cash flows generated through the course of our normal business operations of our proposed Caffé D’arte featuring Macrina Bakery operation per this CEP Unit 8.

5. Indicate the number of full-time and part-time employees, if applicable, both currently and over the past twelve months.

Response:

Current (February 2016)	
Full-time Employees	25
Part-time Employees.....	40

Past 12 Months (February 2015)	
Full-time Employees	26
Part-time Employees.....	35

Note that full-time is 30 hours a week and up. Part-time is below 30 hours a week. Also, note that the month of February is the slowest month of the year in terms of sales and employment.

6. Include a brief history of the business. Note any changes in company name(s) and ownership structure(s) and any other names under which the company has been doing business. List any judgments or lawsuits currently pending or any lawsuit filed against or judgment offered against you or the company within the last ten (10) years. List any lawsuits filed by you or the company in the last ten (10) years. If you have ever declared bankruptcy, filed a petition in any bankruptcy court, filed for protection from creditors in bankruptcy court, been named as a defendant in any legal proceedings, or had involuntary proceedings filed in bankruptcy court and the status of each.

Response:

Brief History: Concourse Concessions LLC (Concourse) was formed on August 1, 2003 as a Washington State Limited Liability Company (LLC) for the purpose of owning and operating restaurant concessions and franchises. The members and ownership have been stable since inception. The company was certified as a Disadvantage Business Enterprise (DBE) in 2004 and remains certified at present, by the State of Washington, Office of Minority & Women Business Enterprises (OMWBE). See attachment (7a).

Since 2004, Concourse has operated two concession spaces at Sea-Tac Airport in the new Concourse A. The first was a gourmet coffee franchise, Tully’s Coffee, from 2004-2013 in space CA-13. At the time, we were the first franchise granted by Tully’s. However, when the Tully’s corporation sold their roasting facilities due to financial instability, we transitioned the store brand to Coffee Bean and Tea Leaf, which is currently operating today featuring Macrina Bakery products, with record sales of over \$1,000,000 in 2015. Our store is the first CBTB franchise in Washington State. The second space is the La Pisa Café, a proprietary concept we designed, built and have continued to operate since 2004 in space CA-8. With a menu that “leans toward Italian,” La Pisa features grilled paninis, hot Italian sandwiches, gourmet pasta and pizzas. Our stores on Concourse A have been successful, despite facing multiple airline realignments and generally lower traffic.

In 2007, Concourse developed and opened a third concept called Waji’s, located on Concourse C in space CC-13. Waji’s is a small space, around 600 sq. ft (similar to the proposed CEP space), yet in 2015 we generated record sales of over \$2.7 million. Waji’s is an award-winning concept and still operating today.

In addition, from 2010-2014, Concourse operated the Portside Café at the Port of Seattle headquarters on Pier 69. At the Portside, we featured a full service Caffé D’arte branded espresso bar, as well as fresh foods.

Concourse is a locally based company and an active member of the greater Seattle Community, contributing to numerous charities, youth organi-

zations and community events.

Concourse has no judgments or lawsuits currently pending.

Concourse has had one lawsuit filed against it within the last 10 years that was related to a trademark dispute under U.S. District Court case number 2-10-CV-1474 filed September 10, 2010. The lawsuit was settled to the mutual satisfaction of both parties.

Concourse has filed one lawsuit within the last 10 years that was related to a discrimination dispute under U.S. District Court case number 2-14CV-1449 filed September 19, 2014. The lawsuit was settled with Concourse to the mutual satisfaction of all parties, with explicit provisions of fair treatment and non-retaliation in future business dealings.

Concourse has never filed for bankruptcy, nor has ever been involved in any bankruptcy related proceedings.

7. Indicate if you are ACDBE-certified in the State of Washington or if you are seeking certification.

Response: Concourse Concessions is currently certified as an Airport Concession Disadvantaged Business Enterprise (ACDBE) for FAA and federal programs. We started as a DBE certified company for FAA Programs, which was later re-designated as the ACDBE certification in 2007, to the present. Concourse is a locally owned small business that is headquartered in the greater Seattle area.

See attachment (7a).

8. Explain in detail the company's food service, retail and/or service operating experience.

- Number of years of experience operating in a mall, downtown, airport, or other high traffic location.

Response: Concourse Concessions has operated food and beverage concessions at Sea-Tac Airport since June 2004, which is nearly 12 years of experience. This experience includes operating multiple gourmet coffee stores, and the critical design of complex, first class concession facilities and menu development. We are experts at operating these facilities efficiently, with the highest standards of food quality and customer service.

In addition, we have four years of experience operating a food and beverage concession in the ferry terminal of the Victoria Clipper on Pier 69, known as the Portside Cafe. Our Cafe also served the employees of the Port of Seattle headquarters. This operation ended when we sold it to the parent company that operates the Victoria Clipper.

-
- Number of locations currently in operation and specific experience with the offered concept, if any.

Response: Concourse Concessions currently operates three (3) food & beverage concessions in the Seattle-Tacoma International Airport.

In general, Concourse has experience operating a gourmet coffee operation at Sea-Tac Airport since 2004 in space CA-13. We have operated a Tully's Coffee franchise featuring a full range of espresso and coffee products, Tully's ice cream, fresh foods and baked goods. Then we transitioned to the Coffee Bean & Tea Leaf brand, featuring a full range of espresso and coffee products, a large tea selection, and custom ice blended drinks,

along with fresh foods and baked goods.

More specific to our concept, Concourse has experience serving Caffé D'arte Coffee since 2004 in our La Pisa Café store at Sea-Tac Airport. Although their headquarters and roasting facilities are based in the greater Seattle area, we believe Caffé D'arte to have the BEST coffee of any local OR national coffee brand. In 2011, we opened the Portside Café on Pier 69 at the Port of Seattle headquarters building. At the Portside, we introduced the Caffé D'arte brand to Port employees and Victoria Clipper passengers with a full range of espresso and coffee products. Caffé D'arte was very well received at Pier 69.

From a bakery standpoint, our Tully's was the first store at Sea-Tac to feature baked goods from the now ubiquitous Alki Bakery in 2004. Under our Coffee Bean operation, we decided to upgrade the quality of our breads and bakery products, so again we introduced a new and higher quality brand at Sea-Tac, Macrina Bakery. The Macrina products are certainly the highest quality baked goods offered in the airport and we have seen an immediate increase in revenues as a result. As a major player on our team, we are proposing to bring the full line of Macrina products as they offer in their own local stores.

Therefore, Concourse Concessions has direct experience and established relationships working with both Caffé D'arte and the Macrina Bakery.

In addition, Concourse makes all of our fresh food items in the airport on a daily basis, such as gourmet breakfast sandwiches, steel cut oatmeal, fresh deli sandwiches, gourmet salads, parfaits and many other delicious food offerings. We do not buy our sandwiches pre-packaged from outside sources, we use artisan breads and quality meats that we slice and package ourselves –

which underscores our commitment to quality.

- Descriptions of up to three (3) current operations most relevant to those included in this submittal. For these relevant operations, list the square footage, gross sales for the last three years, sales per square foot, Enplanements for those years (if an airport property), average sales per transaction, guaranteed rent or base rent (if applicable), percentage rent (if applicable), actual rent paid, term of lease (including commencement and expiration dates), capital investment (broken down into initial build-out and refurbishments, if applicable) and photographs (if available). Include a description of any operational challenges, including logistics, seasonal business swings, employee retention and any others deemed appropriate.

Response: Three (3) Current Operations – see attached (1b) for Financial & Statistical information. See attachment (1c) for store photos.

In general, all of our stores face the similar challenges of operating in a major airport environment. We have fully overcome these challenges, allowing us to focus on the execution of quality and customer service. Some of these challenges have become areas of strength, such as:

- Operating high volume stores on a 365 day a week basis, while being open nearly 24 hours a day and staffing on a 24 hour basis. Just a routine day at the store for us.
- Securing vendors of quality products who can deliver to the airport takes time and relationship building.
- Managing through seasonal business swings, requiring metrics and detailed analysis of food and labor costs on a daily basis. It requires continuous outlining and planning ahead to make sure that customers are served in a high quality manner.
- Our company does not have a retention prob-

lem, since we pay a high wage, offer full medical, dental and vision care insurances, a 401k retirement program, and safe/sick or vacation/ sick leave benefits.

- Since the mandate of the City of Sea-Tac's Prop 1 in August 2015, Concourse has been in full compliance with a current minimum wage of \$15.24 per hour, plus all other provisions. It was an immediate shock, but based on this direct experience we understand how to successfully operate under these conditions on a long-term basis.
- The Port of Seattle's Street Pricing policy has been in effect since 2004. We have successfully operated under this complicated system for the past 11 plus years.
- Intense security is a fact of life for all airport concessionaires. As badged employees, it is our responsibility to enhance and support the security measures at Sea-Tac Airport.

Specific Relevant Store Experience

Coffee Bean & Tea Leaf: Concourse operates the Coffee Bean & Tea Leaf (CBTL) store on Concourse A, in space CA-13. CBTL is a national specialty coffee brand that has extensive operations in foreign countries. From this experience we know how to provide first class customer service, while managing food costs, labor costs and the logistics of a 365 day a week operation of a gourmet coffee store in Sea-Tac Airport. Our menu of baked goods proudly features products from the Macrina Bakery. Our drink menu includes espresso and coffee products, a full range of gourmet tea products and a full range of ice blended products, so we have become experts in the execution and serving of these drink products



– which will all be served in our proposed Caffé D'arte featuring Macrina Bakery store. As a fun but constructive event, our CBTL store sponsors the annual Barista Competition for our CBTL baristas. Last year, our winner Melissa Deal went on to compete in the national barista contest.

La Pisa & Portside Café's: Both of these operations have featured Caffé D'arte coffee products, underscoring our relationship with Caffé D'arte since 2004. At La Pisa, we serve Caffé D'arte coffee and we also sell Caffé D'arte retail items, including branded mugs and bags of coffee. This brand is very well received by our customers, who have come to expect the quality of Caffé D'arte. At the Portside, we opened a full service espresso bar featuring all of Caffé D'arte's menu of drinks. Therefore, we have been fully trained by Caffé D'arte to prepare their drinks to their particularly high standards of quality and service.

Waji's at Sea-Tac: Our Waji's is a specialty food operation. However it is similar to the proposed operation because it is a very small space that serves a high volume of customers. At around 600 sq. ft, Waji's generated sales over \$2.7 mil-

lion in 2015. In 2007, Waji's won a National Award from the Airports Council International (ACI) as one of the "Best New Food & Beverage Concepts" in the nation. To operate under these small space, high-volume conditions, it takes optimal facility design, the proper equipment, a strong logical backbone and the flexible management of employees – which will all be utilized in our proposed Caffé D'arte featuring Macrina Bakery store.

- Names, addresses and telephone numbers of the current landlords or property managers for each of these operations who will be familiar with the day-to-day operations.

Bonnie Darch

Airport Dining & Retail Business Manager

Port of Seattle

Sea-Tac International Airport
17801 International Boulevard
Seattle, WA 98158

Telephone: (206) 787-5164
Mobile: (206) 399-7075
Email: darch.b@portseattle.org

Castina Ridge

Program Manager & ACDBE Liaison

Port of Seattle

Sea-Tac International Airport
17801 International Boulevard
Seattle, WA 98158

Telephone: (206) 787-6175
Email: ridge.c@portseattle.org

9. Provide names, addresses, and telephone numbers of at least two (2) business references and at least one (1) banking reference. Banking reference must be the primary financial institution with which business is conducted.

Business References:

Nick Milos

Manager, Corporate Facilities

Port of Seattle - Pier 69

2711 Alaskan Way
Seattle, WA 98121

Telephone: (206) 787-5164
Mobile: (206) 399-7075
Email: milos.n@portseattle.org

Barry Dubnow

Territory Manager

U.S. Foods

2204 - 70th Avenue E. - Suite 100
Fife, WA 98424

Telephone: (800) 572-3810
Mobile: (206) 931-3050
Email: barry.dubnow@usfoods.com

Banking References:

Gregory Foxx, CPA

Vice President - Corporate Banking

Banner Bank

1000 2nd Avenue - Suite 1580
Seattle, WA 98104

Telephone: (206) 770-7185
Fax: (206) 728-7264
Email: gfoxx@bannerbank.com

Kevin Y. Guo

*Vice President - Business Banking
Client Manager Global Banking & Markets*

Bank of America

800 Fifth Avenue - 36th Floor
Seattle, WA 98104

Telephone: (206) 358-7844
Fax: (206) 585-9025
Email: kevin.y.guo@baml.com

10. Provide balance sheet and income statements for the last three (3) fiscal years prepared in accordance with generally accepted accounting principles (GAAP). If the company is a newly formed organization, applicant company must include a certified statement of names of the officers of the organization to be formed, the principal occupation of all members of the new organization's Board, and certified statements of the net worth of the prime participants in the organization.

Response: Please see the attached (1d) Financial Statements for the past three (3) fiscal years.

- 1) In-house generated 2015 Financial Statement.
- 2) Final CPA generated 2015 Compilation Statement not received from our CPA at the time of our proposal submittal.
- 3) 2012-2013-2014 CPA generated Compilation Statement & Letter.

The background of the slide features a pattern of light beige squares with rounded corners, arranged in a staggered grid. The squares are of varying sizes and are positioned at different intervals, creating a modern, architectural feel. The text is centered over this pattern.

— Section 2 —

Concept Development

— Section 3 —

Unit Design, Materials & Capital Investment



Section Two: Concept Development

Demonstrate the ability of the concept (or concepts) proposed to meet or exceed the expectations described for the unit or units. The Airport is a competitive environment for customer spending; therefore, the ability to attract business hinges on developing a concept with broad and lasting customer appeal.

Information submitted in response to this section must include a narrative description of the following:

1. Provide details of the restaurant or retail concept proposed, including the name of the proposed store name/concept, whether it would be a franchised/licensed operation, and the rationale for its selection for the Seattle-area market. Fully explain why you believe this concept will be successful at Sea-Tac. Provide information for every location, if concepts differ.

Concept Name:

Caffé D'arte featuring Macrina Bakery

Licensing:

Caffé D'arte will license their brand to Concourse Concessions LLC. Attachment (2a)

Macrina Bakery will require only a purchasing and wholesale agreement with Concourse Concession LLC. Attachment (2b)

Team Members:

Caffé D'arte will provide all coffee and espresso related drinks, plus all smoothie drinks recipes.

Macrina Bakery will provide all breads and bakery items, and select retail products.

Fran's Chocolates, Seattle-based premium chocolate maker will provide retail chocolate products, garnishments with our drinks, and chocolate syrups as a basis for signature Caffé D'arte – Fran's Mocha, and Fran's Hot Chocolate drinks. Attachment (2c).

Miro Tea, based in Ballard, will provide all tea and tea drinks recipes. Attachment (2d).



Concourse is proud to propose an all local concept, that we believe will highlight the highest quality coffee and bakery brands in the greater Seattle area. Our named team members of Caffé D'arte and Macrina Bakery, along with Fran's Chocolates and Miro Teas are all locally based. As a result, most of the revenues generated from our operation will remain in our local economy.

Furthermore to continue our pursuit with local business, our business team of Banner Bank, Mesher Shing McNutt - Architects & Designers and MJ Takisaki general contractors are all local companies who will each contribute toward our facilities and designs reflecting a "Northwest Sense of Place."

These high quality brand concepts with a wide range of fresh food and drink menu items, along with Concourse's proven ability to operate with a high degree of quality and customer service at Sea-Tac Airport, will result in the responsible generation of the highest potential revenues from this small, high profile space.

Local Gourmet Coffee – Caffé D'arte

Your CEP calls for a Proposed Concept of Gourmet Coffee. We believe **Caffé D'arte** to be the

best tasting and highest quality of gourmet coffees in the Seattle area and the nation. As a result of our longstanding relationship with D'arte, we understand their company history and uncompromising philosophy of making fine artisan coffee using traditional techniques.

Caffé D'arte is a third generation company, initially started by Italian coffee master Mauro Cipolla, setting up his shop in Seattle with wood-fired roasting equipment in the early 1980's. The wood-fired roasting instruments at Caffé D'arte are one of only five used for operation in the entire country. With recipes and roasting techniques straight from Italy, and sourcing from high-quality growers, the company created award-winning coffee blends. Caffé D'arte won 5 out of 10 awards at the NW Coffee Tasting Competition in 2004, and in 2015 received first place for their cold brew at the Speciality Coffee Association Competition.

We have been working with Caffé D'arte since 2004. During this time, they have strictly adhered to a philosophy of responsible growth, meaning they would not compromise their techniques and standards of quality to accommodate growth. Recently, the company moved from their previous 15,000 sq. ft. roasting facility in the Georgetown district to a new 40,000 sq. ft. roasting facility in Federal Way. Despite the larger space and the addition of gas fired equipment to supplement their wood fired equipment, D'arte still roasts their coffee in small batches of one green coffee bag at a time (120 lbs.) or less, depending on the type of bean or blend. Each batch is still roasted in accordance with narrow quality specifications and tested for consistency.

In addition, Caffé D'arte practices the "Post-Blending" technique where each single origin

coffee is profiled and roasted separately to extract the beans' unique flavor. Then different beans are blended in the final stage in accordance with traditional performance recipes. Caffé D'arte blends are certified as organic, fair trade and kosher.

After 25 years, Caffé D'arte is in the process of moving their flagship store from downtown Seattle on 2nd Avenue, to the Pioneer Square district. It will be a new and updated store, continuing to reflect a "Northwest Sense of Place," while serving the same traditional coffee drinks. In addition, the store will serve an assortment of delicious teas and smoothie drinks to accommodate customer demand. Caffé D'arte operates a total of four (4) stores, in Seattle, Bonney Lake, Portland and Boise. Their company philosophy is to focus on making and selling a high quality product to their wholesale customers, as opposed to opening and operating multiple stores. Our Caffé D'arte featuring Macrina Bakery will be their first licensed store, with Caffé D'arte only agreeing to do so as a result of the longstanding relationship between D'arte and Concourse Concessions. D'arte trusts Concourse to successfully execute and operate their standards of quality as an operator in this high profile location at Sea-Tac Airport.

Local Gourmet Bakery – Macrina Bakery

Any gourmet coffee store must feature high quality bakery and pastry products. In **Macrina Bakery**, our team is featuring the highest quality bread and bakery items from our local area. We introduced Macrina products to Sea-Tac Airport from our Coffee Bean & Tea Leaf store in 2015. Their brand and products were immediately well received and as a result, sales increased by 16%.

Macrina was founded by Leslie Mackie, a former head baker at Seattle's Grand Central Bakery, in



1993. Leslie was in search of a smaller, more artisan model of the traditional old world village bakery featuring products using indigenous, regional ingredients, as well as organic grains and natural ingredients. Mackie was among the first wave of Americans experimenting with recipes from European master bakers and a long, slow fermentation process. Mackie rediscovered the craft's traditional, almost spiritual importance. "To me, making bread is being an artist. In France, bakers are revered because bread is such a central part of the family and the community."

She named her company Macrina, after the 4th century Greek mystic and visionary who emphasized a sense of Community and a simple, self-sufficient life. Through her company, Mackie wants to share her passion for baking high quality, natural products with our local Community.

In taking a similar giant step as Caffé D'arte did a few years ago, later this year Macrina Bakery will move from their current 9,000 sq. ft. baking facility and Café in the SODO district of Seattle to an expanded 50,000 sq. ft. facility in Kent. In doing so, they will continue to utilize the uncompromising small batch, hand crafted, artisan techniques that have defined Macrina since inception.

Among their number awards include: "Best Baked Goods" and "Best Cookie in Seattle" by *Seattle Weekly*, "One of the Top 10 Bakery's in the U.S." by *Fodors*, and "13 Sweetest Bakeries in America", by *Condé Nast Traveler*.

Despite winning numerous awards, Macrina has elected to expand in a slow, steady and responsible manner to maintain the quality of their operations. With only two stores at present, Macrina is focused on the production of high quality products for their wholesale customers in the Seattle area. At Sea-Tac Airport, Macrina has chosen to work with Concourse Concessions as the operator they trust with the promotion of their brand and products.



Other Products – Tea & Chocolates

As we have learned from our current Coffee Bean & Tea Leaf operation, increasingly customers are drinking high quality teas. In the same way that coffee drinkers are progressing beyond instant Folgers, tea drinkers are progressing beyond Lipton tea bags. Based on our research of local tea companies, we have selected **Miro Tea**, headquartered in the Ballard district of Seattle since 2007.

Miro features nearly 200 varieties of high quality teas sourced from specific farms around the world. Their menu includes basic tea types and something for every tea drinker including black, green, chai, yerba mate, oolong, herbal, and rooibos teas. We will serve these teas in a variety of ways including brewed, steeped, lattes, smoothies, fusions and other unique drink blends as listed in our proposed menus.

Concourse Concessions is very experienced in the preparation of high quality tea beverages and will serve the Miro Teas to our discerning tea drinking customers.



Fran's Chocolates is a long time Seattle institution that is well known in our region and across North America as a creator of high quality gourmet chocolate. In 1982, Fran Bigelow introduced the artisan chocolate experience to consumers when she opened her European-style chocolate shop in Seattle.

Created as a place to showcase her sublimely rich desserts, Fran's also offered caramels and truffles, which quickly captured the favor of her customers and became her signature confections. Her bestselling gray salt and smoked salt caramels, and caramels, Fran's maintains the flavor and quality of her chocolates through small batch

production and by selecting non-GMO, all natural, and when possible, organic ingredients, including sugar and almonds.

She partners with local Washington State & Oregon farms for many ingredients including organic cream and butter. For her couverture she selects only the finest cacao available from Venezuela, Madagascar and Ecuador.

Many of Fran's products have been recognized by the National Association of Specialty Food: the Gray & Smoked Salt Caramels were awarded "Gold Medals for Outstanding Confection" and the Dark Hot Chocolate was awarded the "Gold Medal for Outstanding Hot Beverage." At home here in Seattle, we just know Fran's are the most delicious and decadent treats money can buy.

Our proposed concept will sell Fran's Chocolates in convenient retail packages. In addition, we will use pieces of their chocolate as garnishments for some of our specialty coffee drinks, as well as use their chocolate products in our signature gourmet coffee mocha and hot chocolate drinks.

Gourmet Food - Concourse Concessions Fresh Prepared Products

Our proposed Caffé D'arte featuring Macrina Bakery will carry the full line of products offered by both companies in their own respective stores, as will be illustrated in our proposed menus. In addition, our store will feature high quality sandwiches, salads, breakfast items, and parfaits that are made fresh every day by our in-house Concourse Concessions employees at the airport. These fresh foods will be prepared by Concourse, will be branded as Caffé D'arte or Macrina Bakery products. We will also offer a full lineup of choices for RTD (ready to drink) beverages.



At Sea-Tac, our company already has the infrastructure set up for receiving and inspection of products and ingredients, storage facilities configured with refrigeration and dry storage, and a food preparation line for the hand crafting of our food items on a 365 day a week basis. These items are also pre-packaged by our employees for the traveler on the go.

Operating at Sea-Tac since 2004, Concourse has developed Sea-Tac specific processes to assure a smooth and successful operation. This includes direct experience with the following processes:

- The entire design and construction process of the Port of Seattle and Sea-Tac Airport. Since we are using the same local team of architects and contractors, we have a proven and experienced team.
- How to organize and promote our grand opening celebrations, barista competition, and other celebrations. For example, our latest grand opening celebration of the Coffee Bean & Tea Leaf store featured a band to play music over the course of the day, a lion dance, speeches by Port officials and extensive sampling to the traveling public.

- Utilizing existing office and storage facility space that we are currently leasing directly from the Port of Seattle.
- How to logistically operate using the loading docks, garbage facilities, moving of products around the airport, and routine equipment maintenance and facility cleaning.
- How to successfully operate under the constraints of Proposition 1 (\$15 plus minimum wage) and street pricing.
- How to manage employees subject to extreme security restrictions including badging, following evolving rules and active participation in security of the airport.

All of our operations have been in the Concourses of A & C. However our main storage facility and receiving loading dock is located under the Central Terminal. So the CEP Unit #8 space will be much easier to operate from a logistical standpoint for Concourse Concessions.

Other Key, Local Team Players

Mesher Shing McNutt – Architects

Concourse Concessions has worked with Joe Shing of Mesher Shing McNutt since 2003. This design firm, located in the Capitol Hill district of Seattle, has been the recipient of numerous awards and has worked with many well-known brands in the Seattle area. Joe was responsible for the design of all four (4) of our stores (Tully's, La Pisa Café, Waji's and Portside Café), plus the design for the transition from Tully's to Coffee Bean & Tea Leaf. Having also created designs for other concession operators, including HMS Host, Joe is very familiar with the Port design standards and processes. He will make sure, from a design

standpoint, that Concourse is fully compliant with all requirements by the Port of Seattle. Mesher Shing McNutt is a small business and a certified MBE.

MJ Takisaki – General Contractor

Concourse Concessions has worked with MJ Takisaki since 2003. This general construction firm, located in the International District of Seattle, has won awards for their government contracting work requiring strict adherence to design and labor requirements. MJ Takisaki built our three (3) stores at Sea-Tac Airport, as well as stores for other concession operators including HMS Host. MJ Takisaki is a small business and a certified MBE.

Banner Bank – Banking & Financing

Concourse has worked with Banner Bank since 2010. As a small but growing local bank based in Washington, Banner has been very responsive to the needs of our company. Initially, Banner refinanced our existing concession development loan. Since then, Concourse has transferred primary banking and deposit activities over to Banner and they have also extended additional credit in the form of real estate loans, credit cards and credit lines.

Therefore, Concourse is proud to present our team of high quality members to participate in this proposal to operate in the Port of Seattle's CEP Unit #8 location at Sea-Tac Airport. All of our primary players have established relationships with Concourse Concessions and earned the confidence to be a part of this team, plus the addition of our two (2) new vendors Fran's Chocolates and Miro Teas, who will enhance our team in specific

cally defined ways.

Our team is EXPERIENCED at operating in Sea-Tac Airport, our team is ESTABLISHED through existing working relationships, our team is all LOCAL from our branding to our financing, and our team will bring the highest degree of BRANDING & QUALITY to this high profile location in the Central Terminal.

-
2. Provide a merchandise/menu/services list, including proposed pricing. All prices must adhere to the airport's Pricing Policy, which is referenced as Exhibit D of the draft lease document. Submittal should also include selections specifically oriented to and priced for children. Every effort should be made to include menu items that cater to dietary restrictions, such as gluten free, vegetarian, and vegan. In developing menus, a majority of the selections should be able to be prepared in a short amount of time to accommodate the traveling customers.

Response: Our Caffé D'arte featuring Macrina Bakery currently intend to feature the following preliminary menu items and products listing on the following page. Pricing and products may be subject to change due to availability or initial Street Pricing + 10% approval from the Port of Seattle Concession Management Staff.

Also see attachments (2e, 2f, 2g) for menus from Caffé D'arte, Macrina Bakery, and Miro Tea.

-
3. Provide franchise and/or license authorization letters and disclosure documents for any franchised or licensed concepts in the submittal.

Response: Letter of License Authorization from Caffé D'arte is attached (2a)

Letters for Wholesale Agreement or Support with Macrina Bakery (2b), Fran's Chocolates (2c), and Miro Tea (2d), are also attached.

Caffe D'arte

See Caffé D'arte Menu attached (2e) with the additional new Fran's Chocolate drink selections.

Fran's Mocha

8 oz - \$3.30 • 12 oz - \$3.60 • 16 oz - \$3.90
Espresso, Steamed Milk & Fran's Chocolate

Fran's Caramel Latte

8 oz - \$3.30 • 12 oz - \$3.60 • 16 oz - \$3.90
Espresso, Steamed Milk & Fran's Caramel

Fran's Hot Chocolate

8 oz - \$2.50 • 12 oz - \$2.75 • 16 oz - \$3.00
Fran's Chocolate Syrup & Steamed Milk

Macrina Bakery

See Macrina Pastry Items attached (2f). Some items may not be available for wholesale purchase.

Miro Tea

Loose Leaf Teas:

Black Tea (Assam & Darjeelings, China, Nilgiri & Imperial Black Teas, Blends), Green Tea (China, Japan, Blends), Oolong Tea (China, Taiwan, Blends), Puerh Tea (Raw - Sheng, Cooked - Shu), White Tea (Blend & Non-Blend), Chai (Blends), Herbal (Blend & Non-Blend), Rooibos (Blend & Non-Blend), Yerba Mate (Blend & Non-Blend)

Available Sizes:

Cup (12 oz) - Served Hot or Iced	\$2.50
Pot (20 oz) - 1-2 People	\$4.95

Miro Tea Beverages

See Miro Tea Drink Menu attached (2g)

Salads

Asian Chicken Salad \$8.95

Grilled Marinated Chicken, Salad Mix, Cherry Tomatoes, Cucumbers, Sliced Red Peppers, Wonton Strips & Asian Sesame Dressing

Seasoned Chicken Salad \$8.95

Seasoned Chicken, Salad Mix, Croutons, Cherry Tomatoes, Sliced Cucumbers, Parmesan Cheese, Choice of Dressing

Spinach Salad \$3.59

Fresh Baby Spinach, Cherry Tomatoes, Parmesan Cheese, Choice of Dressing

Breakfast

Ham, Egg & Cheddar Croissant \$7.49

Bacon, Egg & Cheddar Croissant \$7.49

Macrina Bialy Egg Sandwich with Bacon \$8.75

Macrina Bialy Veggie Egg Sandwich \$7.75

Macrina Egg & Ham Brioche Sandwich \$7.00

Multi-Grain Steel Cut Oatmeal \$5.25

Macrina Granola Yogurt Parfait \$5.50

Hot Sandwiches

Served on fresh, artisan Macrina Breads

Turkey & Havarti \$8.79

Hand-sliced Turkey, Arugula & Havarti

Ham & Provolone \$8.79

Hand-sliced Ham, Arugula & Provolone

Italian Supreme \$8.79

Salami and Ham with Arugula, Roasted Red Peppers, & Provolone

Chicken Pesto Panini with Chips \$9.95

Seasoned Chicken Filet, Spinach, Tomato, Provolone & Basil Pesto Spread

Turkey & Havarti Panini with Chips \$9.95

Hand-Sliced Turkey, Spinach, Roasted Red Peppers & Havarti

Ham, Spinach, Provolone with Chips \$9.95

Hand-Sliced Ham, Spinach, Tomato & Provolone

Grilled Cheese Panini \$6.95

Slices of Cheddar, Havarti, & Provolone

Vegetarian Panini \$8.99

Spinach, Olives, Roasted Red Peppers, Sliced Tomatoes, & Provolone

Sandwiches

Served on fresh, artisan Macrina Breads

Turkey & Provolone \$7.49

Hand-sliced Turkey, Lettuce & Provolone

Italian Grinder \$7.49

Salami, Pepperoni, Pepperocinis & Provolone

Ham & Provolone \$7.49

Hand-sliced Ham, Lettuce & Provolone

Homemade Tuna Salad or Chicken Salad \$7.15

Tuna or Chicken Salad, Lettuce, Tomato

Wraps

Served in a Gluten-free Whole Wheat Tortilla

Turkey \$6.49

Hand-sliced Turkey, Cabbage & Provolone

Asian Grilled Chicken \$6.49

Grilled Marinated Chicken, Cabbage & Provolone

Vegetarian \$6.49

Red Peppers, Tofu, Cabbage & Provolone

Fran's Chocolates

Caramels: Award-winning Classic & Salted Packaged Caramels

3 pc - \$7.00 • 7 pc - \$14.00 • 12 pc - \$20

Assorted Truffles:

9 pc - \$18.00 • 16 pc - \$30.00

Assorted Carmels & Nuts:

18 pc - \$30.00

Assorted Truffles & Caramels:

10 pc - \$20.00 • 20 pc - \$30.00

Goldbars: Macadamia/Almond/Coconut

Goldbar - \$4.00 • Goldbites - \$2.50

Pure Bars: Bittersweet Dark/Crunch Bar with Roasted Nibs/Dark Chocolate/Milk Chocolate
1.1 oz - \$4.00

Chocolate Thins: Grey Salt/Smoked Salt/Dark Chocolate/Mint/Fran's Blend
2.4 oz - \$10.00

Dessert Sauce: Chocolate/Caramel/Raspberry
11 oz - \$10.00

Hot Chocolate Powder

9 oz - \$15.00

Seasonal Assortment: Truffles & Caramels Gift Boxes for Holiday/Valentine's/Spring/Easter
10 pc - \$20.00 • 20 pc - \$30.00

Miscellaneous

Caffé D'arte will also be offering:

Grab & Go or Impulse Items:

Bottled Beverages, Bottled Water, Chips

Healthy Options: Vegetable Plate, Fruit & Cheese Platter, Fresh Fruit, Fresh Fruit Cups, Side Salad, Edamame, Cereal

Section Three: Unit Design, Materials & Capital Investment

Demonstrate and describe the quality of unit design, efficient use of space, selection of appealing and durable materials (including sustainable materials) and relation to the Pacific NW sense of place, as well as the reasonableness of the proposed capital investment in the unit(s).

1. Describe the design (materials, floor plan, number of seats if applicable) of the unit or units, including a rendering or photograph of the proposed dining, retail or service concept and a floor plan of the unit. Please include photographs of an existing location if it is of the same concept being proposed. Renderings or photographs and floor plans may not exceed 11" by 17" and must be contained in the three-ring binder. Please note any unusual utility requirements.

Response: Concourse is proposing a local Northwest flavor, café kiosk featuring Seattle coffee roasters Caffé D'Arte and renowned local bakery products by Macrina. The existing "round kiosk design" to be adapted and designed with a simple palette and a humble, straight forward approach that embodies both the old world charm and the rugged-industrial themes found in the popular Seattle cafes. Bountiful pastry displays with mix-matched plates and cake stands piled high with artisan breads and fresh baked goods are the driving centerpiece of the kiosk alongside bags of freshly roasted coffee beans richly perfuming the air.

In tandem-the Seattle marriage of tech and coffee is featured here with two café style bar height counters with stool seating. Our design proposes approximately ten (10) seats. We like our customers close to us, to experience the Caffé D'arte and Macrina difference in how we prepare and serve our products. To accommodate our customer demand, we have discreetly incorporated a significant amount of technology for our custom-

ers to experience, while enjoying the hustle and bustle of the central terminal market scene.

Attachment (3a) are floor plans and renderings of our proposed Caffé D'arte concept.

The Pacific Northwest has always been a leader in technology with companies like Boeing, Amazon, Google, and Microsoft in our backyard. Therefore, Concourse will provide the following technology enhancements within our Caffé D'arte featuring Macrina Bakery concept:

- **High Speed Wi-Fi,** that exceeds the speed offered by the SeaTac free wi-fi system. Currently in all three (3) of our stores, we offer this service. With the Caffé D'arte, we will also include an initial "splash" page that will promote specific menu items as part of the log-in process.
- **Charging Stations:** Our store will feature counter seating so customers can stay closer, if desired. Our counter seating will feature a charging station for each seat, and will accommodate AC power and USB charging capability.
- **Digital Menu Boards:** Our store will have our menus and promotional images displayed on energy efficient LCD digital menu boards. This will provide the ability to highlight breakfast, lunch and dinner type specials, as well as promote specific menu items, in a dynamic media.
- **Optional TV Displays:** We are considering to also include TV displays allowing our customers to follow news or sports. The displays will be muted with capability of closed captioning or headphone connection.
- **LED Lighting & Energy Star Appliances:** Our store is designed with LED lighting to pro-

vide different looks and energy conservation, as well as Energy Star appliance to reduce our energy consumption needs.

As a result of the limited space in this location, our floor plan is being carefully designed, to optimize employee movement and facilitate efficient employee processes. After operating our Waji's space, we are experts in the process of continuous quality improvement, which will drive increasing customer revenues in a small operating space over time.

Optional Square Design: If awarded this contract, Concourse is also proposing the possibility of a "square kiosk design" option, using the same local Northwest style, materials, and sense of place. Each side of the "square" will equal the diameter of the currently proposed "circle," so the total footprints will be similar. We feel that a square footprint could better service the traveling public, more operational efficiency, add additional retail space and will include up to 14 seats, plus help keep our construction costs down. Attachment (3b) is a possible floor plan for our square option. Completely at the Port's discretion, we hope the Port would be open to consider the option if Concourse is awarded this project.

See attachment (3b).

2. Provide information about environmental sustainability considerations planned for the design and build-out of the unit(s), such as materials procurement and other sustainable practices.

Response: Northwest materials prominently featured in the design including locally sourced reclaimed wood planks on the counter die and lumber for cladding the existing metal beams-all finished with low VOC water-based sealers. LEED (Leadership in Energy and Environmental De-



All-pro Seahawk Earl Thomas loves our La Pisa Café.



Grammy award-winning musician Macklemore always stops by our Coffee Bean & Tea Leaf at Sea-Tac.



All-pro Seahawk Michael Bennett loves our Coffee Bean.

sign) certified engineered stone countertops will be used on all horizontal surfaces. LED energy efficient lighting to be used exclusively. All paints to be low VOC. Kitchen equipment to be Energy Star wherever possible and plumbing to incorporate motion sensor faucets.

Concourse believes that maintaining the appearance of a first class facility will help to drive sales and increase customer satisfaction. Therefore, Concourse conducts repair and maintenance on our facility on a daily basis, with deep cleaning and repairs on an as needed basis. Our policy is to update any part of our store that appears deteriorated, on an as needed basis, including equipment replacement. In addition, we install protective edges on the corners and selected protection on the lower portion of our store. These surfaces take a beating from high volume interactions with customers and their luggage. This selective protection, along with our detailed maintenance programs, will sustain the initial design and materials to easily continue looking good up to the mid-term refurbishment period.

Other sustainable practices we have developed for operating in small spaces is the frequent delivery of products and ingredients during the day, while also dumping of trash on a more frequent basis. Our dedicated utility personnel are focused on keeping our operating stores stocked and free of clutter. This frees up our sales associates to do what they do best, which is to serve our traveling customers.

3. Identify the minimum capital investment (per square foot and total) that will be made to build out the unit(s) (not including the cost of initial inventory), along with a separate figure for the minimum investment per square foot that will be invested for the midterm refurbishment of the unit(s), using the form in Exhibit 6. The midterm refurbishment amount shall be a minimum of fifteen percent of the initial capital investment per the Agreement.

Response: Concourse Concessions is committed to a minimal capital investment of at least \$500 per sq. ft. (\$226,000) plus a contingency allowance if needed for the construction build out cost. This \$500 per sq. ft. is nearly 70% more than the minimum requirement in the CEP.

In addition to the build out cost, we project the Architect & Engineering cost to be approximately \$45,000 (11.73% of total Capital Investment), and Furnishings, Fixtures & Equipment to be approximately \$112,500 (58.73% of total Capital Investment), bringing our total estimated projection for Capital Investments to \$383,500 (\$848 per sq ft.).

Our total projected Capital Investment does not include initial inventory.

Our mid-term refurbishment commitment be a minimum of 15% of the initial capital investment or \$127 per sq. ft. By the time the mid-term refurbishment comes around, typically Concourse will have already updated, repaired or replaced the major refurbishment items in accordance with our maintenance policy.

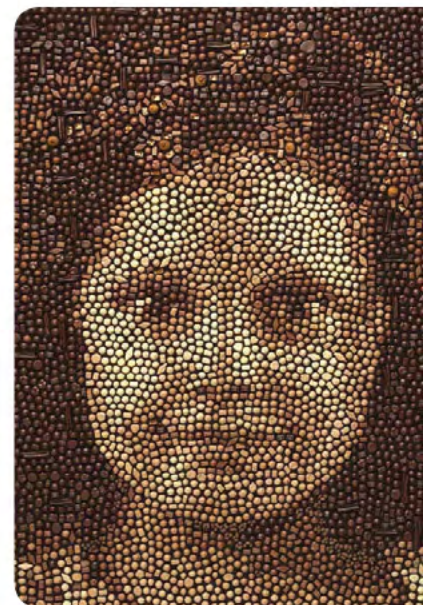
For details, see attachment (3c) for Exhibit 6, and Capital Investment & Mid-term Refurbishment Projections, and Letter of Interest from Banner Bank, attachment (3d).

— Section 4 —

Financial Projections & Financial Offer

— Section 5 —

Management, Staffing, Operations & Environmental





Section Four: Financial Projections & Financial Offer

Your submittal must include a completed financial offer using the form provided in Exhibit 7 as well as a completed Pro Forma noted below. Both documents are available electronically on the Sea-Tac Airport leasing website (www.lease.seatacshops.com/forms) and require the following information:

1. Proposed percentage rent structure.

Response: Proposed Rent Structure

Concourse proposes the following rent structure:

Minimum Annual Guarantee:

As stated, \$250,000 for the initial period. For the second Calendar Year and each subsequent Calendar Year or partial Calendar Year during the Term, the MAG will be eighty-five percent (85%) of the total amount paid (whether by MAG or Percentage Fees) for the previous Agreement Year, but no less than the prior year MAG.

Percentage Rent:

Up to \$2,000,000 in Gross Sales Revenue

Fixed at 14%

\$2,000,001 & Beyond in Gross Sales Revenue

Fixed at 15%

In addition, Concourse Concessions will meet all requirements of insurance and security (surety) as required by a prime contract agreement with the Port of Seattle.

We will also pay our share of Common Area Maintenance (CAM) charges, utilities, leasehold taxes, storage and/or office rents, badging and parking fees and any other costs associated with working in SeaTac Airport.

See attached Financial Offer Form Exhibit 7.

2. Completed financial Pro Forma for each individual unit, as well as for the entire package in the case of a multiple unit package. The Pro Forma must be submitted electronically in Excel using the downloadable template (www.lease.seatacshops.com/forms). A written sample of the Pro Forma template is shown in Exhibit 8.

Sales projections will be evaluated for reasonableness based on historical performance and/or the company's demonstrated experience in other locations. Revenue will be evaluated based upon the proposed percentage fee of projected gross sales and the total amount of revenue the Port could expect to receive based on the submittal for the term of the Agreement. The sales projections in the submittal will be used in the evaluation of the total revenue to the Port, but the Port specifically reserves the right to make adjustments to projections.

We project our first year Gross Sales (for 2017) to be approximately 2,000,000, with an increase of 10% per year and 5% on year 6 thereafter. We feel confident of these numbers, based on the past couple of years' performance of our existing stores, Waji's and Coffee Bean and Tea Leaf, increasing 10% per year, and the projected increase of enplanements by the airport, along with the superior products we will be selling. Our projection of 30% payroll cost will cover the Proposition 1 mandatory \$15.24 per hour minimum wage that recently went into effect. Our 30% Cost of Goods Sold is based on our other establishments' performance. Using the same management and cost control strategies, we can anticipate the same for this project. The rent projected is in accordance with the proposed rent structure.

See attached Pro-forma Exhibit 8.

Exhibit 7 Financial Offer Form

During each year of the term of the Agreement, for the right and privilege of operating and managing the Premises at the Airport, the undersigned company hereby proposes to pay monthly to the Port beginning on the Rent Commencement Date, the greater of items 1 or 2 below:

- 1) One-twelfth (1/12) of the Minimum Annual Guarantee (MAG) paid in advance, on the first (1st) day of the month. The MAG for the Initial Period is two hundred fifty thousand dollars (\$250,000). For the second Calendar Year and each subsequent Calendar Year or partial Calendar Year during the Term, the MAG will be eighty-five percent (85%) of the total amount paid (whether by MAG or Percentage Fees) by Concessionaire to the Port for the previous Agreement Year, but no less than the prior year MAG.

OR

- 2) Proposed Percentage(s) of Gross Sales calculated as follows:

Flat Rate Percentage Fee of:

Annual Gross Sales	Proposed Percentage Fee in Number Format	Proposed Percentage Fee in Words
\$ _____	____%	

OR

Tiered Percentage Fee of: (Add tiers as necessary on a separate sheet of paper using this format.)

Annual Gross Sales	Proposed Percentage Fee in Number Format	Proposed Percentage Fee in Words
Annual Gross Sales less than \$ <u>200,000</u>	<u>14%</u>	CONCOURSE CONCESSIONS LLC PROPOSED TO PAY 14% RENT UP TO 2 MILLION IN SALES
Annual Gross Sales greater than \$ <u>2,000,000</u> and less than \$ _____	<u>15%</u>	ANY SALES OVER 2 MILLION THE COMPANY WILL PAY 15% FOR RENT
Annual Gross Sales equal to or greater than _____	____%	

The Minimum Annual Guarantee and percentage fee will be reconciled annually, as set forth in the draft Agreement.

The signature of the Chief Financial Officer certifies that this Financial Offer is supportable throughout the term of the Agreement.

ATTEST:

John Reynolds
(Witness Signature)

(Company Name)

BY: *Dorina Yee*
(Signature of Chief Financial Officer)

DORINA YEE
(Printed Name of Chief Financial Officer)

CONCOURSE CONCESSIONS LLC

Exhibit 8 - Financial Proforma Template

Seattle - Tacoma International Airport
Proforma Statement, Airport Dining and Retail Program

PRO-FORMA UNIT - SEA-TAC AIRPORT CEP - FOOD SERVICE - SINGLE UNIT #8

PROFORMA¹
(constant 2015 dollars)

	2017	2018	2019	2020	2021	2022	2023	2024	Total
ASSUMPTIONS USED									
Enplanements²	22,278,664	22,343,039	22,407,600	23,068,649	23,749,200	24,449,827	25,171,124	25,913,700	189,381,803
Sales per Enplanement	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.11
Total Square Feet	452	452	452	452	452	452	452	452	452
Sales per Square Foot	\$ 4,428.83	\$ 4,871.71	\$ 5,358.88	\$ 5,894.77	\$ 6,189.51	\$ 6,498.98	\$ 6,823.93	\$ 7,165.13	\$ 47,231.74
PROJECTIONS									
Gross Sales:	\$ 2,001,830	\$ 2,202,013	\$ 2,422,214	\$ 2,664,436	\$ 2,797,658	\$ 2,937,540	\$ 3,084,417	\$ 3,238,638	\$ 21,348,747
Cost of Goods Sold	\$ 600,550	\$ 660,605	\$ 726,666	\$ 799,332	\$ 839,299	\$ 881,264	\$ 925,327	\$ 971,593	\$ 6,404,635
Gross Profit	\$ 1,401,280	\$ 1,541,408	\$ 1,695,549	\$ 1,865,104	\$ 1,958,359	\$ 2,056,277	\$ 2,159,091	\$ 2,267,045	\$ 14,944,112
Expenses									
Payroll	\$ 620,000	\$ 682,000	\$ 750,200	\$ 825,220	\$ 866,481	\$ 909,805	\$ 955,295	\$ 1,003,060	\$ 6,612,061
Benefits	\$ 50,000	\$ 55,000	\$ 60,500	\$ 66,550	\$ 69,878	\$ 73,371	\$ 77,040	\$ 80,892	\$ 533,231
Utilities	\$ 60,000	\$ 66,000	\$ 72,600	\$ 79,860	\$ 83,853	\$ 88,046	\$ 92,448	\$ 97,070	\$ 639,877
Operating Expenses	\$ 58,000	\$ 63,800	\$ 70,180	\$ 77,198	\$ 81,058	\$ 85,111	\$ 89,366	\$ 93,835	\$ 618,548
Franchise/License Fees	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310	\$ 13,976	\$ 14,674	\$ 15,408	\$ 16,178	\$ 106,646
Rent to Port	\$ 280,274	\$ 310,302	\$ 343,332	\$ 379,665	\$ 399,649	\$ 420,631	\$ 442,663	\$ 465,796	\$ 3,042,311
General & Administrative	\$ 120,000	\$ 132,000	\$ 145,200	\$ 159,720	\$ 167,706	\$ 176,091	\$ 184,896	\$ 194,141	\$ 1,279,754
Washington Lease Excise Tax	\$ 18,500	\$ 20,350	\$ 22,385	\$ 24,624	\$ 25,855	\$ 27,147	\$ 28,505	\$ 29,930	\$ 197,295
Insurance	\$ 15,000	\$ 16,500	\$ 18,150	\$ 19,965	\$ 20,963	\$ 22,011	\$ 23,112	\$ 24,268	\$ 159,969
Other Direct Expenses	\$ 62,000	\$ 68,200	\$ 75,020	\$ 82,522	\$ 86,648	\$ 90,981	\$ 95,530	\$ 100,306	\$ 661,206
Total Expenses	\$ 1,293,774	\$ 1,425,152	\$ 1,569,667	\$ 1,728,634	\$ 1,816,066	\$ 1,907,869	\$ 2,004,262	\$ 2,105,475	\$ 13,850,898
EBITDA	\$ 107,506	\$ 116,256	\$ 125,882	\$ 136,470	\$ 142,293	\$ 148,408	\$ 154,828	\$ 161,570	\$ 1,093,214
Interest, Depreciation, and Amortization	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 510,000
Net Profit Before Taxes	\$ 43,756	\$ 52,506	\$ 62,132	\$ 72,720	\$ 78,543	\$ 84,658	\$ 91,078	\$ 97,820	\$ 583,214
Total Initial Investment³	\$ 383,500								n/a
Initial Investment per Square Foot	\$ 848								n/a
Total Midterm Investment³	\$ 57,525								n/a
Midterm Investment per Square Foot	\$ 127								n/a

Exhibit 8 - Financial Proforma Template

Seattle - Tacoma International Airport
Proforma Statement, Airport Dining and Retail Program

PRO-FORMA PACKAGE - SEA-TAC AIRPORT CEP - FOOD SERVICE - SINGLE UNIT #8

PROFORMA¹

(constant 2015 dollars)

	2017	2018	2019	2020	2021	2022	2023	2024	Total
ASSUMPTIONS USED									
Enplanements ²	22,278,664	22,343,039	22,407,600	23,068,649	23,749,200	24,449,827	25,171,124	25,913,700	189,381,803
Sales per Enplanement	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.11
Total Square Feet	452	452	452	452	452	452	452	452	452
Sales per Square Foot	\$ 4,428.83	\$ 4,871.71	\$ 5,358.88	\$ 5,894.77	\$ 6,189.51	\$ 6,498.98	\$ 6,823.93	\$ 7,165.13	\$ 47,231.74
PROJECTIONS									
Gross Sales:	\$ 2,001,830	\$ 2,202,013	\$ 2,422,214	\$ 2,664,436	\$ 2,797,658	\$ 2,937,540	\$ 3,084,417	\$ 3,238,638	\$ 21,348,747
Cost of Goods Sold	\$ 600,550	\$ 660,605	\$ 726,666	\$ 799,332	\$ 839,299	\$ 881,264	\$ 925,327	\$ 971,593	\$ 6,404,635
Gross Profit	\$ 1,401,280	\$ 1,541,408	\$ 1,695,549	\$ 1,865,104	\$ 1,958,359	\$ 2,056,277	\$ 2,159,091	\$ 2,267,045	\$ 14,944,112
Expenses									
Payroll	\$ 620,000	\$ 682,000	\$ 750,200	\$ 825,220	\$ 866,481	\$ 909,805	\$ 955,295	\$ 1,003,060	\$ 6,612,061
Benefits	\$ 50,000	\$ 55,000	\$ 60,500	\$ 66,550	\$ 69,878	\$ 73,371	\$ 77,040	\$ 80,892	\$ 533,231
Utilities	\$ 60,000	\$ 66,000	\$ 72,600	\$ 79,860	\$ 83,853	\$ 88,046	\$ 92,448	\$ 97,070	\$ 639,877
Operating Expenses	\$ 58,000	\$ 63,800	\$ 70,180	\$ 77,198	\$ 81,058	\$ 85,111	\$ 89,366	\$ 93,835	\$ 618,548
Franchise/License Fees	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310	\$ 13,976	\$ 14,674	\$ 15,408	\$ 16,178	\$ 106,646
Rent to Port	\$ 280,274	\$ 310,302	\$ 343,332	\$ 379,665	\$ 399,649	\$ 420,631	\$ 442,663	\$ 465,796	\$ 3,042,311
General & Administrative	\$ 120,000	\$ 132,000	\$ 145,200	\$ 159,720	\$ 167,706	\$ 176,091	\$ 184,896	\$ 194,141	\$ 1,279,754
Washington Lease Excise Tax	\$ 18,500	\$ 20,350	\$ 22,385	\$ 24,624	\$ 25,855	\$ 27,147	\$ 28,505	\$ 29,930	\$ 197,295
Insurance	\$ 15,000	\$ 16,500	\$ 18,150	\$ 19,965	\$ 20,963	\$ 22,011	\$ 23,112	\$ 24,268	\$ 159,969
Other Direct Expenses	\$ 62,000	\$ 68,200	\$ 75,020	\$ 82,522	\$ 86,648	\$ 90,981	\$ 95,530	\$ 100,306	\$ 661,206
Total Expenses	\$ 1,293,774	\$ 1,425,152	\$ 1,569,667	\$ 1,728,634	\$ 1,816,066	\$ 1,907,869	\$ 2,004,262	\$ 2,105,475	\$ 13,850,898
EBITDA	\$ 107,506	\$ 116,256	\$ 125,882	\$ 136,470	\$ 142,293	\$ 148,408	\$ 154,828	\$ 161,570	\$ 1,093,214
Interest, Depreciation, and Amortization	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 63,750	\$ 510,000
Net Profit Before Taxes	\$ 43,756	\$ 52,506	\$ 62,132	\$ 72,720	\$ 78,543	\$ 84,658	\$ 91,078	\$ 97,820	\$ 583,214
Total Initial Investment	\$ 383,500								n/a
Initial Investment per Square Foot	\$ 848								n/a
Total Food Service Investment	\$ 308,500								n/a
Initial Food Service Investment per Square Foot ³	\$ 683								n/a
Total Retail Investment	\$ 75,000								n/a
Initial Retail Investment per Square Foot ³	\$ 165								n/a

Section Five: Management, Staffing, Operations & Environmental Sustainability

The company must demonstrate its ability to effectively manage all units and operations, which also includes quality leadership and adequate levels of staffing. The company must also demonstrate its commitment to reliable, safe, clean and well-merchandised operations, as well as a proactive and consistent approach to preserving the units (including equipment). Detail environmental sustainability measures that you currently or will practice in the operation of the business, including (where applicable) separation of waste, recycle and compost, and use of compostable materials.

1. Describe your management and staffing structure. Describe methods used to determine the levels of staffing required to provide excellent customer service, product quality and a well-maintained/clean unit. Indicate your commitment to meeting the operational conditions of the airport environment in specific regard to the operating hours. Explain the company's philosophies and goals regarding recruitment and retention of management and front-line staff.

Response: Concourse Concessions LLC is a small business with a flat, horizontal management structure, meaning that there are few layers of management between the company president and the sales associates who interface with our customers. The General Manager of our Sea-Tac operations reports directly to the president of the company. At the same level as the GM, are also the primary administrative managers including the Director of Finance, Director of Marketing & Communications, and the Senior Manager for IT Services. Collectively these four people, plus the company president, work as a team to assure that our operations run in a smooth and responsible manner.

At Sea-Tac, each store has a primary Supervisor who reports to the General Manager. Each Supervisor is responsible for the operations of their store. While each store also has Lead employees

to help the Supervisors organize the operation, all sales associates report directly to the Supervisors of their respective stores.

The General Manager is responsible for developing and adjusting our work schedules. To assure the highest levels of customer service, these schedules are based on our analysis of the following quantitative and qualitative factors:

- Daily report calculations of dollars per labor hour for each store. This figure must fall within an acceptable range. If too low, then labor needs to be reduced. If too high, then labor must be increased to maintain excellent customer service levels.
- Daily traffic forecast reports projected by the TSA, which is provided by the Port of Seattle. In addition, we consider specific flight schedules provided by the airlines in planning our work schedules.
- Monthly report calculations of the percentage of actual labor costs expended as compared with total sales. We analyze these figures for each store to make sure they remain at optimal levels. With percentages too low, then labor should be increased to assure excellent customer service. With percentages too high, then labor needs to be reduced due to excess idle time.
- Supervisor and employee schedule feedback. Communication, especially current and timely communication, is also critical to developing the schedule. Workers call in sick or take vacations. Some workers are more productive than others, such as new trainees vs. seasoned veterans. These factors are all considered when developing our schedules.

Other external factors must also be considered. For example, with the implementation of the City of Sea-Tac's Proposition 1, all standards relying on labor dollars had to be re-adjusted.

Our philosophy is one of collaborative management where all employees are encouraged to provide input toward the continuous improvement of our operations. This culture of continuous quality improvement emphasizes our commitment to provide the highest level of quality and service for our customers. As a concession operator at Sea-Tac Airport, the Port of Seattle will have direct access to company owners, managers and employees and will be provided a full directory of all contacts for Concourse Concessions.

Currently our operating hours are from 4:00 am – 12:00 am, to accommodate the scheduled flights on the concourses we operate. However during the period we are closed, Concourse still has employees working in our stores doing cleaning and maintenance so there is an employee presence 24 hours a day.

For the CEP Unit #8 location, Concourse is proposing to maintain operating hours on a 24-hour basis. This will better accommodate traveling customers and airport employees at all hours of the day or night and exhibit a deeper commitment to meeting the operational conditions of the airport.

The Concourse Concessions philosophy and goals in recruitment are to hire smart people who exhibit professionalism, integrity and passion for their work. We have a detailed training program that will teach our new hires the specifics of how to perform well in their jobs. If an employee is motivated and committed to their jobs, then our training program will take care of the rest. Our philosophy encourages each employee to learn

multiple job responsibilities and to work on an independent but supervised basis. After successfully completing their 90 day probationary period, the company increases our commitment to all employees with eligibility to participate in our extensive medical, dental and vision care insurance program and our 401k retirement programs. For Supervisors and our General Manager, they become eligible to share in our bonus program. As a result of our benefit Program, Concourse has not experienced any significant issues with employee retention. Overall it is important that our company maintains a positive and productive atmosphere within the work place for all of our employees.

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2. Describe your company's standards for day-to-day operations, including cleaning (areas and frequency), equipment and furniture up-keep, preventative maintenance schedules for all systems, and the means used to track and document these practices.

Response: The day-to-day standards of operation for our company are up-kept by strong coordination of efficient, product logistics, as well as cleaning and preventative maintenance schedules. By maintaining these routine schedules, our stores bring the highest quality products and service to the traveling public at Sea-Tac Airport. In our philosophy, quality is determined by freshness of ingredients and products. Our people pay close attention to the degree of freshness of all products we serve. We purchase in small quantities for frequent deliveries and keep close track on inventory on a bi-weekly basis. The General Manager upholds relationships with current vendors, maintains staffing schedules, handles the costs of goods sold, oversees food quality and communicating company goals and any alterations to the store supervisors and cashiers. In the past Concourse Concessions has been able

to be sufficiently staffed year-round due to the consideration of passenger forecasts and required production throughout the seasons. The General Manager also coordinates the logistic schedule between the utility and prep room employees. The prep room employees are in frequent communication with our utility workers, who then distribute the product orders for each store on a daily routine schedule, to guarantee high-quality and fresh products that are sold to our grab and go customers. Passenger forecast reports, flight schedules and observing previous monthly sales are key variables considered to give an estimate of required production to avoid over or under production.

The prep room is staffed by eight (8) employees who produce packaged items to sell at each store location. These employees rotate the items they produce, so everyone receives training on how to make all of the products. Our Prep employees are strictly trained on the principles of food safety and the requirements of the King County Health Department. They are required to wear gloves while assembling food items, as well as hairnets and long hair should be tied up out of the face. All of the products received from our vendors must be dated at the time of delivery and then put away by the staff. At the end of each day, the prep room maintains its own procedures for cleaning that include wiping down all surfaces, washing all used kitchen utensils, then sweeping and mopping the floor.

In addition to the General Manager, Concourse also employs a store Supervisor that is responsible for the logistics, food safety and cleaning of our stores. This Supervisor has a team of utility workers reporting to him/her to support in these areas. They will assure that the operating stores

follow a cleaning schedule during each shift; opening, mid-day and closing. After closing, we assign personnel to clean the exhaust hoods, grease generating equipment and other routine cleaning and maintenance.

Before employees take their breaks, they are required to do a store front check to make sure that the front of the house is in order and table surfaces are clean. It is easy to forget to check the front of the store when workers may be occupied behind the counter. This guiding principle helps to ensure that the storefront is kept up to a standard of cleanliness throughout the day. In each store there is a posted checklist of all items that must be cleaned or completed at the end of the shift. This checklist includes procedures for cleaning appliances, wiping down all surfaces and furniture, and essentially preparing the store to be in good condition for the next shift. Employees initial their names in the check box next to the chores and then it is up to the Lead 1 or Lead 2, whoever is on duty, to determine if the store cleanliness is held up to standard.

Periodically there will be mechanical complications with the appliances, or basic electrical or plumbing issues. However, our utility workers are knowledgeable on basic mechanical functions and are scheduled to verify when our appliances are in suitable operating condition on a weekly basis. In addition to our utility crew, Concourse retains professional vendors, such as GS Mechanical, NW Kitchen Exhaust, or Visions Espresso, to maintain our equipment in accordance with manufacturers' recommendations and specifications. All technicians work directly with our on-site Facility & Utility Manager, who is also responsible for basic electrical and plumbing needs. When required, he works directly with the Port of Seattle's Con-

cessions Facility Manager in accordance with airport standards and procedures to assure quality maintenance.

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3. Describe in detail, relevant to your type of business, environmental philosophies and practices that are a part of your day-to-day operation. All companies are required to participate in airport environmental composting and recycling initiatives. Companies are encouraged to use other environmental practices such as compostable service ware.

Response: At Concourse Concessions, we strive to be a part of the environmental solution at Sea-Tac Airport, and therefore participate in airport environmental and recycling initiatives by composting our coffee grounds and providing separate receptacles for garbage, recyclable paper, and glass bottles at each of our store locations. We provide these services to our customers and guests at the front of the house, but we also exercise these practices behind the scenes in our operations. Twice a day, at the end of the mid-day shift and after closing, trash and recycle are taken downstairs for disposal. Many of our products are delivered to us in boxes, plastic jugs, and liquid cartons that are recycled and properly separated before the times of disposal.

Our location at the Coffee Bean & Tea Leaf produces a large quantity of coffee grounds at the end of every day. We view the coffee grounds as not waste, but as a quite useful resource and is treated as so. Our response to disposing of the grounds is to have a separate receptacle, using a compostable liner, to collect grounds from the espresso and drip coffee. A few of our staff members grow a lot of their own food at home and have home gardens, so we give away a diminutive percentage of our used coffee grounds to them with every intention of the waste being put to good use and then dispose of the rest with the airport composting service. Our proposed Caffé D'arte featuring Macrina Bakery will participate in these established environmental programs at Sea-Tac Airport.

We also understand that not everyone knows where to separate debris or waste after a meal and it is easier to simply toss altogether into the garbage bin. The customer's ability to separate their wastage is contingent upon their own personal environmental ethics, accessibility, and knowledge of recycled material. As a solution we provide signage to indicate where various items, including our containers and service ware, belong to possibly educate people and essentially help our customers help us with our environmental efforts. To see that these efforts are successful, it is really a group effort from our customers as well as our employees and baristas that follow through with separation and ensure that the debris is in its correct receptacle.

In this new year, Concourse Concessions has started making substantial progress in terms of reducing our company's environmental footprint with the implementation of our plan to completely switch to using compostable service ware and packaging products that are "Cedar Grove Approved" at all of our stores, by the end of 2016. This is a major undertaking as we have identified the compostable replacement for each item that we use. We are also in the process of reviewing the new environmentally-friendly choices available with our packaging vendor Bunzl Distribution to determine the best solutions for our company and the airport. As prices are now coming down for these items, we are confident in meeting our goal by the time our Caffé D'arte featuring Macrina Bakery is open for business,

In addition to switching to using extensively compostable service ware, it is important to be conscientious of our drainage system and chemicals we use on a daily basis. Our company has committed to finding more environmentally friendly solutions to help keep our waterways clean as well. By using natural products to clean the sinks and wipe down surfaces, reduces the chance of harsh chemicals finding their way into major water sources and exposure to customers.

— Section 6 —

Job Quality, Workforce Training & Employment Continuity

— Section 7 —

Small Business Participation



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Section Six: Job Quality, Workforce Training, Employment & Service Continuity

The Port Commission supports the creation of business opportunities that foster economic prosperity, entrepreneurial initiative, increased job opportunity and job security. In addition, the Commission is committed to the creation of job opportunities that offer wage compensation and other benefits that allow employees to thrive and the empowerment to seize opportunities for personal and professional growth. The company must provide detail regarding its commitment to employment continuity, provision of quality jobs, sustainable wages, benefits and paid time off (PTO). If your company anticipates operating four or more units, you also will describe the company's efforts to have discussions regarding service continuity with labor organizations.

You must include information in a narrative response for each of the following items:

1. Wages and Compensation – Employers should pay a living wage rate. With the adoption of City of Sea-Tac Ordinance 13-1020 (commonly referred to as Proposition 1) and the decision in Filo Foods, LLC v. City of Sea-Tac (Case No. 89723-9), this expectation requires wage rates consistent with Ordinance 13-2010.

Response: Yes! Concourse Concessions currently provides our employees with a living wage rate in accordance of Ordinance 13-1020. We have been in full compliance with ordinance 13-1020 (Prop 1) as soon as the judge's ruling was released in August 2015. As a small local company we responded and adapted quickly to the increased wages without waiting for a decision of consideration. In the face of prop 1, we were able to remain financially viable as an operating company by considering more efficient methods and a thorough revision of our substantial benefits package. Our quick adaptation to this proposition displays our competency to support regional economic vitality.

- a. State the starting pay scale for non-managerial, hourly employees anticipated to be employed in the operation and whether consistent with Ordinance 13-1020.

Response: The starting pay rate of non-managerial, hourly employees begins at \$15.24 per hour consistent with Ordinance 13-1020.

- b. Describe other forms of compensation (tips, sales commissions, bonuses) and/or benefits provided.

Response: Concourse Concessions offers a benefits plan, which represents a portion of the total compensation package. In addition to medical, dental and vision care insurance and PTO benefits, other forms of compensation would include cash tips from customers and an annual holiday bonus that is contingent upon the year's sales. All service tips received by employees shall be retained by or paid to the non-managerial workers who perform services for the customers. Also in regards to holiday compensation, all regular full-time and part-time employees are immediately eligible for premium pay for hours worked during a holiday. For the sake of employee classification terms, 'full-time employees' are those who work permanent workweeks of 30 hours or more, and 'part-time employees' are those whose permanent workweek is between 1-29 hours per week. Concourse Concessions uses provisions of the Federal Wage & Hour Law as well as applicable state law with regard to classification of Regular Full-Time employees as "exempt" or "non-exempt". Hourly employees required to work on a scheduled holiday receives holiday premium pay.

In addition, Concourse offers all employees the opportunity to participate in our 401k retirement program, where the company will match employee tax free contributions, up to certain limits per year.

- c. Indicate your commitment to continued compliance with the future wage increases provided by Ordinance 13-1020.

Response: Concourse Concessions has committed to full compliance with Ordinance 13-1020 with a starting minimum wage of \$15.24 per hour. Furthermore every first day of January, a "cost of living" increase will apply to the minimum hourly wage.

2. Paid Time Off - Employers should provide a minimum level of sick and safe time or paid time off ("PTO") to their employees, at a rate of at least one hour for every forty hours worked, either cash-out unused PTO at year-end or allow employees to carry over a minimum of 40 hours of PTO from year to year, and allow the reinstatement of any accrued PTO if an employee returns to employment after separation or transfer. Note that these expectations may actually exceed the requirements of Ordinance 13-2010. Provide information about the degree to which these expectations will be met and/or exceeded.

Response: In regards to paid leave; our company has set policies for accrued PTO (Sick & Safe), Worker's Compensation, Bereavement, and Military Leave. All hourly employees, as of August 31st, are eligible for "Sick & Safe" time. Under Sick & Safe, leave will accrue at 1-hour per 40 hours worked. This leaves a maximum impending amount of 52 hours accrued per year. Any unused Sick & Safe hours will be cashed out and paid in one lump sum after 1-year and cannot be carried over to the following year. Sick & Safe can be used at the employee's discretion anytime for vacation, sick days, family emergencies or any of forms of personal leave as soon as it is accrued without question.

If an employee returns to work after separation or transfer, our company will allow reinstatement of any previously accrued hours as long as it is within the same year. However due to our hours of

operation and scheduling, the company requests that a Leave of Absence be a maximum of three weeks unless otherwise approved and we cannot guarantee employment if the leave is any longer. Unpaid personal leaves are reviewed on a case-by-case basis and dependent on the company's ability to fill the vacant position during the leave period without disruption of efficient business operations.

For any work related injuries, our employees are instructed to apply for Worker's Compensation benefits and to notify their manager.

Regular Full-Time employees, who have satisfactorily completed the introductory period, are eligible for Bereavement, which is up to 16 hours of paid time off in the event of a death in their immediate family. Paid bereavement time off for someone other than immediate family requires the approval of the company president. Requests for additional time off will be considered by management and may be granted as vacation or Unpaid Leave.

Our policy for Military Leave states that employees who are drafted or voluntarily enlist in the armed forces of the United States may be eligible for Military Leave and will retain re-employment rights in conformity with Federal and state law. When an employee is required to attend a drill or alert session, management must be notified immediately. The employee is required to submit the applicable documentation confirming the Military Leave prior to departure. Upon return, the employee must provide a release, which includes information on the number of days served. An employee who is on leave for military duty will not receive regular pay but may use vacation during his/her time off.

Our policies also include Medical Leave, Leave of Absence, and Unpaid Personal Leave.

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3. **Affordable Care Act Compliance** – Employers should provide health insurance to their full-time employees, consistent with the requirements of the Affordable Care Act ("ACA"). Employers should provide information about the provision of health insurance to full-time employees consistent with the requirements of the ACA.

Response: Concourse Concessions has always offered healthcare that covers a plan for medical, vision and dental for our employees. Medical, Vision, and Dental insurance coverage under the Company's Insurance Plan is provided for "Eligible Employees" who work an average of 30 hours per week and are regularly in active employment of the company. New hires will be eligible for healthcare insurance coverage after 30 days of hire date.

Councourse Concession's medical plan is with Group Health Cooperative, and features provisions to be treated by "out-of-network" providers. Our dental plan is with Delta Dental and our vision plan is through VSP. Our medical plan and associated benefits are first rate.

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4. **Employee Training** - Outline employee training practices, including a brief description of customer service, merchandise/menu and store operations training or any other training programs unique to the proposed concepts provided to employees.

Response: New employees undergo a 2-3 week training process in building a foundation to their understanding of our standard operating procedures. Although the training takes about 2-3 weeks, the company has established a 90-day introductory period during which new employees' performance will be evaluated. During training, employees familiarize themselves with food and

drink preparation, day-to-day cleaning and maintenance schedules, and knowledge of the products we sell as well as the background information of the brands we carry. Our newly hired personnel are typically trained under the Supervisors and of course are assisted by fellow co-workers with any addition questions. New hires are trained in customer service, such as typical greeting and leaving responses and appropriate demeanor, when handling customers by referring to a prepared script for reference and/or reviewing conversational scenarios with the leads. Also our store offers a vast quantity of drinks for both coffee and tea varieties. Although it takes more time to memorize the drink menu, we feel it is our competitive advantage to host a large selection of teas and ice blended varieties. For employee and customer reference, the recipes and ingredients of each beverage and food items are documented in the recipes section of a binder kept underneath the register along with basic training guidelines and directives.

In addition, we have also held Diversity Training. In a location that is a traveling platform and work setting to many people from all backgrounds, it is important that people feel respected, and that in turn has helped maintain a strong and focused workforce.

Being a franchise to a nationally known company has some major benefits for small businesses, including annual barista trainings where we send two representatives from our store to Los Angeles, the hometown of Coffee Bean & Tea Leaf, to continue to develop and improve our techniques in making coffee and espresso. The CBTL Barista Trainings are typically held over two full days of workshop training on how to correctly pull espresso shots, knowledge of timing, and crafting of

drinks. After the training, the two representatives return home and update the rest of the employee crew on what they have been instructed. This helps to keep their company goals aligned with ours and provides elevated training to our staff. Our efforts to follow through with the training and quality control led to a Barista Competition held in our Sea-Tac store. The baristas who placed in 1st, 2nd, and 3rd received cash prizes as an incentive however this competition essentially encourages our baristas to pay closer attention to both product quality and timeliness in drink preparation. Last year our local winner, Melissa Deal, was sent to the national barista competition in Los Angeles.

In addition to our baristas receiving training, Coffee Bean & Tea Leaf also hosts a separate training in Los Angeles, CA exclusively for General Managers to collectively convene and discuss techniques relating to sales goals, management styles and upcoming items on the CBTL company agenda. This convention has offered tools to help management understand the product and bridged a network between all of the general managers associated with their company. These training workshops have offered extensive and invaluable training to our baristas and general managers on quality control and sales techniques that have helped benefit our business over the years.

These training tools have proven successful outcomes for us in the past. In continuation with expanding these fundamentals, Caffé D'arte will facilitate barista trainings to our employees at the Caffé D'arte Roasting facilities just miles away from the airport. This way the baristas will receive prestigious training under the guidance of master coffee roasters and also have access to the source of products for full product knowledge. Caffé D'arte hosts a highly acclaimed training

academy where their staff of trained coffee professionals offer workshop services from basic training for baristas to advanced latte art classes.

Separately, our employees will also receive training from Miro Tea. Each type of tea requires its own specific steeping methods to bring out the best aroma and flavor integrity from tea masters at Miro Tea.

Furthermore, our baristas and prep room employees will also have access to training from Macrina Bakery in assembling their menu items so that original quality will remain consistent within our operations. We feel it is in our best interest to receive separate trainings from each of our partners to not only honor their award-winning validity but also to train under the best in each of their areas of expertise.

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5. **Employment Continuity Pool** – Employers should provide a commitment to interview qualified, non-managerial, non-supervisory and non-confidential employees from the Port's Employment Continuity Pool, managed by a third party vendor, before considering applications outside the pool. If the award of this opportunity may result in the operation of four (4) or more units at Sea-Tac, you are expected to provide a commitment to hire such employees from the pool. For employees that may be hired from the pool, employers should indicate a commitment to retaining those employees for a minimum of a 90-day "trial period" and the conditions for such "trial period." If you do not believe that participation in the Port's Employment Continuity Pool will be applicable, please explain in your submittal.

Response: Concourse Concessions is an Equal Employment Opportunity (EEO) employer. Our company is composed of a very diverse group of individuals and emphasizes the importance of creating a secure workplace of mutual respect across multicultural platforms. Individuals must be treated fairly, regardless of race/national origin,

credentials, religion, sex/sexual orientation, age, disability or veteran status that complies with state federal laws and regulations affecting all protected classes. As an equal opportunity employer, our company holds a commitment to interview all qualified, non-managerial, non-supervisory, and non-confidential employees from the Port's Employment Continuity Pool, before considering applications outside of the pool.

Our objective is to provide an environment, which allows for personal growth and career advancement. To meet this goal, hiring from within is often a primary consideration as new positions become available, so upon employment it is important for employees to discuss their career objectives. Combined with our commitment to EEO, Concourse Concessions's sincere goal is to offer employees a working environment which encourages professional growth and success.

The company has established a 90-day introductory period during which new employees' performance will be evaluated. A current employee, promoted or assigned to a new position, serves the same introductory period in the new position. The performance review program is designed to provide a method of evaluating each individual's overall contribution to the company, to evaluate employee's performance, and to enhance two-way communication to identify expectations regarding the company and the goals and objectives of individuals.



6. Service Continuity Assurances – If the award of this opportunity may result in the operation of four (4) or more units, the Commission expects that the company will document good faith discussions with labor organizations representing incumbent employees. If applicable, provide documentation, such as phone logs, emails, journals, agendas and/or notes that show these efforts. If you believe that this assurance is not applicable to your proposal, please explain in your submittal.

Response: Should the award to operate the proposed space be given to Concourse Concessions, we are committed to first interview every one of the incumbent employees of the previous operator who would like to continue working and transition over to our company. The policy of equal opportunity would cover all aspects of an employment relationship with incumbent employees of the current location. This includes an equal opportunity for initial employment, transfers, and training opportunities as well as an implementation of benefit plan policies. As an equal opportunity employer, Concourse Concessions does not discriminate against different able persons, and complies with state and federal laws affecting such persons. Combined with our commitment to EEO, Concourse Concession's sincere goal is to offer employees a working environment, which encourages professional growth and success.

If the incumbent employees are represented by a labor organization, Concourse will have good faith discussions with that organization and document those discussions in detail, in the manner suggested above (i.e. phone logs, emails, journals, agendas and/or notes that show these efforts).

The award of this CEP Unit #8 to Concourse Concessions will result in our company operating four (4) units at Sea-Tac Airport. However, with lease expirations of our current stores in 2016, our continued operation of four (4) units at Sea-Tac will be short lived, with the majority of those employees hopefully relocated within the airport.

Section Seven: Small Business Participation

The Port Commission supports the creation of business opportunities that foster economic prosperity and entrepreneurial initiative. The Port Commission also recognizes that small businesses are key to the success and growth of our local, regional and national economies.

1. Indicate whether you qualify as a small business relative to the standards adopted by the U.S.

Small Business Administration (SBA) in accordance with the size standards for your North

American Industry Classification System (NAICS) code established by the SBA. If you qualify as a small business, include the following information in your proposal:

- Business address and state and date of the establishment of your business

Concourse Concessions LLC

22518 Marine View Drive S.
Des Moines, WA 98198

Date of Establishment: August 1, 2003

- NAICS code for your business

Response: NAICS Code: 722513 for Carry-Out Restaurants. It is also confirmed that we are in compliance with the requirements of the size standards associated with this code, as well as confirmation that we are current with our Airport Concession Disadvantaged Business Enterprise (ACDBE) status according to the Washington State Office of Minority & Women's Business Enterprises. As a certified ACDBE company, by definition, we are a small business.

See attachments (7a)

- Average annual receipts over the last three years

Response: Our average annual gross receipts over the last three years is \$4,662,835.

- Confirmation that your business is organized for profit.

Response: Concourse Concessions filed as a for-profit business and was accepted as a limited liability company on August 1, 2003 by the Secretary of State of Washington. Attachment (1a)

- Confirmation that your business operates primarily in the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor.

Response: Since inception, Concourse Concessions has operated only in the United States, of America and the State of Washington. Concourse Concessions has retained records of paying the Internal Revenue Service (through its owners tax payments), payment of Business & Occupation taxes and Leasehold taxes to the Washington State Department of Revenue. The UBI number associated with Concourse Concessions is 602-316-087. All of our team members are local, American companies.

- Federal Tax Identification number

Response:

Our Federal Tax ID number is 20-0149579.

- Confirmation that your business is independently owned and operated

Response: Confirmation that our business is independently owned and operated can be verified from the Secretary of State of Washington showing that David Fukuhara and Mark Takisaki are the sole owners of the company. Also our business is regularly reviewed and visited by the State of Washington OMWBE as part of the ACDBE re-certification process.

- Confirmation that your business is not dominant in its field on a national basis.

In connection with this item, the Port may also consider some of the information provided in response to Section One, including (but not necessarily limited to) the respondent's organizational structure, details about respondent's organization structure, and the number of employees.

Response: Our business is locally owned and operated in Washington State with services solely accessible at Sea-Tac International Airport.

2. Indicate whether and to what degree you commit to, and your proposed operation will include, any of the following four opportunities for participation by local, small and/or disadvantaged firms. A respondent should describe how its commitment meaningfully and significantly supports local, small, and/or disadvantaged businesses participation.

- Sourcing products and/or supplies from local, small and/or disadvantaged firms

Response: Since Concourse Concessions LLC is an Airport Concession Disadvantaged Business Enterprise (ACDBE) certified company, all of the revenues earned from operating CEP Unit #8 will be 100% generated from a bona-fide disadvantaged business company.

Then, the concept team we have assembled from both a branding and a primary sourcing standpoint, are all local companies. That means the revenues generated by our Caffé D'arte featuring Macrina Bakery concept will largely stay in our region. As the revenues stay in this region, so will the associated jobs.

In addition, our other major vendors Fran's Chocolates, Miro Teas, Mesher Shing McNutt Architects & Designers and our contractor MJ Takisaki are all locally owned small business companies as well.

On our team, we also have three (3) minority owned companies, Miro Tea, MJ Takisaki, and Mesher Shing McNutt.

However, when it comes to quality of our products and service, Concourse Concessions will not compromise our standards. We have reached out and assembled the team that will provide the highest quality products and branding, the team that has proven to work in harmony with us, and work well together, the team that will reflect most positively on Sea-Tac Airport, the Port of Seattle and our entire region. In the case of Concourse Concessions having the specific experience, existing relationships, and financial strength to bring this team together in this proposal, we happen to be an ACDBE company.

Concourse will continue to expand our secondary sourcing vendors to include additional small, disadvantaged, minority and women owned firms. Those who are qualified and able to fulfill our needs in a professional manner, will be added to our vendor base. This is an ongoing effort, that we believe enhances our own operations and our regional economy.

-
- Mentoring of one or more small businesses.

Response: Concourse Concessions has volunteered, in response to a request by the Port of Seattle, to mentor other small businesses interested in doing business inside Sea-Tac Airport. We have assembled a highly capable team of experienced managers and associates that will support the mentoring process of smaller, local and/or disadvantaged businesses in terms of brand management, customer service, and operations management in prominent high volume airport locations. We believe that the nature of the Port's CEP and RFP programs, will significantly expand the pie for our regional economy, leading to opportunities for many local businesses to thrive and grow. The Port can count on us to facilitate this process.

-
- Providing product placement opportunities for products produced by small, local or disadvantaged businesses.

Response: Each of our local businesses that we have chosen to partner with in this proposal share a mutual value of uncompromisable quality and have a unique philosophy and presence of their own. As we do assist with brand management and other aspects of visual aesthetics, we work alongside our partners in consideration of product selection and placement opportunities. Although our staff maintains merchandise displays, it is very important that our featured businesses give input to the look and feel of the store, product displays and other aesthetics that incorporate company values and a sense of integrity.

-
- Utilizing local, small and/or disadvantaged firms in the design and/or construction of your unit(s).

Response: For our previous build-out projects, we have worked with Mesher Shing McNutt for architecture and interior design services. Mesher Shing McNutt is full small boutique architecture and interior design firm based in Seattle, WA. The firm is a small business and certified Minority Business Enterprise (MBE) company.

Our contractor, MJ Takisaki, is also a small business and certified Minority Business Enterprise (MBE) owned company (MBE #M4M0020693).



Attachments



CONCOURSE CONCESSIONS

Sea-Tac International Airport
COFFEE BEAN & TEA LEAF • WAJI'S at SEA-TAC • LA PISA CAFÉ



*“Our mission is dedicated
to bringing innovative, quality
food concession services
to high-traffic environments.”*

G. Page Tanagi

Director of Marketing - Concourse Concessions

HARRIS, MERICLE & WAKAYAMA

A Professional Limited Liability Company

A T T O R N E Y S A T L A W

GLORIA LUNG WAKAYAMA
e-mail: glwakayama@hmvwlaw.com

999 THIRD AVENUE, SUITE 3210
SEATTLE, WASHINGTON 98104

FAX (206) 624-8560
(206) 621-1818

Port Townsend Office
213 TAYLOR STREET
PORT TOWNSEND, WASHINGTON 98368

FAX (360) 379-9378
(360) 379-9377

August 12, 2003

David Fukuhara
C/o Paracom, LLC
1011 SW Klickitat Way Suite C-109
Seattle, Washington 98134-1103

Mark Takisaki
Takisaki Inc.
1312 S. Weller Street
Seattle, Washington 98144

Re: Concourse Concessions, LLC

Dear David and Mark:

It was good to meet with you both to discuss your exciting new business opportunities!! I am pleased to report that Concourse Concessions, LLC was officially accepted as a Washington limited liability company on August 1, 2003. Enclosed for your files is a copy of the official Certificate of Formation issued by the Secretary of State's office and copies of the Certificate of Formation and Consent of Registered Agent that we filed on your behalf.

As you know, the membership interests, the manner in which decisions are to be made and ongoing operations are to be managed, buy-out provisions, etc. are generally spelled out in the LLC's "operating agreement." Based upon our conversations, I am enclosing a draft operating agreement for your review and consideration as you continue your discussions with your potential third principal.

Finally, although we have not yet received the LLC's tax identification number, we should be receiving it shortly and will forward it to you once it has been received.

As always, please feel free to call me if you have any questions.

All the best,

HARRIS, MERICLE & WAKAYAMA



Enclosures

Gloria Lung Wakayama

UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, SAM REED, Secretary of State of the State of Washington
and custodian of its seal, hereby issue this

CERTIFICATE OF FORMATION

to

CONCOURSE CONCESSIONS, LLC

A Washington Limited Liability Company. An application was
filed for record in this office on the date indicated below

UBI Number: 602 316 087

Date: August 01, 2003

Given under my hand and
the Seal of the State of
Washington at Olympia,
the State Capital



Sam Reed

Sam Reed
Secretary of State

100022-32116-0871

FILED
SECRETARY OF STATE

AUG 01 2003

STATE OF WASHINGTON

CERTIFICATE OF FORMATION
OF
CONCOURSE CONCESSIONS, LLC

1. The name of the limited liability company is CONCOURSE CONCESSIONS, LLC
2. The address of the registered office is 999 Third Avenue, Suite 3210, Seattle, Washington 98104. The name of the registered agent is Gloria Lung Wakayama.
3. The principal place of business of the limited liability company is 1011 SW Klickitat Way, Suite C-109, Seattle, Washington 98134-1103.
4. The duration of the limited liability company is perpetual.
5. The management of the limited liability company shall be vested in its Managing Members.
6. The name and address of each person executing this Certificate of Formation is as follows:

Gloria Lung Wakayama
Harris, Mericle & Wakayama, PLLC
999 Third Avenue, Suite 3210
Seattle, WA 98104

Dated this 29th day of July, 2003.


Gloria Lung Wakayama

CONSENT TO SERVE AS REGISTERED AGENT

I, Gloria Lung Wakayama, do hereby consent to serve as registered agent in the State of Washington for CONCOURSE CONCESSIONS, LLC. I understand that as agent for the limited liability company, it will be my responsibility to receive service of process in the name of the limited liability company, to forward all mail to the limited liability company, and to immediately notify the Office of the Secretary of State in the event of my resignation, or of any changes in the registered office address of the limited liability company for which I am agent.

DATED this 29th day of July, 2003.


Gloria Lung Wakayama

UBI Number: 602 316 087

CONCOURSE CONCESSIONS, LLC

Your Initial Annual Report is due on December 01, 2003.

Keep this sheet as a reminder of the due date for filing
your initial annual report.

↓

Please see the enclosed letter for more information.

CONCOURSE CONCESSIONS, LLC
c/o GLORIA LUNG WAKAYAMA
999 3RD AVE STE 3210

SEATTLE WA 98104

DR02085



Washington
Secretary of State
SAM REED

CORPORATIONS DIVISION
James M. Dolliver Building
801 Capitol Way South • PO Box 40234
Olympia, WA 98504-0234
Tel 360.753.7115
Fax 360.664.8781
TDD 360.753.1485
www.secstate.wa.gov/corps

Congratulations:

You have completed the initial filing to create a new business entity.
To keep your filing status active and avoid administrative dissolution, you must:

1. **File an Initial Annual Report** within 120 days of the date your corporation or limited liability company (LLC) was filed. The due date for the Initial Annual Report is printed on the address sheet in this mailing. Please check the due date now and note it on your calendar. We will mail the Initial Annual Report form to you within a few days. Contact this office if you do not receive the Initial Annual Report form within two weeks. Please complete and return the Initial Annual Report, together with the \$10 filing fee.
2. **File an Annual Report** and pay the annual license fee each year before the anniversary of the filing date for the entity. The registered agent will be sent notice of the Annual Report requirement. But it is the corporation or LLC's responsibility to file the report even if no notice is received.
3. **Maintain a Registered Agent** and registered office in this state. You must notify the Corporations Division if there are any changes in your registered agent, agent's address, or registered office address. Failure to notify the Corporations Division of changes will result in misrouted mail, and possibly administrative dissolution.

The next step in opening your new business is to complete a Master Business Application. You may have completed this step already. The Master Business Application can be completed online or downloaded at:
<http://www.dol.wa.gov/businesses.htm>

If you have any questions about the master application, or would like a master application package mailed to you, please call the Department of Licensing at 360-664-1400.

If you have questions about report and registered agent requirements, please contact the Corporations Division at 360-753-7115 or visit our website at:
<http://www.secstate.wa.gov/corps>

Thank you.

Corporations Division
Office of the Secretary of State

**LIMITED LIABILITY COMPANY AGREEMENT
OF
CONCOURSE CONCESSIONS, LLC**

THIS LIMITED LIABILITY COMPANY AGREEMENT (the "Agreement") is made and entered into effective as of the date of the filing of the certificate of formation, by and among the parties whose signatures appear on the signature page hereof.

ARTICLE 1 -- DEFINITIONS

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Act" means the Washington Limited Liability Company Act (RCW Ch. 25.15).

"Capital Account" means the capital account determined and maintained for each Unit Holder pursuant to Section 7.3.

"Capital Contribution" means any contribution to the capital of the Company in cash or property by a Member whenever made.

"Certificate of Formation" means the certificate of formation pursuant to which the Company was formed, as originally filed with the office of the Secretary of State on August 1, 2003, and as amended from time to time.

"Code" means the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

"Deficit Capital Account" means with respect to any Unit Holder, the deficit balance, if any, in such Unit Holder's Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

- (i) credit to such Capital Account any amount that such Unit Holder is obligated to restore to the Company under Treasury Regulation Section 1.704-1(b)(2)(ii)(c), as well as any addition thereto pursuant to the next to last sentences of Treasury Regulation Sections 1.704-2(g)(1) and (i)(5); and
- (ii) debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

This definition of is intended to comply with the provisions of Treasury Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

"Distributable Cash" means all cash received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and other sums paid or payable to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; and (iii) Reserves.

"Economic Interest" means a Unit Holder's share of Net Profits, Net Losses, and other tax items of the Company and distributions of the Company's assets pursuant to this Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members.

"Economic Interest Owner" means the owner of an Economic Interest who is not a Member.

"Majority Interest" means, at any time, more than fifty percent (50%) of the then outstanding Units held by Members.

"Manager" means Bruce Abe and any other Person who may become a substitute or additional Manager as provided in Article 5.

"Member" means each Person who executes a counterpart of this Agreement as a Member and each Person who may hereafter become a Member.

"Membership Interest" means all of a Member's share in the Net Profits, Net Losses, and other tax items of the Company and distributions of the Company's assets pursuant to this Agreement and the Act and all of a Member's rights to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members.

"Percentage Interest" means with respect to any Unit Holder the percentage determined based upon the ratio that the number of Units held by such Unit Holder bears to the total number of outstanding Units.

"Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

"Regulations" includes proposed, temporary and final Treasury regulations promulgated under the Code and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

"Reserves" means, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed

sufficient by the Members for working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.

"Unit Holder" means a Person who is a Member or who holds an Economic Interest but is not a Member.

"Units" means the Units issued to any Member under this Agreement as reflected in attached Schedule 1, as amended from time to time.

ARTICLE 2 -- FORMATION OF COMPANY

2.1 Formation. The Company was formed on August 1, 2003, when the Certificate of Formation was executed and filed with the office of the Secretary of State in accordance with and pursuant to the provisions of the Washington Limited Liability Company Act (the "Act").

2.2 Name. The name of the Company is "**CONCOURSE CONCESSIONS, LLC**"

2.3 Principal Place of Business. The principal place of business of the Company shall be 1011 SW Klickitat Way, Suite C-109, Seattle, Washington, 98134-1103. The Company may locate its places of business at any other place or places as the Members may from time to time deem advisable.

2.4 Registered Office and Registered Agent. The Company's initial registered agent and the address of its initial registered office in the State of Washington are as follows:

<u>Name</u>	<u>Address</u>
Gloria Lung Wakayama	999 Third Avenue, Suite 3210 Seattle, Washington, 98104

The registered office and registered agent may be changed by the Members from time to time by filing an amendment to the Certificate of Formation.

2.5 Term. The term of the Company shall be perpetual, commencing upon the filing of the filing of the certificate of formation, unless the Company is earlier dissolved in accordance with the provisions of the Agreement.

ARTICLE 3 -- BUSINESS OF COMPANY

3.1 Purposes. The purposes of the Company are to own and operate restaurant concessions and franchises and to engage in any lawful business activity.

3.2 Authority. To accomplish the purposes of the Company, the Company may

engage in any lawful business enterprise allowed under the Act and engage in any activities necessary or proper for carrying out the purposes of the Company. Specifically, the Company has, but is not limited to, the authority to:

- own and operate the investments, real estate, and other interests that are described in Exhibit A, which is attached to and incorporated into this Agreement by reference, or that may be later acquired by the Company,
- make such other investments, loans, or acquisitions as the Members deem appropriate, and
- do, perform and carry on any lawful business or activity which may be conducted by a limited liability company organized under the Act and engage in or exercise all powers which may be necessary, incidental or convenient to carry out the business of the Company as contemplated by this Agreement.

ARTICLE 4 -- NAMES AND ADDRESSES OF MEMBERS

The names and addresses of the Members are set forth on attached Schedule 1, as amended or restated from time to time.

ARTICLE 5 – MANAGERS; RIGHTS AND DUTIES

5.1 Management. The business and affairs of the Company shall be managed by the Managers, David Fukuhara and Mark Takisaki. Except as otherwise expressly provided in this Agreement, the Managers shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may take any action permitted to be taken by the Managers, unless the approval or more than one of the Managers is expressly required by this Agreement or the Act. Without limiting the generality of the foregoing, the Manager shall have power and authority, on behalf of the Company:

- (i) to acquire property from any Person as the Manager may determine, and the fact that a Manager or a Member is an Affiliate of such Person shall not prohibit the Manager from dealing with that Person;
- (ii) to borrow money from financial institutions, the Manager, Members, or Affiliates of the Manager or Members on such terms as the Manager deems appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;

(iii) to purchase liability and other insurance to protect the Company's property and business;

(iv) except as provided in Section 6.4, to acquire, improve, manage, charter, operate, sell, transfer, exchange, encumber, pledge or dispose of any real or personal property of the Company;

(v) to invest Company funds temporarily in time deposits, short-term governmental obligations, commercial paper or other short-term investments;

(vi) to execute instruments and documents, including without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, operating agreements of other limited liability companies, and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company;

(vii) to employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

(viii) to enter into any and all other agreements with any other Person for any purpose, in such form as the Manager may approve;

(ix) from time to time open bank accounts in the name of the Company, and the Manager shall be the sole signatory thereon, unless the Manager determines otherwise; and

(x) to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Unless authorized to do so by this Agreement or by the Manager, no Member, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose.

5.2 Compensation. The Managers, shall devote the requisite time, effort and skill to accomplish the purposes of the Company and may receive reasonable compensation based on amounts paid to individuals and entities with similar levels of skill and experience. The Managers shall be reimbursed by the Company for reasonable out-of-pocket expenses incurred by the Manager in connection with the Company's business, including without limitation expenses incurred in the organization of the Company.

5.3 Limitation on Liability; Indemnification. Neither the Manager nor any Affiliate of the Manager shall be liable, responsible or accountable in damages or otherwise

to the Company or the Members for any act or omission by any such Person performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided that such act or omission did not constitute fraud, misconduct, bad faith or gross negligence. The Company shall indemnify and hold harmless the Manager, and each director, officer, partner, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the Company or in furtherance of the Company's interests without relieving any such Person of liability for fraud, misconduct, bad faith or negligence. No member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned Persons.

Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Person claiming indemnification under this Section 5.3 for legal expenses and other costs incurred as a result of a legal action brought against such Person only if (i) the legal action relates to the performance of duties or services by the Person on behalf of the Company, (ii) the legal action is initiated by a party other than a Member, and (iii) such Person undertakes to repay the advanced funds to the Company if it is determined that such Person is not entitled to indemnification pursuant to the terms of this Agreement.

5.4 Removal. At a meeting called expressly for that purpose, the Manager may be removed at any time, with or without cause, by the affirmative vote of the holders of two-thirds of the Units held by Members. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.5 Vacancies. Any vacancy occurring for any reason in the number of Managers may be filled by the affirmative vote of a majority of the remaining Managers. If there are no remaining Managers, the vacancy shall be filled by the affirmative vote of the holders of a Majority Interest.

5.6 Right to Rely on the Manager. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by any Manager as to the identity and authority of any Manager or other Person to act on behalf of the Company or any Member.

ARTICLE 6 -- RIGHTS AND OBLIGATIONS OF MEMBERS

6.1 General Limitation of Liability. Each Member's liability shall be limited as set forth in this Agreement and the Act.

6.2 Liability Limited for Company Obligations. Except as otherwise required by law, Members shall not be personally liable for any debts, obligations or liabilities of the Company beyond their respective Capital Contributions.

6.3 Limitation on Liability; Indemnification. Members shall not be liable, responsible or accountable in damages or otherwise to the Company or the other Members for any act or omission performed in good faith pursuant to the authority granted to such Member by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Member to be within the scope of the authority granted to such Member and in the best interests of the Company; provided that such act or omission did not constitute fraud, intentional misconduct, gross negligence, or a knowing violation of the law. The Company shall indemnify and hold harmless the Member against any liability, loss, damage, cost or expense incurred by them on behalf of the Company or in furtherance of the Company's interests without relieving any such Member of liability for fraud, intentional misconduct, gross negligence, or a knowing violation of the law. No Member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned Persons.

Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Member claiming indemnification under this Section for legal expenses and other costs incurred as a result of a legal action brought against such Member only if (i) the legal action relates to the performance of duties or services by the Member on behalf of the Company, (ii) the legal action is initiated by a party other than a Member, and (iii) such Member undertakes to repay the advanced funds to the Company if it is determined that such Member is not entitled to indemnification pursuant to the terms of this Agreement.

6.4 Approval of Sale of All Assets. The Company shall not sell, exchange or otherwise dispose of all, or substantially all, of its assets without the affirmative approval of Members holding in the aggregate a majority of the Percentage Interests in the Company.

6.5 Inspection of Records. Upon reasonable request, each Member shall have the right to inspect and copy at such Member's expense, during ordinary business hours the records required to be maintained by the Company pursuant to this Agreement or the Act.

6.6 No Priority and Return of Capital. Except as expressly provided in this Agreement, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided, that this Section shall not apply to loans made by a Member to the Company.

6.7 Withdrawal of Member. Except as expressly permitted in this Agreement, no Member shall voluntarily resign or otherwise withdraw as a Member. Unless otherwise

approved by Members holding a Majority Interest, a Member who resigns or withdraws shall be entitled to receive only those distributions to which such Person would have been entitled had such Person remained a Member (and only at such times as such distribution would have been made had such Person remained a Member). Except as otherwise expressly provided herein, a resigning or withdrawing Member shall become an Economic Interest Owner. The remedy for breach of this Section shall be monetary damages (and not specific performance), which may be offset against distributions by the Company to which such Person would otherwise be entitled.

ARTICLE 7 -- CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

7.1 Members' Capital Contributions. Each Member shall have a capital account on the books of the Company ("Capital Account") and shall contribute such amount set forth in the attached Schedule 1 as such Member's share of the Members' Initial Capital Contribution.

7.2 Additional Contributions. If the Members holding a majority of the Percentage Interests decide that additional capital is reasonably necessary to meet the expenses of the Company, the Manager shall give written notice to each Member of the amount of any required additional Capital Contribution, and each Member shall be entitled, but not required, to pay to the Company his or her pro rata portion of such additional Capital Contribution no later than forty-five (45) days following the date such notice is given.

If and to the extent that any Member does not contribute his or her full pro rata share of such additional capital within such 45-day period, those Members who have contributed a full pro rata share shall be entitled, but not required, to contribute a portion of the difference between the aggregate amount of the additional capital contributions made and the aggregate amount of additional contributions sought in the proportion which his or her Percentage Interests bears to the Percentage Interests of all Members who have contributed their full pro rata share. In the event that a Member does not contribute his or her pro rata share of the additional capital, his or her percentage interest in the outstanding Percentage Interests of the Company shall be decreased in the proportion which his or her default bears to the entire Company capital at that time. If additional capital is needed and cannot be raised by the Members, additional Members may be admitted to the Company upon the unanimous agreement of the Members.

Nothing contained in this Section is or shall be deemed to be for the benefit of any Person other than the Members and the Company, and no such Person shall under any circumstances have any right to compel any actions or payments by the Members.

7.3 Capital Accounts.

7.3.1 Establishment and Maintenance. A separate Capital Account will be maintained for each Member throughout the term of the Company in accordance with the

rules of Treasury Regulation Section 1.704-1(b)(2)(iv). Each Member's Capital Account will be increased by (1) the amount of money contributed by such Member to the Company; (2) the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take the property subject to under Code Section 752); (3) allocations to such Member of Net Profits; (4) any items in the nature of income and gain that are specially allocated to the Member pursuant to this Agreement; and (5) allocations to such Member of income and gain exempt from federal income tax. Each Member's Capital Account will be decreased by (1) the amount of money distributed to such Member by the Company; (2) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take the property subject to Code Section 752); (3) allocations to such member of expenditures described in Code Section 705(a)(2)(B); (4) any items in the nature of deduction and loss that are specially allocated to the Member pursuant to this Agreement; and (5) allocations to such Member of Net Losses. In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest.

7.3.2 Compliance with Regulations. The manner in which Capital Accounts are to be maintained pursuant to this Section is intended to comply with the requirements of Code Section 704(b) and the Treasury Regulations promulgated thereunder. If in the opinion of the Company's legal counsel or accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section should be modified in order to comply with Code Section 704(b) and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this Section, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

7.4 Withdrawal or Reduction of Members' Contributions to Capital. A Member shall not receive out of the Company's property any part of his or her Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them. A Member, irrespective of the nature of his or her Capital Contribution, has only the right to demand and receive cash in return for his or her Capital Contribution.

ARTICLE 8 -- ALLOCATIONS OF NET PROFITS AND LOSSES

8.1 Allocation of Net Profit and Loss - In General.

8.1.1 Allocation of Net Profit or Loss. After giving effect to the special allocations set forth in Sections 8.2 and 8.3, the Net Profit or Net Loss for any fiscal year of

the Company shall be allocated among the Unit Holders in accordance with their respective Percentage Interests.

8.1.2 Limitation. The Net Loss allocated to each Member for any Company fiscal year pursuant to Section 8.1.1 shall not exceed the maximum amount of Net Loss that can be so allocated without causing such Member to have a Deficit Capital Account at the end of the fiscal year. All Net Losses in excess of the limitation set forth in this Section 8.1.2 shall be allocated to the other Unit Holders who do not have Deficit Capital Accounts in proportion to their respective Percentage Interests.

8.2 Special Allocations. The following special allocations shall be made for any fiscal year of the Company in the following order:

8.2.1 Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during any Company fiscal year, each Unit Holder shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Unit Holder's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulation Sections 1.704-2(f) and 1.704-2(g)(2). The items to be so allocated, and the manner in which those items are to be allocated among the Unit Holders, shall be determined in accordance with Treasury Regulation Sections 1.704-2(f) and 1.704-2(j)(2). This Section 7.2.1 is intended to satisfy the minimum gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted and applied accordingly.

8.2.2 Member Minimum Gain Chargeback. If there is a net decrease in Member Minimum Gain during any Company fiscal year, each Unit Holder who has a share of that Member Minimum Gain, determined in accordance with Treasury Regulation Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Unit Holder's share of the net decrease in Member Minimum Gain, determined in accordance with Treasury Regulation Sections 1.704-2(i)(4) and 1.704-2(i)(5). The items to be so allocated, and the manner in which those items are to be allocated among the Unit Holders, shall be determined in accordance with Treasury Regulation Sections 1.704-2(h)(4) and 1.704-2(j)(2). This Section 8.2.2 is intended to satisfy the minimum gain chargeback requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted and applied accordingly.

8.2.3 Qualified Income Offset. In the event that any Unit Holder unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Unit Holder in an amount and in a manner sufficient to eliminate as quickly as possible, to the extent required by Treasury Regulation Section 1.704-1(b)(2)(ii)(d), the Deficit Capital Account of the Unit Holder (which Deficit Capital Account shall be determined as if all other allocations provided for in this Article 7 have been tentatively made as if this Section 8.2.3 were not in this Agreement).

8.3 Corrective Allocations-Allocations to Achieve Economic Agreement.

The allocations set forth in the last sentence of Section 8.1.2 and in Section 8.2 are intended to comply with certain regulatory requirements under Code Section 704(b). The Members intend that, to the extent possible, all allocations made pursuant to such Sections will, over the term of the Company, be offset either with other allocations pursuant to Section 8.2 or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section. Accordingly, the Company is hereby authorized and directed to make offsetting allocations of Company income, gain, loss or deduction under this Section in whatever manner the Company determines is appropriate so that, after such offsetting special allocations are made, the Capital Accounts of the Unit Holders are, to the extent possible, equal to the Capital Accounts each would have if the provisions of Section 8.2 were not contained in this Agreement and all income, gain, loss and deduction of the Company were instead allocated pursuant to Section 8.1.1. Any special allocations provided for herein are intended to comply with the regulatory requirements under Code Section 704(b).

8.4 Other Allocation Rules. Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Unit Holders in the same proportions as they share Net Profits or Net Losses, as the case may be, for the year.

ARTICLE 9 -- TRANSFERABILITY

9.1 Transfers Prohibited. Except as otherwise expressly provided in this Agreement, no Member may directly or indirectly sell, transfer, assign, pledge or otherwise encumber, voluntarily or involuntarily, all or any part of his or her Membership Units without the approval of the Members holding a majority of the Membership Units or as otherwise provided in this Agreement. In addition to the foregoing, any transfer or encumbrance shall be void unless it meets the following conditions:

9.1.1 The transferee consents in writing in a form satisfactory to the Members to be bound by the terms of this Agreement and complies with the terms of Section 9.7;

9.1.2 The transfer complies with all applicable laws and governmental rules and regulations, including without limitation any applicable federal or state securities laws; and

9.1.3 The transferring Member and the proposed transferee agree to pay all reasonable expenses, including attorneys' fees, incurred by the Company in connection with the transfer.

9.2 Transfers Allowed. The terms of Section 9.1 shall not restrict a transfer:

9.2.1 by any Member on account of such Member's death, provided the remaining Members holding a majority of the Membership Units consent and subject to the remaining Member's rights under Section 9.4 below;

9.2.2 in respect to any individual Member (or trustor of a membership interest held in trust), the transfer or assignment by gift or bequest by such Member, provided that the remaining Members holding a majority of the Membership Units consent and subject to the remaining Members' rights under Section 9.4 below.

9.2.3 by way of dissolution or liquidation to the beneficiaries of a trust, or equity owners of a Company, partnership or limited liability company, that would qualify as a transferee under Section 9.2.2; or

9.2.4 by any Member to another Member.

In the event of any transfer pursuant to this Section 9.2, the transferee shall be bound by this Agreement. In no event, however, shall any transfer pursuant to this Section 9.2 relieve the transferor of any of his or her obligations under this Agreement.

9.3 Withdrawal of Member. Except as expressly permitted in this Agreement, no Member shall voluntarily resign or otherwise withdraw as a Member. Unless otherwise approved by Members holding a Majority Interest, a Member who resigns or withdraws shall be entitled to receive only those distributions to which such Person would have been entitled had such Person remained a Member (and only at such times as such distribution would have been made had such Person remained a Member). Except as otherwise expressly provided herein, a resigning or withdrawing Member shall become an Economic Interest Owner.

In the event that any Member wishes to withdraw from the Company at the end of any calendar year, he, she or it must give written notice of his, her or its intention to withdraw to the other Members at the principal office of the Company at least ninety (90) days prior to the end of such year. The withdrawal of any Member shall have no effect upon the continuance of the Company's business, but shall give the remaining Members the right to purchase the withdrawing Member's entire interest in the Company. If the remaining Members elect to purchase the interest of the withdrawing Member, they shall serve notice in writing of such election upon the withdrawing Member at the office of the Company within ninety (90) days after the receipt of his or her notice of intention to withdraw. In that event, the portion of the withdrawing Member's interest which each remaining Member shall be entitled to purchase and the determination of the purchase price shall be determined on the same basis as stated in Section 9.6, below. However, the method of payment shall be different. The purchase price shall be paid in twenty (20) semi-annual installments beginning six (6) months after the written request for withdrawal has been accepted by the Company, or nine (9) months after receipt of notice to withdraw. Interest on the unpaid balance shall be paid at a rate which is equal to one percent (1%) plus the Prime Rate published by The Wall Street Journal in its Money Rates column as of

the closing date, which prime rate shall not to exceed ten percent (10%). The purchase price and terms shall be reflected in a promissory note which shall be signed by the purchaser and delivered to the seller. The purchaser may prepay any portion of the note at any time without penalty. To the extent a Membership Interest is being purchased by more than one purchaser, each such purchaser shall execute a separate note. The withdrawing Member shall cease to participate in the profits or losses of the Company as soon as his, her or its withdrawal from the Company has been accepted.

If the remaining Members do not elect to purchase the entire interest of the withdrawing Member, the withdrawing Member shall become an Economic Interest Owner unless the remaining Members decide to add an additional Member(s) to acquire all of the withdrawing Member's Membership Interest at the same price and on the same terms as if the withdrawing Member's Membership Interest had been purchased by the remaining Members, or to liquidate the business of the Company. In the event that a proposed substitute Member is admitted as a Member, the substitute Member shall be assigned the rights and responsibilities of the withdrawing Member, and the Agreement shall be amended as hereafter provided. In the event that the remaining Members elect to dissolve and liquidate the Company, the Company assets shall be liquidated and distributed as provided in Section 10.2.

9.4 Death, Incompetency, Bankruptcy. In the event of the death, incompetency, adjudication of bankruptcy, or insolvency of any Member, the Company and the remaining Members shall have the right to:

- (a) Purchase the entire Membership Interest of the decedent;
- (b) Admit the legal heir of the decedent's Membership Interest as a Member of the Company upon the approval of the remaining Members holding a majority of the Membership Units and upon such heir signing and agreeing to be bound by the Limited Liability Company Agreement;
- (c) Admit one or more Members upon the approval of a majority of the remaining Members; or
- (d) Terminate and liquidate the Company in accordance with Article 10.

If the surviving Members or the Company elect to purchase the decedent Member's interest, they shall serve notice in writing of such election, within 120 days after the death of the decedent, upon the executor or administrator of the decedent's estate, or, if at the time of such election no legal representative has been appointed, upon any one of the known legal heirs of the decedent at the last known address of such heir.

In that event, the purchase price shall be based upon the value of the Units as of the date of the decedent Member's death as determined in accordance with Section 9.6, below.

Each of the surviving Members shall be entitled, but not required, to purchase a portion of the decedent's Membership Units in the same proportion that the number of Units held by the Member bears to the total number of Units held by all Members who wish to participate in the purchase. If and to the extent that any surviving Member does not purchase his or her full, pro rata share of the decedent Member's Units, each surviving Member who does purchase a full pro rata share shall be entitled, but not required, to purchase a pro rata portion of the remaining Units.

The purchase price as determined above shall be paid to the decedent's estate as follows: Twenty percent (20%) at closing with the balance payable over a period of 120 months. Interest shall be paid from the date of death until payment is made, at a rate which is equal to one percent (1%) plus the Prime Rate published by The Wall Street Journal in its Money Rates column as of the closing date, which prime rate shall not exceed ten percent (10%). The purchase price and terms shall be reflected in a promissory note which shall be signed by the purchaser and delivered to the seller. The purchaser may prepay any portion of the note at any time without penalty. To the extent a Membership Interest is being purchased by more than one purchaser, each such purchaser shall execute a separate note. At the date of death, the decedent will cease to participate in any Company profits or losses.

In the event that a Member becomes incompetent or is adjudicated to be bankrupt, his Membership Interests may be purchased in accordance with the method described above, pertaining to the purchase of a decedent Member's interest.

For purposes of this Agreement, the bankruptcy of a Member shall be deemed to have occurred when he is adjudicated bankrupt under federal bankruptcy laws or has executed and delivered an general assignment for the benefit of his creditors, or had a receiver appointed for a substantial portion of his or her assets, including his or her Membership Interests. A member shall be deemed to be incapacitated if he is adjudged incapacitated by a court of competent jurisdiction.

9.5 First Refusal Rights.

(a) A Member desiring to sell all or any portion of his Membership Interest to a third party purchaser shall obtain from such third party purchaser a bona fide written offer to purchase such Interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor. Such Member shall give written notice to the Company and the other Members of his intention to so transfer such Interest. Such notice shall set forth the complete terms of the written offer to purchase and the name and address of the proposed third party purchaser.

(b) The Company shall have the first right to purchase all (but not less than all) of the Interests proposed to be sold by the selling Member upon the same terms and conditions stated in the notice given pursuant to Section 9.5(a). If the Company declines to purchase all of the selling Member's Interests, the other Members, shall, on a

basis pro rata to their Membership Interests or on a basis pro rata to the Membership Interests of those remaining Members exercising their first refusal rights, have the first right to purchase all (but not less than all) of the Interests proposed to be sold by the selling Member upon the same terms and conditions stated in the notice given pursuant to Section 9.5(a) by giving written notice to the other Members within ten (10) days after such notice from the selling Member. The failure of a Member to so notify the other Members of his/her desire to exercise his/her first refusal rights within said ten (10) day period as required by this Section 9.5(b) shall result in the termination of such Member's first refusal rights.

Within ten (10) days after expiration of the ten (10) day period specified in the preceding paragraph, those Members electing to exercise their first refusal rights shall be notified of any Membership Interests that the other Members did not elect to purchase. Those Members exercising first refusal rights in accordance with the preceding paragraph shall then notify the other purchasing Members whether they elect to purchase such remaining Membership Interests, which shall be pro rata or allocated in such other manner as the purchasing Members shall agree. If no such notification is received by the selling Member in accordance with this paragraph, no Member shall have any further first refusal rights with respect to such Membership Interests.

If Members have elected to purchase all of the Membership Interests offered by the selling Member, the selling Member shall sell his Membership Interests upon the same terms and conditions specified in the notice required by Section 9.5(a), and the purchasing Members shall have the right to close the purchase within thirty (30) days after the purchasing Members have notified the selling Member of their intention to purchase all of the selling Member's Membership Interests.

If Members do not elect to purchase all of the Membership Interests offered by the selling Member in accordance with this Section 9.5, then the selling Member shall be entitled to sell such Membership Interests to the third party purchaser in accordance with the terms and conditions upon which the purchase is to be made as specified in the notice under Section 9.5(a). However, if such sale is not completed within thirty (30) days following expiration of the other Members, first refusal rights under this Section 9.5, then the selling Member shall not be entitled to complete the sale to such third party purchaser and the selling Member's Membership Interests shall continue to be subject to the rights of first refusal set forth in this Section 9.5 with respect to any proposed subsequent transfer.

(c) Upon the purchase of a Membership Interest, and as a condition to recognizing the effectiveness and binding nature of any sale and (subject to Section 9.8, below) substitution of a person as a new Member, the Members may require the transferring Member and the proposed purchaser or successor-in-interest, as the case may be to execute, acknowledge and deliver to the Members such instruments of transfer, assignment and assumption and such other agreements and to perform all such other acts that the Members may deem necessary or desirable to:

- (i) constitute such person as a Member;

(ii) confirm that the person desiring to become a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement;

(iii) maintain the status of the Company as a partnership for federal tax purposes; and

(iv) assure compliance with any applicable state and federal laws, including securities laws and regulations.

(d) Any sale or a Membership Interest or admission of a member in compliance with this Article 9 shall be deemed effective as of the last day of the calendar month in which the remaining Members, consent thereto was given, or, if no such consent was required pursuant to Section 9.7, then on such date that the transferor and the transferee both comply with Section 9.5(c). The transferring Member hereby indemnifies the Company against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article 9.

9.6 Price to be Paid for Membership Units.

(a) Within ninety (90) days after the end of each fiscal year of the Company or within ninety (90) days following the death of a Member, the then Members and/or the personal representative of a deceased Member shall meet and determine by a Majority Interest the fair market value of the Membership Units of the Company as of the end of the fiscal year or as of the Member's date of death. A written determination, signed by all Members, shall be filed with the Secretary of the Company. The value so indicated shall be designated the "determined value." If the Members fail to make a redetermination of value for a particular year, the last previously stipulated value shall control; except that, if the Members have not redetermined the value within the twelve (12) months immediately preceding the Member's withdrawal, death, incompetency or insolvency, the value of a Member's Membership Interest shall be determined by negotiation between the seller and purchaser. If they do not agree within ninety (90) days, the value shall be determined pursuant to Section 9.6(b).

(b) In the event that the Members are unable to agree on the determined value of the Membership Units as set forth in the foregoing paragraph within ninety (90) days, then the Manager shall select an appraiser who shall determine the value of the Company and whose determination shall be final. The cost of the appraisal shall be shared equally by the Members.

(c) The annual "determined value," whether determined by agreement or by appraisal, shall be binding and conclusive upon all parties hereto, their personal representatives and successors and all other persons involved.

(d) The "determined value" shall be the price payable by the Company or the Members in the event that a Member's Membership Units is purchased pursuant to Sections 9.3 or 9.4 of this Agreement. The amount of the adjustment shall be determined by the accountant regularly employed by the Company, in accordance with accounting principles normally used in preparing the financial statements or tax returns of the Company or its Members, and his determination shall be binding and conclusive upon the parties hereto, their personal representatives and successors, and all other persons involved.

9.7 Transferee Not Member in Absence of Consent. Notwithstanding anything to the contrary in this Article 9, if the sale or transfer of a Member's Membership Interest to a transferee who is not a Member immediately prior to the sale is not approved in writing by the Members holding two-thirds (2/3) of the Membership Units, in their sole discretion, then the proposed transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. Such transferee or donee shall be merely an Economic Interest Owner.

9.8 Prohibited Transfer. If any Member (the "Defaulting Member"), voluntarily, involuntarily or by operation of law, attempts to convey, transfer, sell, or otherwise dispose of or encumber his or her Membership Units in contravention of the terms of this Agreement, the Company shall have the right to withhold any Distributions to the Defaulting Member until such default is cured. The subjection of a Member's Units to a lawful charging order shall also be treated as an event of default.

9.9 Transferee Member. An individual or entity that is the recipient of a transfer described in Section 9.2 above shall, as a condition to completion of the transfer, agree to be bound by the terms and conditions of the Agreement.

ARTICLE 10 -- DISSOLUTION AND TERMINATION

10.1 Dissolution. The Company shall be dissolved upon the occurrence of any of the following events:

- (a) Upon expiration of the terms specified in this Agreement;
- (b) Upon the affirmative agreement of the Members holding a majority of the Percentage Interests in the Company; or
- (c) Sale or disposition of all of the Company assets;

unless the Company is continued by the affirmative vote of the holders of a majority of the Percentage Interests in the Company.

10.2 Distribution of Cash Upon Termination. If the Company is dissolved pursuant to Section 10.1, the Company affairs shall be wound up as expeditiously as possible, the assets sold, and the Company terminated. After payment of all Company liabilities and expenses of sale, the remaining cash and/or assets shall be distributed to the Members in accordance with their Percentage Interests.

10.3 No Obligation to Restore Negative Capital Account Balance on Liquidation. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g), if an Unit Holder has a negative Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Unit Holder shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Unit Holder's Capital Account shall not be considered a debt owed by such Unit Holder to the Company or to any other Person for any purpose whatsoever.

10.4 Termination. The Company shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

10.5 Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Unit Holders, the Company shall file a certificate of cancellation as required by the Act. Upon filing the certificate of cancellation, the existence of the Company shall cease, except as otherwise provided in the Act.

ARTICLE 11 -- ACCOUNTING, BOOKS, AND RECORDS

11.1 Accounting Principles. The Company's books and records shall be kept, and its income tax returns prepared, under such permissible method of accounting, consistently applied, as the Company determines is in the best interest of the Company and its Members.

11.2 Interest on and Return of Capital Contributions. No Member shall be entitled to interest on his Capital Contribution or to return of his Capital Contribution, except as otherwise specifically provided for herein.

11.3 Loans to Company. Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company.

11.4 Accounting Period. The Company's accounting period shall be the calendar year.

11.5 Records, Audits and Reports. The Company, at Company expense, shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

- (a) A current list and past list, setting forth the full name and last known mailing address of each Member and Economic Interest Owner;
- (b) A copy of the Certificate of Formation and all amendments thereto;
- (c) Copies of this Agreement and all amendments hereto;
- (d) Copies of the Company's federal, state, and local tax returns and reports, if any, for the three most recent years;
- (e) Minutes of every meeting of the members and any written consents obtained from Members for actions taken by Members without a meeting; and
- (f) Copies of the Company's financial statements for the three most recent years.

11.6 Tax Matters Partner.

11.6.1 Designation. The Manager shall be the "tax matters partner" of the Company for purposes of Code Section 6221 et seq. and corresponding provisions of any state or local tax law.

11.6.2 Expenses of Tax Matters Partner; Indemnification. The Company shall indemnify and reimburse the tax matters partner for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Unit Holders attributable to the Company. The payment of all such expenses shall be made before any distributions are made to Unit Holders (and such expenses shall be taken into consideration for purposes of determining Distributable Cash) or any discretionary Reserves are set aside by the Company. Neither the tax matters partner nor any Member shall have any obligation to provide funds for such purpose. The provisions for exculpation and indemnification of the Members set forth in Section 5.4 of this Agreement shall be fully applicable to the Member acting as tax matters person for the Company.

11.7 Returns and Other Elections. The Company shall cause the preparation and timely filing of all tax and information returns required to be filed by the Company pursuant to the Code and all other tax and information returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Unit Holders within a reasonable time after the end of the Company's fiscal year.

ARTICLE 12 -- INDEPENDENT ACTIVITIES OF MEMBERS

Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including but not limited to, the ownership, financing, management, employment by, lending to or otherwise participating in businesses which are similar to the business of the Company, and neither the Company nor any of the Members shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits therefrom.

ARTICLE 13 -- MISCELLANEOUS PROVISIONS

13.1 Notices. Any notice required or permitted under this Agreement shall be deemed to have been duly given if delivered personally or if delivered to the Member at the Member's address specified on attached Schedule 1, or to the Company at its principal place of business.

13.2 Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Washington.

13.3 Amendments. This Agreement may not be amended except by the written agreement of the Members holding a majority of the Percentage Interests in the Company.

13.4 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

13.5 Headings. The headings in this Agreement are inserted for convenience only and shall not affect the interpretations of this Agreement.

13.6 Waivers. The failure of any Person to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

13.7 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

13.8 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.9 Heirs, Successors and Assigns. Each of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

13.10 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

13.12 Trust Membership. In the event any trust is a Member of the Company, the death of the trustor of such trust, or in the case of a joint trust the death of both trustors, shall be considered the "death of a Member" for purposes of this Agreement.

IN WITNESS WHEREOF, except as specifically amended as set forth herein, this Operating Agreement is hereby ratified and confirmed.

MEMBERS OF CONCOURSE CONCESSIONS, LLC:



DAVID FUKUHARA, Member



MARK TAKISAKI, Member

CONCOURSE CONCESSIONS, LLC
SCHEDULE 1

<u>Members Names and Addresses</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
David Fukuhara 5807 Seward Park Avenue South Seattle, Washington 98118		51%
Mark Takisaki Takisaki Inc. 1312 S. Weller St. Seattle, Washington 98144		49%

CONCOURSE CONCESSIONS, LLC

EXHIBIT A

Assets transferred to the CONCOURSE CONCESSIONS, LLC, include the following:

Concourse Concessions LLC CEP Proposal Unit 8
Section One Question 8
Three (3) Current Relevant Operations
Financial & Statistical Information

		Coffee Bean and Tea Leaf Concourse A	La Pisa Café Concourse A	Waji's Concourse C
Square Footage		1680 sq. ft. **	840 sq. ft.	588 sq. ft.
Gross Sales For last 3 yrs (2013, 2014, 2015)		\$ 2,438,239	\$ 3,741,865	\$ 7,430,821
Sales per Sq Ft for the above (3yr period)		\$ 1,451	\$ 4,455	\$ 12,637
Enplanements				
	2013	17,376,057		
	2014	18,716,615		
	2015	21,108,756		
Average Sales per transactions (12 mos)		\$ 5.81	\$ 9.27	\$ 8.63
Minimum Rent		\$ 212,069	\$ 432,604	\$ 875,950
Percentage Rent		\$ 288,678	\$ 536,373	\$ 1,006,694
Actual Rent Paid		\$ 288,678	\$ 536,373	\$ 1,006,694
Rent Percentages are as follows:				
Coffee Bean and Tea Leaf 11.5% for Food and Beverage Sales, 26.5% for Merchandise Sales				
La Pisa Café 13.5% for Food and Beverage Sales, 17.5% for Beer and Wine Sales				
Waji's 13.5% for Food and Beverage Sales, 17.5% for Beer and Wine Sales				
Term of Sublease:	Commencement	12/10/12	2/19/04	6/30/05
	Expiration Date	12/31/16	12/31/16	12/31/16
Capital Investments:	Build - out	\$ 309,567	\$ 600,947	\$ 1,021,066
	Mid Term Refurbishment	0.00	\$ 40,406	\$ 57,625
	Total	\$ 309,567	\$ 641,354	\$ 1,078,691

** Note that this square footage includes back of the house food prep operation for all three (3) stores.



Sea-Tac International Airport
Concourse A



Sea-Tac International Airport
Concourse A



Sea-Tac International Airport
Concourse C



Concourse Concessions LLC.
Balance Sheet
As of December 31, 2015

Dec 31, 15

ASSETS

Current Assets

Checking/Savings

1042 · Banner Bank Savings	31,104.81
1040 · Banner Bank Checking	13,003.99
1010 · Bank Of America Checking	4,581.12
1015 · Bank of America Savings	110,909.12
1020 · US Bank Checking	26,897.85
1025 · US Bank Money Market	46,118.31
1030 · Wells Fargo	703.64
1035 · Wells Fargo Money Market	1,649.23
Total Checking/Savings	234,968.07

Accounts Receivable

1100 · Accounts Receivable	9,416.80
Total Accounts Receivable	9,416.80

Other Current Assets

1000 · Cash on Hand	13,400.00
1110 · Allowance for Bad Debt	-1,500.00
1310 · Security Deposit	43.87
1320 · Employee Advances	1,800.00
1200 · Inventory	69,279.30
Total Other Current Assets	83,023.17

Total Current Assets

327,408.04

Fixed Assets

1407 · 2016 Mazda CX-5	31,417.60
Coffee Bean & Tea Leaf Seatac	309,567.25
1400 · 1987 Dodge Truck	3,200.00
1406 · 2008 Chevrolet Suburban LTZ	3,200.00
1805 · Accum Depr	-616,279.50
1410 · Computer Equipment	42,370.18
Furniture	-137,498.74
La Pisa Cafe I	505,164.74
Storage	0.00
Tully's Seatac	200,840.47
Waji's CC	920,656.10
Total Fixed Assets	1,262,638.10

Other Assets

1950 · Franchise Fee - CBTL	15,833.00
Total Other Assets	15,833.00

Concourse Concessions LLC.
Balance Sheet
As of December 31, 2015

Dec 31, 15

TOTAL ASSETS 1,605,879.14

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable

156,673.45

Total Accounts Payable

156,673.45

Credit Cards

2020 · Banner Bank Credit Card

3,054.24

2013 · W Fargo -Concourse Concession

23,595.40

2012 · Bank of America #6491

3,182.45

Total Credit Cards

29,832.09

Other Current Liabilities

2564 · David Fukuhara related payable

12,717.60

2575 · WF Line of credit #4174

3,757.25

2450 · PTO payable

24,090.00

Other Accrued

2300 · *Sales Tax Payable

4,095.49

2350 · Gift certificates

39,414.64

2380 · Loan from Paracom

240.00

2400 · Payroll Liabilities

9,057.54

59,096.87

Total Other Current Liabilities

152,469.39

Total Current Liabilities

338,974.93

Long Term Liabilities

2620 · Banner Bank Loan

578,267.52

2699 · Less Current Portion Long Term

-102,252.00

2599 · Current Portion Long Term Debt

102,252.00

Total Long Term Liabilities

578,267.52

Total Liabilities

917,242.45

Equity

Capital Stock

3000 · Opening Bal Equity

447,698.92

3050 · Owner's Distribution - Fukuhara

24,734.00

3060 · Owner's Distribution - Takisaki

-142,980.93

3900 · Retained Earnings

-137,373.85

Net Income

219,452.19

Total Equity

277,106.36

688,636.69

Concourse Concessions LLC.

Balance Sheet

As of December 31, 2015

Dec 31, 15

TOTAL LIABILITIES & EQUITY

1,605,879.14

Concourse Concessions LLC.

Profit & Loss

January through December 2015

Jan - Dec 15

Ordinary Income/Expense	
Income	
Coffee Bean & Tea Leaf Airport	1,000,915.26
La Pisa Cafe	1,392,140.51
Tully's Coffee	663.83
Waji	2,738,500.84
Total Income	5,132,220.44
Cost of Goods Sold	
Coffee Bean & Tea/Leaf Airport	223,615.66
La Pisa	694,202.42
Waji's	708,990.44
Total COGS	1,626,808.52
Gross Profit	3,505,411.92
Expense	
Coffee Bean & TeaLeaf Airport	189,298.38
6501 - General & Administrative	655,738.38
La Pisa Snack Bar	282,743.20
6000 - Payroll Expenses	1,383,595.84
Payroll Tax	137,115.96
Payroll Clearing Account	38,268.76
Waji's Storage	26,685.79
Wajis	515,022.47
Total Expense	3,228,468.78
Net Ordinary Income	276,943.14
Other Income/Expense	
Other Income	
7000 - Interest Income	163.22
Total Other Income	163.22
Net Other Income	163.22
Net Income	277,106.36



Independent Accountants' Compilation Report

David Fukuhara, President
Concourse Concessions, LLC
Des Moines, Washington

Management is responsible for the accompanying financial statements of Concourse Concessions, LLC, which comprise the balance sheet as of December 31, 2014 and the related statements of income and members' equity, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The 2013 financial statements and supplementary information of Concourse Concessions, LLC were compiled by other accountants, whose report dated March 25, 2014, stated that they have not audited or reviewed the 2013 financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2014 schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information.

Bader Martin, P.S.

June 1, 2015

Bader Martin, P.S. Certified Public Accountants • Business Advisors
1000 Second Avenue, 34th Floor, Seattle, Washington 98104-1022 | 206.621.1900 | FAX 206.682.1874 | www.badermartin.com

A member firm of DPK International, a worldwide association of independent accounting firms and business advisors.



CONCOURSE CONCESSIONS, LLC

BALANCE SHEETS

(See Independent Accountants' Compilation Report)

	December 31,	
	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 220,966	\$ 203,147
Accounts receivable, net of allowance for doubtful accounts of \$1,500 for 2014 and 2013	921	35,371
Related party receivables	15,987	
Employee advances	2,512	2,662
Inventory	56,917	53,280
Total current assets	297,303	294,460
Property and equipment, net	1,367,618	1,522,149
Other assets:		
Loan to related company		50,000
Franchise fee, net of accumulated amortization of \$6,667 and \$4,167 for 2014 and 2013, respectively	18,333	20,833
Security deposit	44	44
	<u>\$ 1,683,298</u>	<u>\$ 1,887,486</u>
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 130,477	\$ 154,340
Other payables	43,940	100,709
Related party payables	4,920	4,177
Accrued liabilities	102,532	63,600
Lines of credit	4,252	18,001
Current maturities of long-term debt	107,365	102,252
Total current liabilities	393,486	443,079
Long-term debt, net of current maturities	597,926	704,380
Total liabilities	991,412	1,147,459
Members' equity	691,886	740,027
	<u>\$ 1,683,298</u>	<u>\$ 1,887,486</u>

See notes to financial statements.

CONCOURSE CONCESSIONS, LLC

STATEMENTS OF INCOME AND MEMBERS' EQUITY

(See Independent Accountants' Compilation Report)

	Year ended December 31,	
	2014	2013
Net sales	\$ 4,352,959	\$ 4,503,329
Cost of goods sold:		
Product costs	1,305,976	1,395,863
Wages and payroll taxes	1,456,118	1,440,892
Royalties	44,153	34,630
	<u>2,806,247</u>	<u>2,871,385</u>
Gross profit	1,546,712	1,631,944
Operating expenses	<u>1,376,934</u>	<u>1,453,805</u>
Income from operations	<u>169,778</u>	<u>178,139</u>
Other income (expense):		
Interest income	82	27
Interest expense	(39,678)	(54,074)
Loss on disposal of property and equipment	<u>(28,568)</u>	
	<u>(68,164)</u>	<u>(54,047)</u>
Net income	101,614	124,092
Members' equity, beginning of year	740,027	673,727
Members' distributions	<u>(149,755)</u>	<u>(57,792)</u>
Members' equity, end of year	<u>\$ 691,886</u>	<u>\$ 740,027</u>

See notes to financial statements.

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Concourse Concessions, LLC
Olympia, Washington

We have compiled the accompanying balance sheets of Concourse Concessions, LLC as of December 31, 2013 and 2012, and the related statements of income and members' equity, and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information presented on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Olympia, Washington
March 25, 2014



CONCOURSE CONCESSIONS, LLC
BALANCE SHEETS

DECEMBER 31, 2013 AND 2012

(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and equivalents	\$ 203,147	\$ 114,963
Accounts receivable, net of allowance for doubtful accounts of \$1,500 for 2013 and 2012	35,371	3,925
Employee advances	2,662	1,065
Inventories	53,280	56,340
Total Current Assets	294,460	176,293
PROPERTY AND EQUIPMENT, NET	1,522,149	1,609,744
OTHER ASSETS		
Loan to related company	50,000	-
Franchise fee, net of accumulated amortization of \$4,167 and \$-0-	20,833	25,000
Security deposit	44	-
	70,877	25,000
	\$ 1,887,486	\$ 1,811,037

LIABILITIES AND MEMBERS' EQUITY

	2013	2012
CURRENT LIABILITIES		
Accounts payable	\$ 154,340	\$ 87,838
Other payables	100,709	46,068
Related party payables	4,177	71,895
Accrued liabilities	63,600	51,540
Lines of credit	18,001	-
Current maturities of long-term debt	102,252	90,600
Total Current Liabilities	443,079	347,941
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities	704,380	789,369
MEMBERS' EQUITY		
	740,027	673,727
	<u>\$ 1,887,486</u>	<u>\$ 1,811,037</u>

See accompanying Notes to Financial Statements.

(3)

CONCOURSE CONCESSIONS, LLC
STATEMENTS OF INCOME AND MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

	2013	2012
NET SALES	<u>\$ 4,503,329</u>	<u>\$ 4,573,370</u>
COST OF GOODS SOLD		
Product costs	1,395,863	1,497,667
Wages and payroll taxes	1,440,892	1,380,806
Royalties	<u>34,630</u>	<u>1,678</u>
	<u>2,871,385</u>	<u>2,880,151</u>
GROSS PROFIT	1,631,944	1,693,219
OPERATING EXPENSES	<u>1,453,805</u>	<u>1,477,623</u>
INCOME FROM OPERATIONS	<u>178,139</u>	<u>215,596</u>
OTHER INCOME AND (EXPENSE)		
Interest income	27	127
Interest expense	(54,074)	(57,047)
Loss on disposals of property and equipment	<u>-</u>	<u>(164,929)</u>
	<u>(54,047)</u>	<u>(221,849)</u>
NET INCOME (LOSS)	124,092	(6,253)
MEMBERS' EQUITY, beginning of year	673,727	793,500
Members' distributions	<u>(57,792)</u>	<u>(113,520)</u>
MEMBERS' EQUITY, end of year	<u>\$ 740,027</u>	<u>\$ 673,727</u>

See accompanying Notes to Financial Statements.

(4)



February 12, 2016

Mr. David Fukuhara
Concourse Concessions LLC
22518 Marine View Drive South
Des Moines, Washington 98198

Dear David:

We are delighted to confirm our agreement to partner again with you by entering into a Primary Supplier Agreement and a Trademark License & Supply Agreement with Concourse Concessions LLC for a Caffé D'arte branded store in the Central Terminal of the Seattle-Tacoma International Airport. Our agreement will detail our supply of our award-winning coffee, espresso and other coffee-related products.

David, we are honored to expand the beneficial relationship we have enjoyed with Concourse Concessions since 2004, serving at the Portside Café in the Port of Seattle Headquarters on Pier 69, and La Pisa Café at Sea-Tac Airport. We think this project will be a natural combination with our downtown Seattle Store on Second & Stewart (where we have operated for 25 years), for travelers and visitors to Seattle to enjoy a great "Italy via Seattle" coffee experience.

Our Brief Company History:

Caffé D'arte started in Seattle in 1985 at the inception of the specialty coffee movement and recently celebrated 30 years of roasting, retailing and educating the coffee public. In 2002, the founding Cipolla family sold majority interest to Jeff Stock and Mark Schuur two local investors and businessmen. In 2003, Founder Mauro Cipolla was named one of the "25 most influential persons in the Specialty Coffee Industry". Since this time, the company has expanded its operations to all the greater Northwest states. In 2014, the company moved and expanded its corporate headquarters and roasting operations to a new 40,000 square foot facility in Federal Way, Washington. In spite of this growth, Caffé D'arte has retained many of the founding family employees including Joe Mancuso, General Manager.

Caffé D'arte's signature product is its Alderwood Roasted Espresso & Drip Coffees, roasted on a 1949 Balestra wood-roaster, and is one of only a handful of roasters in the United States with this unique capability.

We are excited for this opportunity and are ready to bring our full attention and resources to make it successful.

Very Truly Yours,



Mark T. Schuur
President & CFO



MACRINA
BAKERY

February 22, 2016

Concourse Concessions LLC
Attn: David Fukuhara
22518 Marine View Drive S.
Des Moines, WA 98198
206-824-6300

David,

Macrina Bakery is delighted to be part of the Caff   D'arte/Concourse Concessions team, as main supplier of our fresh local bakery products, in submittal for the Central Terminal #8 location at Sea-Tac International Airport.

In 1993, our founder Leslie Mackie opened Macrina Bakery in Seattle's Belltown neighborhood. Now all of Seattle knows of Macrina's irresistible artisan breads and pastries. You can find your favorites at grocery stores, gourmet shops, and coffee houses throughout the region - along with more than 100 restaurants in the Puget Sound Area. Macrina has been written up in *Sunset* and *Pacific* magazines, *Bon Appetite*, *The LA Times* and *The New York Times*, not to mention endless coverage and accolades in *The Seattle Times*, *Seattle Weekly*, and *Seattle Magazine*. Leslie's recipes reach well beyond Seattle, from her appearances on Julia Child's "Baking with Julia" television series (and inclusion in the companion cookbook) to a 1999 outstanding contributor award from the James Beard Foundation.

Also, Macrina Bakery welcomes the chance to further strengthen our relationship, which started in 2015 when we were first approached to provide products for your concessions. We feel this has been a rousing success, as we constantly receive praise through social media, glad for the current availability at the airport.

We are sincerely excited for this opportunity to showcase our bakery products to the traveling public and the world. You have the full support of Macrina Bakery and our representative Rebecca Early to make for a successful operation at Sea-Tac International Airport.

1943 First Ave. S
Seattle, WA 98134

p: 206.448.4089
f: 206.374.1782
w: macrinabakery.com

Best regards,

Scott France
President
Macrina Bakery



February 18, 2016

To whom it may concern,

Concourse Concessions LLC has been approved by Fran's Chocolates to purchase wholesale chocolates, and will be able to sell our chocolate products at their Caffè D'arte location at SeaTac International Airport.

We welcome the pleasure of working with you on this opportunity.

Sincerely,

Brent A. Smith
Assistant Wholesale Sales Manager

Fran's Chocolates, Ltd
5900 Airport Way South
Seattle, Washington 98108
brents@franschocolates.com



February 16, 2016

Attn: Selection Committee – Competitive Evaluation Process (CEP)
Port of Seattle: Seattle-Tacoma International Airport
17801 International Boulevard
SeaTac, WA 98158

To Whom It May Concern:

I write this letter in support of Concourse Concessions L.L.C. (Paracom Inc.) in their effort to obtain a lease at SeaTac International Airport to operate a single point-of sale (POS) concession stand within SeaTac Airport's Central Terminal Food Court. Concourse Concessions L.L.C. has provided you with information regarding its proposal, and has indicated that an important component of its proposal will be to source the vast majority of its products from local suppliers. As the exclusive wholesale tea provider for Concourse Concessions L.L.C. in this proposal, the purpose of my letter is to express our strong support for this concept and to encourage you to award the requested lease to Concourse Concessions L.L.C.

Founded in 2005, Miro Tea is focused on the reinventing the experience and enjoyment of tea. We are located in Seattle's downtown Ballard neighborhood, occupying a retail space in a handsome brick building (The Portland Building) typical of the city's historic commercial district. We operate a bustling café and also manage a wholesale tea business that selectively partners with retailers and cafes to serve and sell our artisan teas. We source our teas from around the world, and we specialize in providing our customers with access to exquisite, single-estate teas, custom blends, and other rare and unique teas that cannot be found anywhere else in the world.

Through our quality of service, knowledge, and products, we will strive to evoke a sense of warmth and renewal with our airport customers, which is also the most primary characteristic of a good tea. Our partnership with Concourse Concessions L.L.C. (as a wholesale provider) will include the development of a focused tea menu (chosen from our repertoire of >200 loose leaf teas) and providing select tea retail products to complement the food and beverage offerings. We will also provide Concourse Concessions L.L.C. with comprehensive tea training support to ensure that our teas are properly prepared and served to customers.

We are excited to support Concourse Concessions L.L.C.'s proposal and hope that you give it serious consideration. If I can be of any further assistance to you in this matter, please don't hesitate to contact me at your convenience.

Very truly yours,

Thong Q. Le
Chief Financial Officer
Miro Tea
5405 Ballard Ave. NW
Seattle, WA 98107
Phone: (206) 818-6535

5405 Ballard Ave. NW **Seattle, WA 98107** **Phone: (206) 782-6832**
<http://www.mirotea.com>

Caffé D'arte®

ITALIA COFFEE ROASTERS



Espresso & Coffee

	8 oz. (hot only)	12 oz.	16 oz.	20 oz.	24 oz. (iced only)
Gourmet Drip Coffee	1.45	1.70	1.90	2.10	
Americano	2.00	2.25	2.25	2.85	3.15
Café Au Lait	1.80	2.20	2.40	2.50	
Caffé Latte	2.45	2.80	3.40	3.70	4.10
Cappuccino	2.45	2.80	3.40	3.70	
Caramel Macchiato	2.80	3.25	3.85	4.15	4.45
Caffé Mocha	2.80	3.25	3.85	4.15	4.45
White Chocolate Mocha	2.80	3.55	4.15	4.35	4.65
Intense Dark Mocha	3.00	3.85	4.45	4.65	
Cold Brew		2.40	2.65	2.90	3.15
Marbled Cold Brew		2.90	3.15	3.40	3.65
	Solo	Doppio			
Espresso	1.90	2.25			
Espresso Macchiato	2.00	2.35			
Pressed Coffee		3.60			

Flavoring .40 - Extra Shot of Espresso .55 - Soy or Breve .50

Specialty Drinks

	8 oz. (hot only)	12 oz.	16 oz.	20 oz.	24 oz. (iced only)
Hot Chocolate/Steamer	1.60	2.30	2.55	2.80	
Brewed Tea (hot or iced)	1.70	1.70	2.10	2.10	2.35
Matcha Green Tea Latte	2.60	3.15	3.75	4.25	4.75
Chai Tea Latte	2.75	3.35	3.95	4.25	4.55
Italian Soda		2.75	3.00	3.25	3.50
SMOOTHIES					
Strawberry - Mango - Banana		3.35	3.95	4.75	5.30
Pineapple Paradise - Mixed Berry					
Lemon-Ade - Acai - Peach/Pear					
FRAPPES					
Crème (flavored non coffee)	2.75	3.25	3.75	4.25	
Berries & Cream (non coffee)	3.00	3.50	4.00	4.50	
Espresso	3.25	3.75	4.25	4.75	
Mocha	3.75	4.25	4.75	5.25	
Caramel	3.75	4.25	4.75	5.25	
SIGNATURE DRINKS					
Espresso Con Panna	2.50				
Dolce Fine	2.75				
Ciocolata Martini	3.00				



Hand-Formed

MENUS | CAFÉS | WEDDING CAKES



Freshly Baked

INFO | OUR STORY | BLOG | GALLERY

MENUS

Bread Menu
Breakfast Menu
Brunch Menu
Cake Menu
Catering Menu
Holiday Menu
Lunch Menu
Pastry Menu

Product of the Month

PASTRIES

It's hard to resist the aroma when you walk into our bakery. Our display case is a feast for the eyes, overflowing with all kinds of pastries. Several dozen treats fill up the case, shelves and counter. "I'll take one of each!" is a comment that we never tire of hearing.

MUFFINS & SCONES

FRESH FRUIT MUFFIN*

Each - \$2.55

A gluten-free muffin filled with seasonal fruit and topped with cinnamon sugar.

ROCKET MUFFIN

Each - \$2.35

Made with banana purée, carrots, hazelnuts, wheat flour, oats and molasses, topped with a dollop of raspberry jam.

BANANA GINGER MUFFIN

Each - \$2.35

Our vegan muffin is made with toasted walnuts, freshly grated ginger and banana purée. It is sweetened with agave syrup and orange juice, then topped with toasted oats and cinnamon sugar.

MORNING GLORY MUFFIN

Each - \$2.45

A supremely moist muffin loaded with pineapple, carrots, apples, coconut, walnuts and raisins.

MULTIGRAIN RASPBERRY MUFFIN

Each - \$2.35

A wholesome muffin made with oats, raspberries, walnuts and flaxseeds.



Nutella Brioche and Cocoa Puff

BLUEBERRY SCONE

Each - \$2.65

Our delicious buttermilk scone studded with sweet, tangy blueberries and laced with orange zest.

CITRUS OAT SCONE

Each - \$2.65

Our house scone flavored with fresh orange zest and raisins.

CHERRY ALMOND SCONE

Each - \$2.65

Our buttermilk scone made with crunchy, toasted almonds and dried cherries.

ORANGE CURRANT SCONE*

Each - \$2.85

A gluten-free Scottish scone made with currants, fresh orange zest and a hint of anise.

DILL SCONE

Each - \$2.90

With Cream Cheese - \$4.20

With Cream Cheese and Salmon - \$6.85

Features fresh dill, scallions and Parmesan and Swiss cheese.

VEGAN PUMPKIN SCONE

Each - \$2.90

Seasonal flavors of pumpkin, ginger and cinnamon are combined to create a new spin on a great fall favorite.

PASTRIES

APPLE TURNOVER

Each – \$3.70

A favorite any time of day featuring roasted Washington apples wrapped in flaky pie dough.

MORNING ROLL

Each – \$3.25

A swirl of yeasted croissant dough sweetened with vanilla sugar and baked to a golden brown.

ORANGE HAZELNUT PINWHEEL

Each – \$3.25

Our croissant dough rolled with roasted hazelnuts and topped with fresh orange glaze.

ITALIAN PLUM ROLL

Each – \$3.25

Our croissant dough rolled with dried plums and roasted pecans.

ROLY-POLY

Each – \$3.25

Our homage to the classic cinnamon roll, enhanced with coconut, raisins and walnuts.

NUTELLA BRIOCHE

Each – \$3.15

A delicious French pastry made from brioche dough, filled with Nutella and topped with pearl sugar.

COCOA PUFF

Each – \$3.15

Sweet brioche pastry filled with semisweet ganache and topped with a chocolate crackle glaze.

COFFEE CAKES

BUDAPEST COFFEE CAKE

Slice – \$3.25 · Whole Loaf – \$30.00

A classic sour cream coffee cake with our “secret” ingredient – low-fat yogurt – and a delicious swirl of cinnamon, cocoa, brown sugar, raisins and toasted walnuts.

SQUASH HARVEST BREAD

Slice – \$3.25 · Whole Loaf – \$30.00

A delicious, moist breakfast bread made with puréed seasonal squash, roasted walnuts and pumpkin seeds, spiced with cinnamon and nutmeg.

FRESH FRUIT COFFEE CAKE

Slice – \$3.25 · Whole Loaf – \$25.00

A classic bundt-style cake filled with seasonal fruit and topped with cinnamon sugar.

LEMON SOUR CHERRY COFFEE CAKE

Slice – \$3.25 · Whole Loaf – \$30.00

A moist, bundt-style cake packed with dried cherries and fresh lemon zest and topped with lemon glaze.

SUGAR BUN

Each – \$3.15

A lightly textured brioche bun filled with sweetened fromage blanc and fresh seasonal berries, finished with a dusting of fine sugar.

BUTTERMILK BISCUIT

Each – \$2.95

A soft, heavenly biscuit with a dollop of marionberry or strawberry jam in the middle.

GLUTEN-FREE BISCUIT*

Each – \$3.05

A lightly sweetened cream biscuit made with a mixture of gluten-free flours and topped with berry preserves.

PARMESAN ROSEMARY HAM BISCUIT

Each – \$3.15

Our big, flaky biscuit studded with ham, Parmesan and fresh rosemary.

SPINACH & CHEESE BUN

Each – \$3.35

A velvety brioche bun filled with a tasty mixture of sautéed spinach, fromage blanc, goat cheese and Parmesan.

HAM & CHEESE BRIOCHE

Each – \$4.25

Brioche dough wrapped around ham and Gruyère cheese.

LEMON LAVENDER COFFEE CAKE

Slice – \$3.25 · Whole Loaf – \$30.00

This bundt-style, glazed coffee cake is made with fresh lemon and a hint of lavender.

FRESH FRUIT & ALMOND COFFEE CAKE

Slice – \$3.70 · Whole Loaf – \$30.00

A delicious brown sugar coffee cake with roasted almonds and fresh seasonal fruit.

CHOCOLATE ORANGE COFFEE CAKE

Slice – \$3.70 · Whole Loaf – \$36.75

A pan-baked loaf mace with bittersweet chocolate and drizzled with an orange ganache glaze.

CHOCOLATE CRANBERRY POUND CAKE

Slice – \$3.75 · Whole Bundt – \$30.00

A dense, bundt-style pound cake made with cocoa, bittersweet chocolate chips and tangy dried cranberries.

COFFEE CAKES

BUDAPEST COFFEE CAKE

Slice – \$3.25 · Whole Loaf – \$30.00

A classic sour cream coffee cake with our “secret” ingredient – low-fat yogurt – and a delicious swirl of cinnamon, cocoa, brown sugar, raisins and toasted walnuts.

SQUASH HARVEST BREAD

Slice – \$3.25 · Whole Loaf – \$30.00

A delicious, moist breakfast bread made with puréed seasonal squash, roasted walnuts and pumpkin seeds, spiced with cinnamon and nutmeg.

FRESH FRUIT COFFEE CAKE

Slice – \$3.25 · Whole Loaf – \$25.00

A classic bundt-style cake filled with seasonal fruit and topped with cinnamon sugar.

LEMON SOUR CHERRY COFFEE CAKE

Slice – \$3.25 · Whole Loaf – \$30.00

A moist, bundt-style cake packed with dried cherries and fresh lemon zest and topped with lemon glaze.

INDIVIDUAL TREATS

BROWNIE

Each – \$3.15

An extremely moist, fudge brownie dusted with powdered sugar.

CARAMEL TURTLE BROWNIE

Each – \$3.95

Our decadent brownie topped with a layer of pecans and rich caramel.

FRUIT & OAT BAR

Each – \$3.15

Filled with berry jam and topped with an oat crumble.

PECAN DIAMOND

Each – \$2.15

A petite and decadent pastry perfect for nut lovers.

MRS. D’S CHOCOLATE COOKIE*

Each – \$2.00

A delicious vegan cookie made with cocoa powder and bittersweet chocolate chips.

GLUTEN-FREE GANACHE CUPCAKE*

Each – \$3.25

Gluten-free, flourless, chocolate cupcake glazed with bittersweet chocolate ganache.

LEMON LAVENDER COFFEE CAKE

Slice – \$3.25 · Whole Loaf – \$30.00

This bundt-style, glazed coffee cake is made with fresh lemon and a hint of lavender.

FRESH FRUIT & ALMOND COFFEE CAKE

Slice – \$3.70 · Whole Loaf – \$30.00

A delicious brown sugar coffee cake with roasted almonds and fresh seasonal fruit.

CHOCOLATE ORANGE COFFEE CAKE

Slice – \$3.70 · Whole Loaf – \$36.75

A pan-baked loaf made with bittersweet chocolate and drizzled with an orange ganache glaze.

CHOCOLATE CRANBERRY POUND CAKE

Slice – \$3.75 · Whole Bundt – \$30.00

A dense, bundt-style pound cake made with cocoa, bittersweet chocolate chips and tangy dried cranberries.

BIG COOKIE

Each – \$2.00

Apricot Oat Pecan
Chocolate Oat Peanut Butter Chip
Ginger Molasses
Old-fashioned Peanut Butter
Olivia’s Chocolate Chip
Rick’s Chocolate Apricot Espresso
Snickerdoodle

BROWN SUGAR SHORTBREAD COOKIE

Each – \$3.15 to 4.15

CUPCAKE

Each – \$1.30 to \$4.25

Various flavors

BISCOTTI

Each – \$1.95

Various flavors

OTHER TREATS

Fruit & Flan Crumb Bar
Scottish Oatcake
Mezza Luna
Macaroon
Individual Tartlet
Mini Pie
Mini Cake
Cake, Pie and Tart Slice



miro
tea

tea beverages

Tea Lattes

Fresh brewed tea with steamed milk & lightly sweetened. Almond, Hemp, Rice & Soy milk are available for 50c.

Black Tea Latte	Strong Indian Assam with steamed milk	3.50
Capetown Latte	South African organic rooibos with vanilla & steamed milk	3.75
Fireside Hot Chocolate	Smoky Lapsang Souchong with chocolate, cinnamon & steamed milk	4.00
London Fog	Earl Grey, vanilla & steamed milk	3.75
Matcha Latte	Top grade whisked Japanese matcha with steamed milk	4.25
Oolong Latte	Chinese roasted oolong with steamed milk.	3.50
Yerba Mate Latte	Organic Argentinian Yerba Mate with steamed milk	3.50

Chai

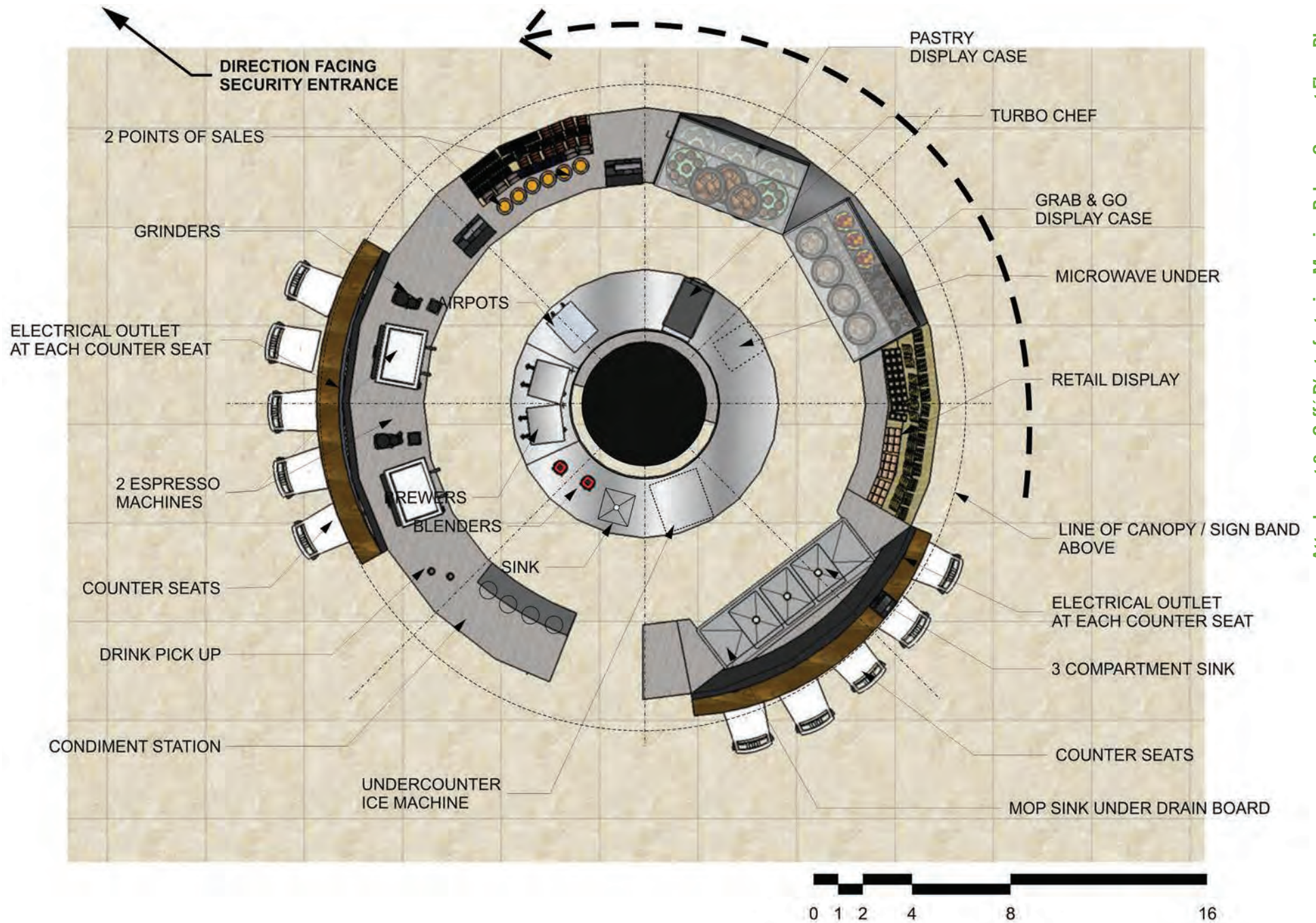
Loose-leaf tea blended with spices are steeped together with milk and lightly sweetened. Almond, Hemp, Rice & Soy milk are available for 50c.

Masala Chai	Black tea with cinnamon, ginger, green cardamom and cloves	3.50
Decaf Masala Chai	Same spiced goodness without the caffeine	
Traditional Chai	Black tea with cardamom and vanilla	
Green Chai	Indian green tea with green cardamom, almonds, and cloves	
Rooibos Chai	Rooibos with ginger, cinnamon and green cardamom	
Mate Chai	Roasted Yerba Mate, cardamom, ginger, cinnamon and vanilla	

Iced Tea Fusions

Fresh brewed iced tea hand shaken with seasonal fruits, herbs & fresh squeezed juices

Arnica	Indian black tea with our homemade lemonade	3.00
Ernie	Rooibos with lemonade & honey	3.50
Green Tea Mojito	Green tea with muddled mint & lime juice, lightly sweetened	3.50
London Rose	Earl Grey tea with lemon & homemade rosemary syrup	3.50
Matcha Soda	Sparkling beverage with Japanese green tea and touch of lemon	3.75
Strawberry Supernova	Green tea muddled with strawberries & passion fruit syrup	3.75
Hemmingway	Rooibos with grapefruit juice, muddled mint & strawberries	3.75
Hibiscus Mint Julep	Hibiscus with mint, lemon & lightly sweetened	3.50



CAFFÉ D'ARTE featuring MACRINA BAKERY - CONCEPT FLOOR PLAN

Rev. February 17, 2016 • Joe Shing - AIA, NCARB

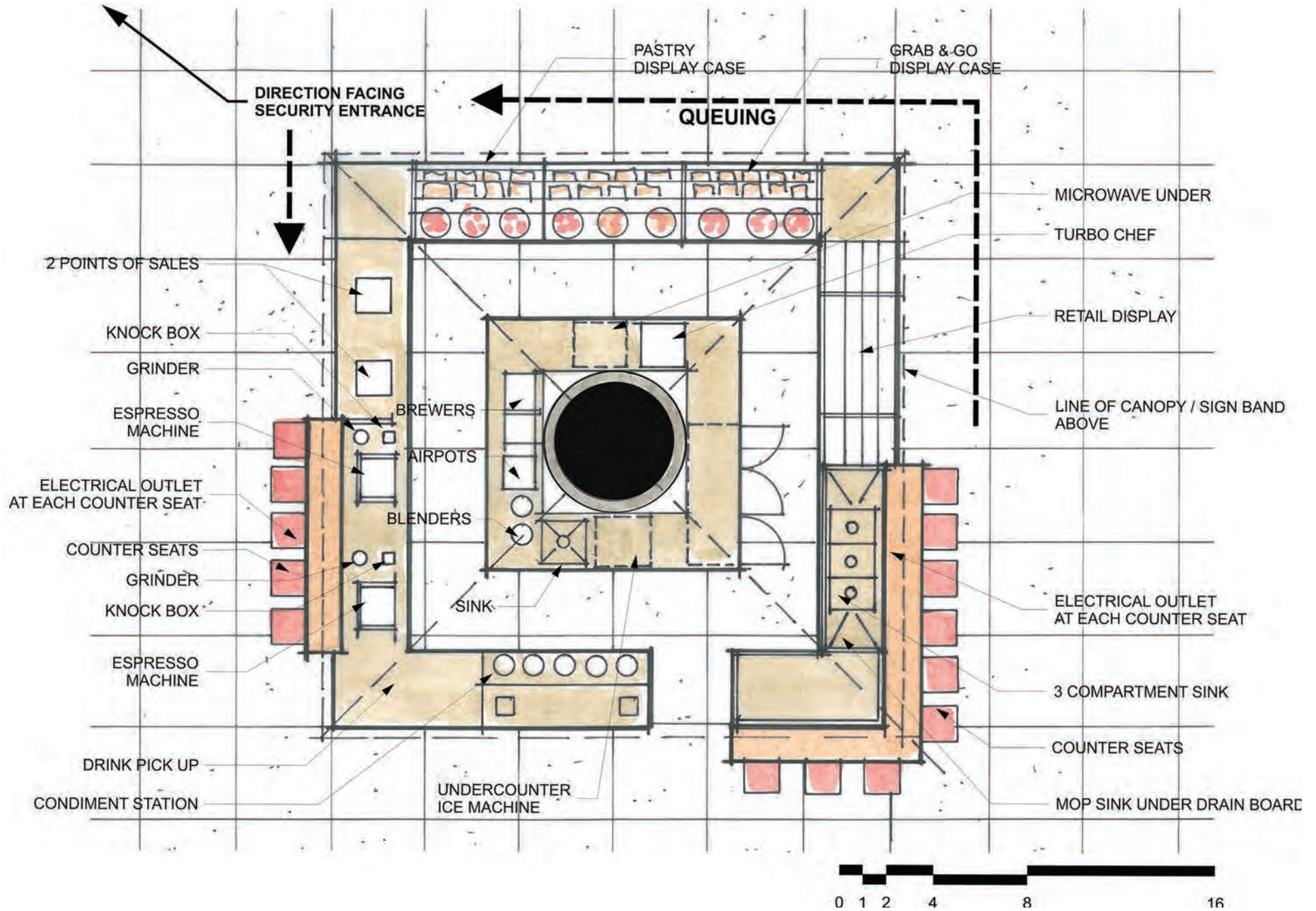


CAFFÉ D'ARTE featuring MACRINA BAKERY - CONCEPT RENDERING: SOUTH VIEW
 Rev. February 17, 2016 • Joe Shing - AIA, NCARB



Attachment 3a: Caffé D'arte featuring Macrina Bakery Concept Rendering

CAFFÉ D'ARTE featuring MACRINA BAKERY - CONCEPT RENDERING: NORTH VIEW
 Rev. February 17, 2016 • Joe Shing - AIA, NCARB



CAFFÉ D'ARTE featuring MACRINA BAKERY - SQUARE OPTION FLOOR PLAN

Rev. February 18, 2016 • Joe Shing - AIA, NCARB

Exhibit 6 Capital Investment Form

Respondents are required to submit their proposed capital investment and indicate the sources of funding to be used for the tenant improvements and working capital. Please complete one form for each unit included in your submittal and one form that includes consolidated information for all units included in your submittal.

Unit/Package Number: CEP - UNIT 8
 Concept: CAFFE D'AYTE FEATURING MACRINA BAKERY
 Square Feet: 452

Initial Capital Investment	Amount	Percent of Initial Capital Investment
- Leasehold Improvements	\$ 226,000	58.93 %
- Furnishings, Fixtures and Equipment	\$ 112,500	29.34 %
- Design, Engineering, and Construction Management ⁽¹⁾	\$ 45,000	11.73 %
Total Initial Capital Investment	\$ 383,500	100%
Total Initial Capital Investment/Sq.Ft	\$ 848 /Sq.Ft	

Mid-Term Refurbishment Investment	
- Minimum Mid-Term Refurbishment Investment ⁽²⁾	\$ 57,525
- Minimum Mid-Term Refurbishment Investment/Sq.Ft	\$ 127 /Sq.Ft

Working Capital	
- Amount of Working Capital	
- Sources of Working Capital	

⁽¹⁾ Must not exceed 12% of Initial Minimum Investment
⁽²⁾ Must be minimum of 15% of the Initial Investment

Port of Seattle - Seattle-Tacoma International Airport
 Airport Dining and Retail Program Competitive Evaluation Package
 Exhibit 6 – Capital Investment Form

CEP Single Unit #8 Projected Investment As Of 2-22-2016

CEP Coffee Location - Caffe D'arte featuring Macrina Bakery

Signage \$ 25,000.00

Furnitures \$ 20,000.00

Equipments

POS System \$ 4,500.00

Equipments -Cooler & Turbo Chef \$ 20,000.00

Equipments -2 Espresso Machines \$ 20,000.00

Equipments -Pastry Cooler \$ 6,000.00

Ice Machine \$ 5,000.00

Total Equipment \$ 55,500.00

Construction - Port of Seattle Fees \$ 5,000.00

Construction - L H & Improvement estimated at \$500.00 per Sq. Ft. \$ 226,000.00

Architect / Engineering Fee \$ 45,000.00 \$ 271,000.00

Misc

Misc Smallwares \$ 3,000.00

Legal Fees \$ 2,000.00

Research and Development \$ 2,000.00

Total Estimate Capital Investment for CEP Project \$ 383,500.00

Total Capital Investment per sq. ft. \$848

CEP Single Unit #8 Projected Mid-Term Refurbishment Investment

CEP Coffee Location - Caffe D'arte featuring Macrina Bakery

Signage		\$	7,250.00
Furnitures		\$	2,000.00
Equipments			
	POS System	\$	1,500.00
	Equipments -Cooler & Turbo Chef	\$	12,000.00
	Equipments -Other	\$	8,775.00
	Ice Machine	\$	4,000.00
Total Equipment		\$	26,275.00
Construction - L H & Improvement		\$	15,000.00
		\$	15,000.00
Misc			
	Misc Smallwares	\$	3,000.00
	Legal Fees	\$	2,000.00
	Research and Development	\$	2,000.00
Total Estimate Mid-Term Refurbishment for CEP Project		\$	57,525.00

Total Mid-Term Refurbishment per sq. ft. \$127

February 11, 2016

Mr. David Fukuhara
Concourse Concessions LLC
22518 Marine View Drive South,
Des Moines, WA 98198
Telephone No. (206) 824-6300

Re: Letter of Interest
SEA-TAC AIRPORT CEP – FOOD SERVICE SINGLE UNIT 8

Dear Mr. Fukuhara:

We are pleased to provide you with Banner Bank's Letter of Interest to finance Concourse Concession's proposed Food Service Concession to be situated at the location described as "Food Service – Single Unit 8" at CT-3 Central Terminal of the Seattle-Tacoma International Airport. We understand this to be a 452 approximate square foot specialty retail location designed to serve local brand gourmet coffee beverages, pastries and other complementary foods and beverages.

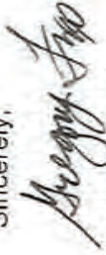
Based on our review of the Competitive Evaluation Process (CEP) supplied by the Port of Seattle together with Concourse Concession's preliminary plans and projections, the Bank will pursue making available on a reasonable commercial basis financing to support both the construction of Tenant Improvements at the subject location as well as the ongoing commercial banking needs of the company's daily operations.

The limited nature of our review of a request for a Letter of Interest does not include evaluation of all the issues that may arise in Banner Bank's consideration of financial support and as such this Letter of Interest is not a financing commitment. Finalized indicative terms can be set out following receipt of finalized plans approved by the Port of Seattle or it's third-party leasing representative, AirProjects, Inc. and the Bank's completion of our due diligence.

Concourse Concessions LLC is a valued client of Banner Bank and it is our sincere hope that your proposal is accepted by the Port of Seattle.

If you have any questions about this Letter of Interest, please contact me at telephone (206) 770-7185.

Sincerely,



Gregory Foxx
Vice President and Team Leader, Commercial Banking
Banner Bank



Commercial Banking • 1000 Second Avenue, Suite 1580, Seattle, WA 98104-1046
Phone 206-770-7180 • Fax 206-728-7264 • www.bannerbank.com
Member FDIC, Equal Housing Lender





STATE OF WASHINGTON

OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

**210 11TH AVENUE SW, SUITE 401 * PO BOX 41160 * OLYMPIA, WASHINGTON 98504-1160
(360) 664-9750 * TOLL FREE 1-866-208-1064 * FAX (360) 586-7079**

December 24, 2014

CONCOURSE CONCESSIONS LLC
22518 MARINE DR S
Seattle, WA 98198

File Number: **18615**

Dear DAVID FUKUHARA,

Thank you for submitting the Annual Update packet. The forms have been reviewed and the Office has determined your firm remains in compliance with Title 49 Code of Federal Regulation (CFR), Part 26. The firm remains certified as a Disadvantaged Business Enterprise (DBE) under the federal program.

The firm's certification number is D4M0018615.

Please attach this letter to your current certification letter as proof of continued compliance with Title 49 Code of Federal Regulation (CFR), Part 26.

If you have any questions or need assistance, please do not hesitate to contact this office at 360-664-9750.

Sincerely,
Pamela Smith
OMWBE Certification Analyst

CC: Certification Supervisor, OMWBE
John Huff, Washington State Department of Transportation
Olga Peterman, Washington State Department of Transportation



STATE OF WASHINGTON

OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

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(360) 664-9750 * TOLL FREE 1-866-208-1064 * FAX (360) 586-7079**

April 18, 2014

Certified Via Email

FUKUHARA DAVID
CONCOURSE CONCESSIONS LLC
22518 MARINE DR S
Seattle, WA 98198

Certification Number: **M4M0018615**

Dear DAVID FUKUHARA,

Congratulations! Your business has been recertified as a Minority Business Enterprise (MBE) for the State program. Its certification anniversary date is February 02, 2017. The firm's certification is based on the following:

Business Description:

RESTAURANT CONCESSIONS: AIRPORTS, TRANSPORTATION CENTERS, MILITARY BASES AND OTHER PUBLIC VENUES

Primary North American Industry Classification System (NAICS)

Code:

722513 - Carryout restaurants

Other NAICS Codes:

The state program requires the firm be reviewed for recertification every three years from the certification date. OMWBE will send the necessary forms for you to complete approximately sixty (60) days prior to their due date. If the forms are timely submitted, the firm will remain certified pending completion of OMWBE's review. Failure to timely submit the forms may result in the firm being decertified.

The state program requires the firm to notify OMWBE in writing of any changes in its ownership, control, size or activities, and provide supporting documentation describing the change(s). This information must be submitted within thirty (30) days of the change(s).

If you have any questions or need assistance, please do not hesitate to contact this office at 360-664-9773.

Sincerely,
Savannah Parker
OMWBE Certification Analyst
CC: Certification Supervisor, OMWBE



STATE OF WASHINGTON
OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES
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(360) 664-9750 * TOLL FREE 1-866-208-1064 * FAX (360) 586-7079

As Of 2/18/2016 4:29:42 PM

Business Information			
Contact Information			
Business Name	Concourse Concessions LLC		
Doing Business As Name	Concourse Concessions LLC		
Contact Name	David Fukuhara		
Description of Work	RESTAURANT CONCESSIONS: AIRPORTS, TRANSPORTATION CENTERS, MILITARY BASES AND OTHER PUBLIC VENUES		
Street	22518 Marine View Dr S		
City, State, Zip	Seattle, WA, 98198		
County	King County		
Phone	2068246300		
Fax	2068241195		
E-mail	david@paracomusa.com		
Website	www.concourse-usa.com		
UBI Number	602316087		
Owners Information			
Primary Owner	DAVID FUKUHARA		
Other Owner(s)	MARK TAKISAKI		
Certification Information		State	Federal
Certification Type	MBE		ACDBE/SBE
Certification Number	M4M0018615		D4M0018615
<div> NAICS codes for <u>UCP USE ONLY</u> to determine size standard </div> <div> NAICS Codes (Primary is specified in bold) </div>			
722513 - Carryout restaurants			



Submitted by

CONCOURSE  CONCESSIONS

Sea-Tac International Airport

COFFEE BEAN & TEA LEAF • WAJI'S at SEA-TAC • LA PISA CAFÉ

22518 Marine View Drive S. | Des Moines, WA 98198 | 206.824.6300 | www.concourse-usa.com