

September 22, 2016



AirProjects, Inc.  
Attn. Emily Escrader  
908 King Street, Suite 400E  
Alexandria, VA 22314

To Whom it May Concern:

On behalf of the entire MOD team, I am thrilled to present our proposal for SEA-TAC AIRPORT CEP - FOOD SERVICE - SINGLE UNIT 12 QUICK SERVICE - ITALIAN FOOD/PIZZA. We have been waiting for the opportunity to operate in our hometown airport and are so grateful that the time has finally arrived.

Seattle is the hometown of our founders, Scott and Ally Svenson, and the community where they chose to establish MOD Pizza in 2008. It's the start-up mentality, the entrepreneurial spirit and yes, a little bit of rebellion that they learned here that inspired them to create MOD. We do things a little differently. Our founders started MOD Pizza not just as a pizza company, but as a company with a culture of doing good. It's about spreading MODness: Doing the right thing and creating a ripple effect of gratitude and giving back. Yes, MOD Pizza makes and sells great pizza. But the company's foundation is built on making a positive impact on the lives of every team member and guest who walks into one of our stores. We like to say "The only thing we put into a box is pizza". It's this employee-centered culture that earned us the "Best Place to Work" and the 2016 "Healthy Community Corporate Champion" award in the economic opportunity category from the Puget Sound Business Journal.

We custom build a pizza or salad for customers in just a few minutes. After another few minutes in the oven, your pizza is hot and ready to enjoy. What a great thing for an airport! Customers in the Portland International Airport think so. Our sales are growing double digits there since our opening last year.

We have grown from one little store in downtown Seattle in 2008 to 151 stores today. In April, MOD Pizza was named the "fastest growing chain restaurant in America" by Technomic, a research and consulting firm, in its annual Top 500 Chain Restaurant Report. We think it's time to showcase this hometown brand in our hometown airport. We hope you agree. If you have questions, call me anytime at (410) 430-4950 or email me at [jdikos@modpizza.com](mailto:jdikos@modpizza.com). We look forward to working with you.

All the best,

A handwritten signature in blue ink, appearing to read "JD", is written over a horizontal line.

John Dikos  
VP of Partnerships

**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 checked="" type="checkbox"/>	CEP Document	Reviewed
<input checked="" type="checkbox"/>	Cover Letter	Submitted
<input checked="" type="checkbox"/>	Submittal for Sections One through Seven	Reviewed and Submitted with Proposal
<input checked="" type="checkbox"/>	Exhibit 1 – Passenger Airlines Operating at Sea-Tac	Reviewed
<input checked="" type="checkbox"/>	Exhibit 2 – Passenger Traffic Summary	Reviewed
<input checked="" type="checkbox"/>	Exhibit 3 – ADR Historical Sales Performance	Reviewed
<input checked="" type="checkbox"/>	Exhibit 4 – Draft Lease and Concession Agreement	Reviewed
<input checked="" type="checkbox"/>	Exhibit 5 – Lease Outline Drawing(s)	Reviewed
<input checked="" type="checkbox"/>	Exhibit 6 – Capital Investment Form	Reviewed and Submitted with Proposal
<input checked="" type="checkbox"/>	Exhibit 7 – Financial Offer Form	Reviewed and Submitted with Proposal
<input checked="" type="checkbox"/>	Exhibit 8 – Proforma Statement	Reviewed and Submitted with Proposal in pdf and Excel formats
<input checked="" type="checkbox"/>	Exhibit 9 – Operating a Concession Business at Sea-Tac	Reviewed
<input checked="" type="checkbox"/>	Exhibit 10 – Submittal Checklist	Reviewed and Submitted with Proposal
<input checked="" type="checkbox"/>	Exhibit 11 – Form to Complete Section 6	Reviewed and Submitted with Proposal
<input checked="" type="checkbox"/>	Exhibit 12 – Submittal Form	Reviewed and Submitted with Proposal
<input checked="" type="checkbox"/>	Port of Seattle's Airport Dining and Retail Design Guidelines	Reviewed
<input checked="" type="checkbox"/>	Port of Seattle Tenant Design and Construction Process Manual	Reviewed
<input checked="" type="checkbox"/>	Tariff Utility Rates	Reviewed



EXHIBIT 12  
PORT OF SEATTLE  
SEATTLE-TACOMA INTERNATIONAL AIRPORT  
CEP SUBMITTAL FORM

MOD SUPER FAST PIZZA, LLC  
Company Legal Name (Exactly as it is to appear on the Agreement)

John Dikos, Vice President, Partnerships  
Name and Title (of individual authorized to execute the Agreement on behalf of proposer)

2035 158<sup>th</sup> Court NE, Bellevue, WA 98008  
Agreement Mailing Address                      City                      State                      Zip

410-430-4950                      Jdikos@modpizza.com  
Telephone Number                      Email

Will you execute an Agreement in substantially the same form as the draft provided with the CEP?  
Yes XXX    No     

*List the business type of the submitting organization (i.e., corporation, LLC, partnership, joint venture or sole proprietorship)*

MOD Super Fast Pizza, LLC is an LLC

Attach the following information as relevant:

- If a corporation, attach the Articles of Incorporation and any amendments thereof, and list the names, addresses and shares of all persons or entities owning ten percent (10%) or more of the Proposer's voting stock
- If an LLC, attach the Articles of Organization and any amendments thereof and list the name and address of each member

The sole member/ owner of MOD Super Fast Pizza, LLC is: MOD Super Fast Pizza Holdings, LLC;  
Address: 2035 158th Ct. NE, Suite 200, Bellevue WA 98008

- If a partnership, attach a copy of the Partnership Agreement (including any amendments thereof), and list the name, address and share of each partner
- If a joint venture, list date of organization, attach a copy of the joint venture agreement (including any amendments thereof), indicate if the joint venture has done business in the state of Washington and where, and list the name, address and share of each joint venture partner
- If the joint venture includes an ACDBE or an ACDBE applicant, and it is the desire of the joint venture partners that the ACDBE partner's portion of the sales be applied towards Sea-Tac's ACDBE goal, then the joint venture must be in compliance with the Joint Venture Guidance issued by the U.S. Department of Transportation Federal Aviation Administration in July 2008.

- If a sole proprietorship, list all business names under which such proprietor has done business during the last five (5) years, address(es), how long in business, and state whether registered or authorized to do business in Washington.

List any affiliate of respondent engaged in similar business activities and any corporation with a direct or controlling interest in the proposer, and any subsidiary corporation in which the respondent has a controlling interest and any affiliates.

**Affiliates of MOD Super Fast Pizza, LLC:**

Scott & Ally Svenson and certain entities controlled by Scott Svenson  
 MOD PWP Buyer LLC  
 MOD Super Fast Pizza Franchising, LLC  
 MOD Super Fast Pizza (International), LLC  
 MOD Pizza UK Limited  
 Parent: MOD Super Fast Pizza Holdings, LLC  
 Subsidiaries:  
   o MOD Super Fast Pizza (California), LLC  
   o MOD Super Fast Pizza (Wisconsin), LLC

Please provide the names, addresses, and telephone numbers of at least three (3) credit references, including at least one (1) banking reference.

**Credit Reference No. 1:**

Roma Foods: 19606 NE San Rafael, Portland, OR 97230  
 Company Name and Address

Grace Perez (503) 405-1231  
 Contact Name, Title, and Telephone Number

**Credit Reference No. 2:**

Columbia Distributing, PO Box 34935, Seattle, WA 98124  
 Company Name and Address

Anne Stewart, Credit Analyst, (503) 265-3075  
 Contact Name, Title, and Telephone Number

**Credit Reference No.3:**

Smith & Greene, 19015 66<sup>th</sup> Avenue South, Everett, WA 98032  
 Company Name and Address

Garrett Mullen, President, (425) 656-8000  
 Contact Name, Title, and Telephone Number



**Banking Reference:**

Commerce Bank; 601 Union Street, Suite 3600, Seattle, WA 98101  
Company Name and Address

Lynda Linse, 206-292-4541  
Contact Name, Title, and Telephone Number

MOD Super Fast Pizza, LLC has the capacity for the initial investment and the ability to sustain operations over the life of the agreement per the attached financials in Tab 1.

MOD Super Fast Pizza, LLC has never defaulted on a prior agreement.

MOD Super Fast Pizza, LLC has never had an agreement terminated for cause.

# Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "MOD SUPER FAST PIZZA, LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE TWENTIETH DAY OF FEBRUARY, A.D. 2008, AT 6:41 O`CLOCK P.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "SOCIAL PIZZA, LLC" TO "MOD SUPER FAST PIZZA, LLC", FILED THE FOURTEENTH DAY OF AUGUST, A.D. 2008, AT 6:33 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY, "MOD SUPER FAST PIZZA, LLC".

A handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line.

Jeffrey W. Bullock, Secretary of State

4507708 8100H  
SR# 20165710276

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Authentication: 202960083  
Date: 09-08-16



**CERTIFICATE OF FORMATION  
OF  
SOCIAL PIZZA, LLC**

This Certificate of Formation is being executed as of February 20, 2008, for the purpose of forming a limited liability company pursuant to the Delaware Limited Liability Company Act. The undersigned, being duly authorized to execute and file this Certificate, does hereby certify as follows:

**ARTICLE 1. NAME**

The name of the limited liability company is Social Pizza, LLC (the "*Company*").

**ARTICLE 2. REGISTERED OFFICE AND  
REGISTERED AGENT**

The Company's registered office in the State of Delaware is located at 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808-1645. The registered agent of the Company for service of process at such address is Corporation Service Company.

**ARTICLE 3. DURATION**

The duration of the Company shall be perpetual.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Formation as of the day and year first above written.

/s/ Jane Frissell  
Jane Frissell  
Authorized Person

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 06:57 PM 08/14/2008  
FILED 06:33 PM 08/14/2008  
SRV 080875092 - 4507708 FILE

CERTIFICATE OF AMENDMENT  
OF  
SOCIAL PIZZA, LLC

This Certificate of Amendment is being executed as of August 14, 2008, for the purpose of amending the Certificate of Formation of Social Pizza, LLC, a Delaware limited liability company, pursuant to the Delaware Limited Liability Company Act. The undersigned, being duly authorized to execute and file this Certificate, does hereby certify as follows:

1. The name of the limited liability company is Social Pizza, LLC.
2. Article 1 of the Certificate of Formation is hereby amended to read as follows:  
"The name of the limited liability company is MOD Super Fast Pizza, LLC."

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Amendment as of the day and year first above written.

  
Scott Svenson  
Authorized Person

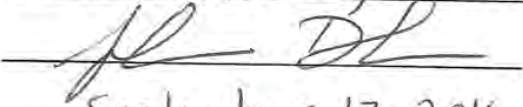


**Port of Seattle  
Seattle-Tacoma International Airport  
Airport Dining & Retail Program  
Competitive Evaluation Process - Lease Group 3,  
(Food Single 11, Food Single 12, Food Single 15, Food Single 16,  
Food Single 5, Food Single 9, Food Small 4, Food Small 7)**

**Addendum No. 1  
CONFIRMATION**

Respondents must complete this CEP Addendum No. 1 confirmation and attach it to its Submittal.

Lease Group 3 Competitive Evaluation Process Addendum No. 1 has been received and reviewed by:

Respondent MOD SUPERFAST PIZZA, LLC  
Name JOHN DIKOS  
Title Vice President, Partnerships  
Signature   
Date September 17, 2016

# BACKGROUND, EXPERIENCE & FINANCIAL CAPABILITY

WE'RE NON-CONFORMISTS  
the only thing we put in a box is pizza.

WE'RE OPEN-MINDED  
haters gonna hate; we appreciate.

WE'RE SPONTANEOUS  
the MacGyvers of customer service.

WE'RE GRATEFUL  
seriously, we're all lucky to be here.







## MOD: A BRIEF HISTORY

### PIZZA WITH A PURPOSE

Scott and Ally Svenson founded MOD Pizza in 2008 with the idea of “pizza with a purpose.” The couple wanted their company to make a positive social impact and make their four sons proud. They’d already built Seattle Coffee Company and sold it to Starbucks in 1998. That same year, they developed U.K.-based Carluccio’s, which went public in 2005. When they came back to their hometown of Seattle to raise their kids, they wanted to do the right thing and give back.

Since opening the doors of our first MOD Pizza eight years ago, MODness has spread all the way to the East Coast and England. We’ve grown to over 151 stores in 18 states and the U.K., including 29 locations in Washington, four locations in the city of Seattle, and one airport location at Portland International. This year we opened a non-traditional site on the Microsoft campus.

### WE’RE BLUSHING

We’re not ones to toot our own horn, so here’s what others are saying about MOD Pizza:

- One of *Fortune Magazine*’s “20 Best Workplaces in Retail” for our progressive hiring practices and career growth opportunities.
- The Ernst & Young Entrepreneur Of The Year® 2016 Award in the Emerging category for the Pacific Northwest went to Ally and Scott Svenson.
- One of the “Fastest Growing Private Companies in America” by *Inc.*
- “10 Hometown Chains Worth Visiting” (2015) by *Seattle* magazine.
- Harvard Business School did a case study on MOD Pizza focused on building a people-first culture while developing a successful business.

Learn more about our story on our Vimeo page (<https://vimeo.com/105918716>)

10





## SUPERFAST ANSWERS

### ABOUT MOD PIZZA

#### SOURCE OF FUNDS

MOD Pizza will use existing cash to develop our Sea-Tac location. Our company has substantial liquid assets and no debt. Please see our financials as requested at section's end.

#### NUMBER OF EMPLOYEES

As of August 31, 2016, The MOD Squad numbered 83 people in the city of Seattle and 3,140 people across the U.S. This has increased from our December 31, 2015 number, which was 1,940 across the U.S. MOD Pizza is growing!

#### BRIEF HISTORY OF THE COMPANY

We talked a little about how we began on the previous page. Learn more throughout the proposal.

#### CHANGES IN COMPANY NAME/OWNERSHIP/OTHER NAMES

MOD Pizza is a founder-led organization. Additional investors have joined as we have grown. See Exhibit 12.

#### LAWSUITS, JUDGMENTS

See our short list at section's end.

#### BANKRUPTCY

MOD Super Fast Pizza, LLC has never declared

bankruptcy, filed a petition in 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.

#### BUSINESS COVERED BY SEATAC PROPOSITION 1?

No, but as a local business we are aware of all labor changes in the marketplace and will respond appropriately. It is our goal to be the progressive employer of choice and to pay our team members an above average wage.

#### NUMBER OF YEARS OF RELEVANT EXPERIENCE

MOD Pizza began eight years ago with a location in downtown Seattle. We have operated high volume locations at the Seattle Center since June 2012 and Portland International Airport since April 2015. Our founders and senior team members have decades of experience in quick service and fast casual restaurants. Our Executive Team can be viewed on our website at [www.MODPizza.com](http://www.MODPizza.com).

#### UNITS OPEN

As of August 31, 2016 MOD Pizza had 151 locations (130 company-owned and 19 franchised stores in the U.S., two in the U.K.). We love talking about MOD Pizza and the secret sauce that makes us special (spoiler alert: it's our people, The MOD Squad). Keep reading to learn more about our Seattle-based, values-driven, entirely-unique organization.





## THREE FEATURED LOCATIONS

### PORTLAND INT'L AIRPORT

**SIZE:** 950 SQ. FT. **OPENED:** APRIL 1, 2015  
**TERM:** 10 YEARS

**GROSS SALES 2015:** \$1,043,455 (FIRST PARTIAL YEAR OPEN)  
**SALES/SQFT:** \$1,098  
**SALES/TRANSACTION:** \$10.23  
**ENPLANEMENTS:** 4.1 MILLION (CONC C); 8.4 MILLION PDX  
**CAPEX:** \$871,064  
**GUARANTEED RENT:** \$71,250/YEAR MINIMUM ANNUAL  
GUARANTEE YEAR ONE

#### % RENT:

\$0-\$600,000	10%
\$600,000 - \$1 MILLION	12%
\$1 MILLION +	14%

**RENT PAID:** 2015 = \$90,437 (PARTIAL YEAR)  
Q1 AND Q2 2016 = \$97,330

### OPERATIONAL CHALLENGES

Portland International Airport offers similar challenges as many airports, such as pre-planning badge requests for seasonal staffing changes, hiring qualified team members willing to travel to the airport for work, long daily hours, and complex delivery logistics. At MOD Pizza, our strong culture, pay and benefits attract a great team, and our growth attracts those looking for career advancement.

Specifically at PDX, we originally found it challenging to have enough part-time staff members to pick up extra shifts to cover weather and traffic-related changes. Resolving this issue through diligent scheduling has made us a stronger organization. This nimble approach and our overall sense of gratitude to be part of the PDX concessions program has resulted in a wonderful relationship with the airport. We're including a recommendation letter from them.

**PDX IS POSTING SOME SERIOUS SALES INCREASES OVER THE PREVIOUS YEAR.**







## SEATTLE CENTER

**SIZE:** 1,868 SQ. FT.  
**OPENED:** JUNE 15, 2012  
**TERM:** 5 YEARS

GROSS SALES	SALES/SQ. FT.
2015 \$1,542,752	\$826
2014 \$1,308,096	\$700
2013 \$1,211,040	\$648

**SALES/TRANSACTION:** \$15.22  
**ENPLANEMENTS:** N/A  
**CAPEX:** \$391,744  
**GUARANTEED RENT:** N/A

% RENT:	
\$0 - \$625,000	3.5%
\$625,000 - \$750,000	4.5%
\$750,001 - \$900,000	6%
\$900,001 +	7.5%

**RENT PAID:**  
 2015 = \$91,791    2014 = \$61,236    2013 = \$75,000

## ISSAQUAH, WA

**SIZE:** 2,200 SQ. FT.  
**OPENED:** OCTOBER 5, 2013  
**TERM:** 10 YEARS

GROSS SALES	SALES/SQ. FT.
2015 \$1,850,678	\$841
2014 \$1,631,458	\$742
2013 \$375,330	\$171 (PARTIAL YEAR)

**SALES/TRANSACTION:** \$16.58  
**ENPLANEMENTS:** N/A  
**CAPEX:** \$460,322  
**GUARANTEED RENT:** \$6,050/MONTH \$72,600/YEAR  
**% RENT:** N/A

**RENT PAID:**  
 2015 = \$72,600  
 2014 = \$72,600  
 2013 = \$12,100

## OPERATIONAL CHALLENGES

We chose to highlight these two locations because each has a relatively small kitchen, similar to what we will have at Sea-Tac and each store boasts strong sales per square foot. During the high season of April - December, Seattle Center is a vibrant destination filled with festivals, concerts, museum-goers, cruise passengers and visitors from all over the world. During this period we supplement our year-round full-time staff with seasonal hires to meet the demand. With sales exceeding \$10,000 on peak days, and large groups often arriving all at once, we have trained our team to react quickly. Issaquah's performance is bolstered by using a back-of-house makeline that allows us to increase throughput during peak hours. This experience will help us at Sea-Tac where we will also serve waves of guests in a small space. We plan to have a second makeline on the back counter for online and mobile app orders.

# A GRAND EXPERIMENT

## ONLY IN SEATTLE

We always knew Seattle was the right place to launch the MOD Pizza experiment, motivated by the desire to create something really special and inspired by some of the city's shared values. How the experiment would turn out, though, was anyone's guess. How would customers react? Would the team get it? Was the experiment worth the blood, sweat and tears required to go the distance?

Well, something pretty cool happened after we opened our doors in the fall of 2008. We attracted some special people who decided to make it their own. The "MOD Squad" emerged and helped turn MOD Pizza into a place where you want to be. A place that prides itself on providing a special experience to both customers and the MOD Squad. Like magic, a spirit of individuality, teamwork, and service emerged. That's what we call MODness. And the best part is, it's been spreading across the U.S. and even overseas ever since.

"The experience people have come to expect when they step into one of our stores is what propels us forward," explains Scott Svenson, co-founder and CEO. "MOD is not just about great pizza. It is about our desire to redefine and elevate the 'fast food' experience. For us, it is also about creating one great store at a time and connecting on a local level, through our MOD Squads, with the great communities we serve."

## MOD Pizza. Simple food for complex times.

It's about spreading MODness: Doing the right thing and creating a ripple effect of gratitude and giving back. Yes, MOD Pizza makes and sells great pizza. But the company's foundation is built on making a positive impact on the lives of every team member and guest who walks into one of our stores.

## REFERENCES

### PORT OF PORTLAND

Maria Wagar, Revenue Contract Administrator  
7200 NE Airport Way, Portland, OR 97218  
503-415-6658, maria.wagar@portofportland.com

### SEATTLE CENTER

Sean Fix, City of Seattle  
600 4th Avenue, Seattle, WA 98104  
425-772-9991, sean.fix@seattle.gov

## ISSAQUAH

Grand Ridge Plaza II, LLC  
5335 SW Meadows, Suite 295, Lake Oswego, OR 97035  
Shannon Jallow, General Manager  
425-677-2268, shannonjallow@regencycenters.com

## LAWSUITS

Following are all the lawsuits in which MOD Super Fast Pizza, LLC has been involved.

1. EEOC Charge No. 31C-2016-01135C/ TWCCRD Charge No. 1A16669; De'Adrian McClennon v. MOD Pizza under Title VII of the Civil Rights Act dated July 1, 2016. Mr. McClennon has alleged discrimination on the basis of his race, color and national origin. MOD Pizza is defending this claim and the matter is ongoing.
2. John M. Peranzi v. MOD Super Fast Pizza and Eddie Cabais-Westcoast. Auto accident on 9/27/2011 involving MOD van being driven by Eddie Cabais-Westcoast. This matter was settled on 2/10/2016.
3. MOD Super Fast Pizza, LLC v. Carl Chang, et al., Case No. 2:12-cv-01359 filed in the Western District of Washington. MOD Pizza alleged that the defendants misappropriated MOD's trade secrets, breached agreements with MOD, and infringed upon MOD's trade dress rights. This case was settled in March 2014 pursuant to a confidential settlement agreement.
4. Jeremy Saavedra & Charles Coppersmith v. MOD Super Fast Pizza, LLC, Case No.: 115CV288696, filed on 12/03/2015 in the Santa Clara County Superior Court, California, alleging that such plaintiffs and other California General Managers were misclassified as exempt employees and are entitled to compensation and penalties based on their overtime, meal and rest period, and other related claims. This matter was settled on 4/21/2016.
5. EEOC Charge No. 551-2015-00442; Brandon Brooks v. MOD Pizza under Title VII of the Civil Rights Act dated December 29, 2014. Mr. Brooks has alleged discrimination on the basis of his gender and retaliation. MOD Pizza is defending this claim and the matter is ongoing.
6. Modmarket, LLC ("Modmarket") and the Company were involved in litigation in 2015, resulting in the Company's entry into that certain Settlement Agreement and Mutual Release dated August 5, 2015 between the Company and Modmarket (name infringement).



AirProjects, Inc.  
Attn. Emily Escrader  
908 King Street, Suite 400E  
Alexandria, VA 22314

To Whom it May Concern:

Please find our preliminary and unaudited financial statements for the years ending 2013, 2014 and 2015. MOD is prepared and excited to invest in, develop, and operate our first restaurant at SeaTac. We look forward to building on our airport success and remain committed to delivering an exceptional experience through our team of employees and to our traveling customers here in our hometown of Seattle.

As additional insight to the financial statements provided herein, we ended our second quarter of 2016 (July 10<sup>th</sup> of 2016) with approximately \$22.4 million in cash, and have been entirely equity financed to date, and carry no debt. Please let me know if you have any questions or would like to discuss anything after reviewing our bid.

Thank you for this opportunity to partner with you.

Sincerely,

Bob Barton  
Chief Financial Officer





## Balance Sheet

## Preliminary and Unaudited

Balance Sheet	Fiscal Year Ended		
	2015	2014	2013
Cash and cash equivalents	12,346,364	6,065,016	2,380,652
Restricted cash	-	-	40,915
Inventory	716,040	271,376	106,485
Accounts Receivable	1,125,868	419,611	239,818
Tenant improvement allowance receivable	3,247,113	1,037,905	415,737
Prepaid expenses and other current assets	1,092,886	363,587	169,075
<b>Current Assets</b>	<b>18,528,271</b>	<b>8,157,495</b>	<b>3,352,682</b>
Other assets	1,054,024	476,805	148,270
Investments	15,504	-	-
Property and equipment, net	58,885,018	18,166,067	6,243,086
<b>Total Assets</b>	<b>\$ 78,482,818</b>	<b>\$ 26,800,367</b>	<b>\$ 9,744,038</b>
	<b>Current</b>	<b>Current</b>	<b>Current</b>
Accounts Payable	7,886,310	4,280,269	1,264,903
Accrued compensation and benefits	2,923,763	1,121,646	461,421
Accrued expenses	285,302	182,003	688,410
Gift card liability	410,049	90,363	36,709
<b>Current Liabilities</b>	<b>11,505,425</b>	<b>5,674,281</b>	<b>2,451,443</b>
Deferred rent and landlord allowances	9,435,408	2,707,803	1,503,753
Unearned franchise fee revenue	1,070,000	585,000	90,000
<b>Total Liabilities</b>	<b>22,010,833</b>	<b>8,967,084</b>	<b>4,045,196</b>
Members' equity	74,225,965	28,631,885	11,811,655
Members' loans to purchase equity			-
Net Inc (Loss) - Prior Yrs	(9,821,631)	(6,448,194)	(2,733,734)
Net Inc (Loss) - Current Yr	(6,424,489)	(3,096,624)	(3,379,079)
<b>Total Equity</b>	<b>56,471,985</b>	<b>17,833,283</b>	<b>5,698,842</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 78,482,818</b>	<b>\$ 26,800,367</b>	<b>\$ 9,744,038</b>

**CONFIDENTIAL**



## Balance Sheet

## Preliminary and Unaudited

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<b>Current Liabilities</b>	<b>11,505,425</b>	<b>5,674,281</b>	<b>2,451,443</b>
Deferred rent and landlord allowances	9,435,408	2,707,803	1,503,753
Unearned franchise fee revenue	1,070,000	585,000	90,000
<b>Total Liabilities</b>	<b>22,010,833</b>	<b>8,967,084</b>	<b>4,045,196</b>
Members' equity	74,225,965	28,631,885	11,811,655
Members' loans to purchase equity			-
Net Inc (Loss) - Prior Yrs	(9,821,631)	(6,448,194)	(2,733,734)
Net Inc (Loss) - Current Yr	(6,424,489)	(3,096,624)	(3,379,079)
<b>Total Equity</b>	<b>56,471,985</b>	<b>17,833,283</b>	<b>5,698,842</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 78,482,818</b>	<b>\$ 26,800,367</b>	<b>\$ 9,744,038</b>

**CONFIDENTIAL**



## MOD Pizza Reports Strong Growth for First Half of 2016

*Company Reports System-Wide Sales of \$70.5 Million Representing Year-Over-Year Growth of 168 Percent; Store Count Expected to Exceed 190 System-Wide by End of 2016*

**SEATTLE (August 30, 2016)** – [MOD Super Fast Pizza Holdings](#), LLC (“MOD Pizza”, “MOD” or the “Company”), a pioneer of fast casual pizza, today announced 2016 mid-year results that reflect continued rapid growth and strong existing store performance. Through the first two quarters of MOD’s fiscal year (28 weeks ending July 10, 2016), MOD reported system-wide sales of \$70.5 million, up 168 percent over the same period in the prior year. This significant growth reflects the addition of 80 new stores system-wide over the last 12 months, a 138 percent increase, combined with system-wide same-store sales growth of 7.8 percent for the first half of 2016. The term “system-wide” includes all company-operated and licensed store locations.

MOD also reported company net revenue (which includes restaurant sales from company-operated stores, and franchise fees and royalties) of \$61.4 million for the first half of 2016, reflecting a year-over-year increase of 142 percent. During the first half of 2016, the MOD brand expanded into three new markets in the United States (Missouri, Wisconsin and South Carolina) and its first international location in the United Kingdom (Leeds). At the end of the second quarter, MOD operated 138 locations system-wide across 17 states (Arizona, California, Colorado, Idaho, Illinois, Maryland, Michigan, Missouri, New Jersey, North Carolina, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington and Wisconsin) and the United Kingdom. Before year end, MOD expects to open more than 50 additional stores system-wide including locations in three new states (Kansas, Kentucky and Ohio), and four additional locations in the United Kingdom.

“MOD experienced another transformational period of growth during the first half of 2016, increasing the size of our system-wide store base by 50 percent since the beginning of the year. We accomplished this while strengthening existing stores and our unique purpose-driven culture. Our ability to effectively execute our growth plan is a reflection of the hard work and dedication of our incredible team, led by our store General Managers and MOD Squaders,” said Scott Svenson, co-founder and CEO of MOD Pizza.

“The years we invested preparing for growth are paying off, and moving forward we plan on maintaining our rapid but thoughtful expansion. Within our category we are differentiated by our commitment to predominantly building company-owned stores, complemented with a select group of culturally-aligned and highly experienced franchisees. We believe this approach will ensure a consistent brand and customer experience as we expand across the United States and abroad,” explained Svenson. “Most importantly, our commitment to leveraging the business to make a positive impact on our people and the communities we serve has never been stronger. It is this ‘purpose beyond pizza’ that motivates and inspires our team to deliver exceptional experiences in our stores every single day.”

In support of its rapid expansion, MOD significantly strengthened its executive team in early 2016, adding three key individuals: Bob Barton, chief financial officer; Lisa Luebeck, vice president of legal and general counsel; and Carole McCluskey, chief technology officer. In addition, during the first half of 2016, MOD created more than 1,000 new jobs in company-operated stores, resulting in approximately 3,000 employees company-wide as of July 10. The Company expects to employ nearly 4,000 by year end and, when including U.S. franchisees and the United Kingdom, total jobs created under the MOD brand is expected to approach 5,000 by year end. Continuing its commitment to use its business as a platform for creating positive social change, MOD donated approximately \$170,000 during the first half of the year to over 50 local non-profits including Generosity Feeds (Reston, Va.), Northwest Family Services (Portland, Ore.), Cy-Fair Education Foundation (Houston) and Spectrum Support (Eldersburg, Md.).

In April, MOD was named the “fastest growing chain restaurant in America” by Technomic, a research and consulting firm, in its annual Top 500 Chain Restaurant Report. In June, Ernst & Young named MOD co-founders Scott and Ally Svenson as Entrepreneurs of the Year for the Pacific Northwest, putting them in the running for the national award later this year. MOD was also named “Business of the Year” by the Bellevue, Wash., Chamber of Commerce, a “Top 100 Mover and Shaker” by *Fast Casual* magazine and received “honorable mention” distinction on the 2016 CNBC Disruptors list.

MOD operates its business with 13 four-week periods and a 52/53-week fiscal year ending on the last Sunday of December.

#### **ABOUT MOD PIZZA:**

MOD Pizza, a pioneer of the fast casual pizza segment, was founded in Seattle in 2008 by entrepreneurs Scott and Ally Svenson. MOD's individual artisan-style pizzas are made on demand, allowing customers to create their own pizzas and salads, using fresh-pressed dough, signature sauces and over 30 toppings, for one price. MOD was recently ranked as America's fastest growing chain restaurant by Technomic, earned a spot on the *Inc.* 5000 list as one of the fastest growing private companies in America in both 2015 and 2016 and was recognized by *Fortune* as one of the “20 Best Workplaces in Retail” for its progressive hiring practices and career growth opportunities. MOD's system-wide store count has grown to more than 150 locations across 18 states and the United Kingdom. At the core of MOD is a purpose-led culture that is committed to being a force for good in communities throughout the US and abroad, creating not only a cool place to eat, but an inspired place to work. For more information, please visit [www.modpizza.com](http://www.modpizza.com).

###

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203-682-8244



## DESIGNATION OF CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION

Material submitted to the Port of Seattle ("Port") in response to SEA-TAC AIRPORT CEP – FOOD SERVICE – SINGLE UNIT 12 QUICK SERVICE – ITALIAN FOOD/PIZZA includes information from and about MOD Super Fast Pizza, LLC ("MOD") that is confidential, proprietary and/or information that qualifies as a trade secret under the Washington Uniform Trade Secrets Act (RCW 19.108). As such, MOD requests that certain pages of this proposal, as indicated below, be treated as confidential and/or trade secret material and not be released to the public.

TAB	PAGE(S)	TOPIC
1	15-17	Financial Records (balance sheets and income statements) for 2013, 2014 and 2015
1	12-13	Sales information for comparable locations
4	39	Projected three-year sales for the proposed location
7	53	Proprietary vendor information

MOD's submission to the Port contains trade secret information because it contains information that:

- (a) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
- (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

As identified above, the submission to the Port contains the last three years' current financial statements, forecasted sales from the proposed location, and sales information for comparable MOD locations. All of such information constitutes MOD's trade secrets because it is proprietary to MOD, derives independent economic value to MOD from not being generally known or ascertainable and is not publicly available to others, and subject of efforts by MOD to maintain its secrecy.

For further information, please contact:

MOD SUPER FAST PIZZA, LLC  
2035 158<sup>th</sup> Court NE, Suite 200  
Bellevue, WA 98008

John Dikos, Vice President – Partnerships  
Email: [jdikos@modpizza.com](mailto:jdikos@modpizza.com)  
Telephone: 410-430-4950

CONCEPT  
DEVELOPMENT

Concept Development

***SUPERFAST***



**READY FOR TAKE-OFF**







## WHAT'S YOUR MOD?

MOD artisan-style pizzas and salads are Made On Demand, using fresh-pressed dough and signature sauces.

Every MOD Pizza experience starts with a Builder. He or she freshly presses a dough ball and adds any of our 30 fresh toppings to create an individualized Made On Demand pizza. Once built, the pizza is placed into our gas-fired display oven for approximately three minutes. That's where our trained pizza cook takes over. Before you know it...fresh, hand-made pizza Made On Demand!

Or, choose a salad instead. Hand-tossed and made to order. Or maybe it's a mini pizza AND a salad...whatever you'll like, we're here to please. And don't forget your strips (garlic or cinnamon) for an extra indulgence.

Pizzas and salads are the same price (a value at \$9.07) regardless of the number of toppings.

Wash it all down with a hand-spun milkshake and you have learned how to MOD!

We encourage all members of the MOD Squad (customers and employees alike) to be themselves-choose whatever ingredients they want. Make MOD their own.

### MOD = SUPERFAST

We know airport passengers are in a hurry. They don't have time to wait for a traditional pizza to cook. So we aren't kidding about the "superfast" part. Our pizzas cook in about three minutes. Even more important, our airport team is especially sensitive to the need for speed. A few of our team members have been spotted sprinting down the terminal after a passenger who forgot to take their pizza with them. We're that committed.

### DOES YOUR PIZZA PASS THE DROOP TEST?

Ours does! Even a whole pizza, held only by a spatula, stays crisp. You know biting into our pizza is going to be delicious and that you won't lose all of your toppings when you pick it up! Our team is trained to ensure our crust has both a crisp bite and some chew. We're a bit fanatical about our dough and crust. It's what allows a traveler to pick up a MOD pizza at our airport store and eat it later on the plane, still crisp!

## SO GRATEFUL THIS IS OUR HOME

Founders Scott and Ally Svenson intentionally relocated back to Seattle. They were both raised in the Seattle area and went to Bellevue High School. His career took them to London where the couple missed the Seattle coffee experience enough to co-found Seattle Coffee Company and eventually sell the nearly 100-store business to another Seattle company, Starbucks. When they started having kids, they had to think about where to raise them. No question. Seattle.

## WHAT'S SO SEATTLE ABOUT MOD?

Seattle made us who we are. It's in our DNA. Our founders (and many local team members) were born and raised here and chose to come home to start their business and their family. Seattle is an entrepreneurial community at heart--there's a little start up in every kid that grows up here. We encourage each General Manager to treat their store like it's their own neighborhood pizza joint.

Oh, and we're a little rebellious too. Maybe it's all that Seattle grunge music we grew up listening to. MOD Pizza doesn't do things like other companies. From the little things like letting kids plaster a wall or two in each store with stickers, to letting everyone fully be themselves, we say a little innocent rebellion never hurt anyone.

And people from Seattle sure know what MOD is. Our most recent brand-awareness research showed that Seattle-area residents have a remarkable 74% aided brand recognition of MOD Pizza. Now that's some hometown love.

## LEAVE IT TO THE TECH CAPITOL

Because so many of our Seattle customers are from the tech industry, many of them use our online ordering system. And it's not just advance ordering. Everyday, we see customers come in, see a line and get out their phones, sit down, place their order and just wait for their name. Aren't they clever?

Our new mobile app should be ready in three months. Plenty of time to work out the kinks before we open. We plan to heavily promote this option to travelers and especially airport employees. By ordering ahead, their pizza can be ready when they arrive so they can spend their time relaxing instead of waiting. It's this ordering option and our second makeline that makes us believe we can reach our \$4.75 million sales projection.



We believe in celebrating what's special about each site. Check out the keyboard keys that make up the MOD badge at our Microsoft site.

## GRIT. GROWTH. GENEROSITY. GRATITUDE.

These four words describe who we are. They drive us and everything we do. You will find them here and you will see them in action in every one of our MOD Pizza stores and our support center. Scott and Ally founded the company not just with pizza in mind, but knowing they wanted to do some good in the world. We're so grateful they did.

### RANDOM ACTS OF MODNESS

Although we've grown, we haven't lost sight of our desire to do good, especially in the place we call home. We employ over 800 team members in Washington alone, including people who may not fit into the mold at other companies. We just believe that everyone intends to do their best and we give them the opportunity to show it. And, boy, do they! Maybe it's because we offer health and dental benefits, helping to earn us "Best Place to Work" and the 2016 "Healthy Community Corporate Champion" award in the economic opportunity category from the *Puget Sound Business Journal*.

We support our employees. The day before any new store opening is a "Bridge Fund Day"--a half-price sale where all proceeds go to a special fund



for our team members to tap into when things are bad--natural disasters, emergencies and other life-altering circumstances. Our culture of doing good is contagious. Our team members are some of the most compassionate, empathetic and fiercely entrepreneurial folks in the business. They want to be part of something that makes people happy. Scott says, "Most importantly, our commitment to leveraging the business to make a positive impact on our people and the communities we serve has never been stronger. It is this 'purpose beyond pizza' that motivates and inspires our team to deliver exceptional experiences in our stores every single day."

## MOD IS GROWING

In April, MOD Pizza was named the "fastest growing chain restaurant in America" by Technomic, a research and consulting firm, in its annual Top 500 Chain Restaurant Report.

Co-Founder and CEO, Scott Svenson explained, "MOD experienced another transformational period of growth during the first half of 2016, increasing the size of our system-wide store base by 50 percent since the beginning of the year. We accomplished this while strengthening existing stores and our unique purpose-driven culture. Our ability to effectively

execute our growth plan is a reflection of the hard work and dedication of our incredible team, led by our store General Managers and MOD Squaders." The years we invested preparing for growth are paying off, and moving forward we plan on maintaining our rapid-but-thoughtful expansion. Within our category we are differentiated by our commitment to predominantly building company-owned stores, complemented with a select group of culturally aligned and highly experienced franchisees. We believe this approach will ensure a consistent brand and customer experience as we expand across the US and abroad.

### THE ONLY THING WE PUT IN A BOX IS PIZZA

MOD Pizza celebrates self expression, genuine hearts and individual spirits who get that life is about the journey. We don't just create a cool place to eat. Our team members are an inspiration and earned us the accolades for being one of the "Top 50 Breakout Brands" by *Nation's Restaurant News* and ranked as a "Fastest Growing Company" by the *Puget Sound Business Journal*.

*For more information about The MOD Difference, check us out on Vimeo (<https://vimeo.com/97852904>).*



# A WHOLE NEW WAY TO MOD

## BREAKFAST AT MOD

Our street stores don't serve breakfast, but we've learned the breakfast daypart from our PDX location. We are already testing a new menu that keeps both airport employees and travelers coming back for more. Our culinary team has been working on ways to MODernize breakfast:

## BREAKFAST SANDWICHES AND PIZZA

Oozing with cheese, eggs and as many of our toppings as you like, our breakfast sandwiches are portable, hearty and

just the thing to hit the spot in the morning. Or, using our mini MOD Pizza crust, guests can customize their morning and build exactly what they want.

## LOCAL BAKERY CHOICES

MOD Pizza works closely with Schwartz Brothers Bakery ([www.schwartzbrosbakery.com](http://www.schwartzbrosbakery.com)). They have a tremendous selection of baked treats like muffins, pastries, scones and coffee cakes that are top sellers locally. Northwest Coffee Cake features Oregon blueberries. Apple bran muffins use Washington apples. Northwest grains are used in most baked goods.



## MADE ON DEMAND (MOD) PIZZA, SALADS AND MORE

### MAKE YOUR OWN OR CHOOSE A FAVORITE

Not in the mood to make a decision? We get it. Pick from one of 10 MOD Pizza classics. Or do what we do-start with a classic and individualize it your way.

### A SALAD ON A PIZZA?

It's one of the best ways to eat at MOD Pizza. First we quick-bake one of our crusts with Asiago cheese. Then we top it with your favorite salad tossed in dressing. Our secret method? Eat a little salad first, then take a slice of pizza, fold it over New York style, and eat your Pizza Salad!

### OUR KIDS EAT HERE TOO

Our mini-sized pizza is great for kids. And because they can have anything they want from just cheese, to loading it up with their favorite stuff-they're more likely to eat it. Our coolers are stocked with kid-friendly drinks too, like milk, juice and water. Kids love our milkshakes too.

### OUR SERVICE LEVEL: FULL MODNESS

We do more than sell pizza. At every one of our stores, our guests feel special, especially the kids. Want to see the biggest smile? Watch a child saunter up to the counter after hearing his or her name called. We call our guests by name, not numbers. It's all part of the MODness. Letting guests know we see them and are grateful they came in.

### MOD-IFIED JUST FOR YOU

Vegetarians rejoice! Our pizza line is loaded with all kinds of veggies. From the everyday roasted red peppers, onions and artichokes, to the seasonal specials like roasted brussel sprouts, kale and broccolini, options abound. We also offer a dairy-free cheese and gluten-free crust that doesn't contain wheat, nuts, dairy, eggs, or soy.

### COMMITTED TO FAIR PRICING

Pricing below is current at the time of the publishing. We understand the plan at Sea-Tac is to bring airport pricing in line with our street pricing in the future. Pricing for items we don't offer today will be determined by market study.



any toppings you want. same price.

**mini**  
**\$6.07**  
 6" pizza  
 or side salad

**mod**  
**\$9.07**  
 11" pizza  
 or entree-size salad

**mega**  
**\$12.07**  
 double crust pizza  
 or family size salad

**MOD pizza salad \$11.07** enjoy your salad on a warm asiago pizza crust  
 gluten free crusts + \$2.00

**strip & dip**  
**\$2.97**  
**garlic strips** \*280  
 dip into red sauce, pesto, ranch  
 or Sri-Rancha  
  
**cinnamon strips** \*280  
 dip into chocolate, strawberry  
 o cinnamon glaze

**MODshakes**  
**\$3.57**  
 chocolate  
 vanilla  
 strawberry  
  
 or MODify with a mix-in

\* | c u b d p o d s f o r i n t a k e o f 3000 c a l

## THE MOD MENU

### OUR SIGNATURES

MOD Pizza or Salad.....	\$9.07
Mini Pizza or Salad.....	\$6.07
Mega Pizza or Salad .....	\$12.07
Maddy .....	\$8.07
Pizza Salad.....	\$11.07
Strips.....	\$2.97
Milk Shakes ..	\$3.57

### EXTRAS FOR SEA-TAC

Bottled Beverages.....	\$1.97-\$4.97
Breakfast Sandwiches.....	\$9.07
Schwartz Famous Coffee Cakes.....	\$3.27
Lemon Poundcake.....	\$3.27
Chocolate Croissant .....	\$3.27
Muffins - various flavors.....	\$3.27
Drip Coffee .....	\$2.97

**1 'maddy'**  
 red sauce  
 mozzarella

**2 'mad dog'**  
 red sauce  
 mozzarella  
 pepperoni  
 mild sausage  
 ground beef

**3 'tristan'**  
 mozzarella  
 mushroom  
 roasted red peppers  
 asiago  
 pesto drizzle finish

**simple salad**  
 mixed greens  
 roasted red peppers  
 asiago

**4 'dominic'**  
 white sauce  
 fresh chopped basil  
 asiago  
 mild sausage  
 red onion  
 tomato

**5 'lucy sunshine'**  
 garlic  
 mozzarella  
 artichoke  
 parmesan  
 red sauce dollops finish

**6 'jasper'**  
 red sauce  
 mozzarella  
 mushroom  
 spicy sausage

**caesar salad**  
 romaine  
 tomato  
 parmesan  
 asiago  
 croutons

**7 'dillon james'**  
 red sauce  
 garlic  
 fresh chopped basil  
 mozzarella  
 tomato  
 asiago

**8 'calexico' *is hot!***  
 red sauce  
 mozzarella  
 grilled chicken  
 jalapenos  
 gorgonzola  
 hot buffalo sauce finish

**9 'caspien'**  
 bbq sauce  
 mozzarella  
 grilled chicken  
 red onion  
 gorgonzola  
 bbq swirl finish

**deluxe salad**  
 grilled chicken  
 salami  
 green bell peppers  
 black olives  
 tomato  
 garbanzo beans  
 parmesan

## WHAT'S YOUR MOD?

build your own pizza & salad or choose a classic





## WE BELIEVE IN CELEBRATING MARKETING IS ABOUT MAKING PEOPLE SMILE AND WANT TO COME BACK

### SHOW YOUR GENEROSITY

We believe the best way to take care of guests is to empower our managers. Rather than a canned approach, we tell our team to think, act and own their in-store experience. Have fun with it! In addition to random acts, we also celebrate our guests' special days including Memorial Day when we give free pizzas to all active military and Veterans.

### GRATITUDE THROUGH GIVING

We launched our Spreading MODness campaign in November of 2013 as we celebrated our fifth year in business. The MOD Squads were empowered to choose a food bank or shelter in their local communities. Through pizza sales during that week, our 11 stores generated over \$20,000 in donations to their local meal programs, and an annual tradition was born. We continue to give back through this program and others detailed in the Small Business Participation section.

*Learn more about our Spreading MODness campaign on our Vimeo page (<https://vimeo.com/145686936>).*

## EMPOWERING OUR MOD BOSSES GENERAL MANAGERS HAVE AN IMPACT ON OUR GROWTH

### IT STARTS WITH THE WEBSITE

Each individual store has its own web page that features its MOD Squad and a "Meet the MOD Boss" section. This lets each GM to answer a few questions about themselves and express some of his or her individuality.

### SOCIAL MEDIA

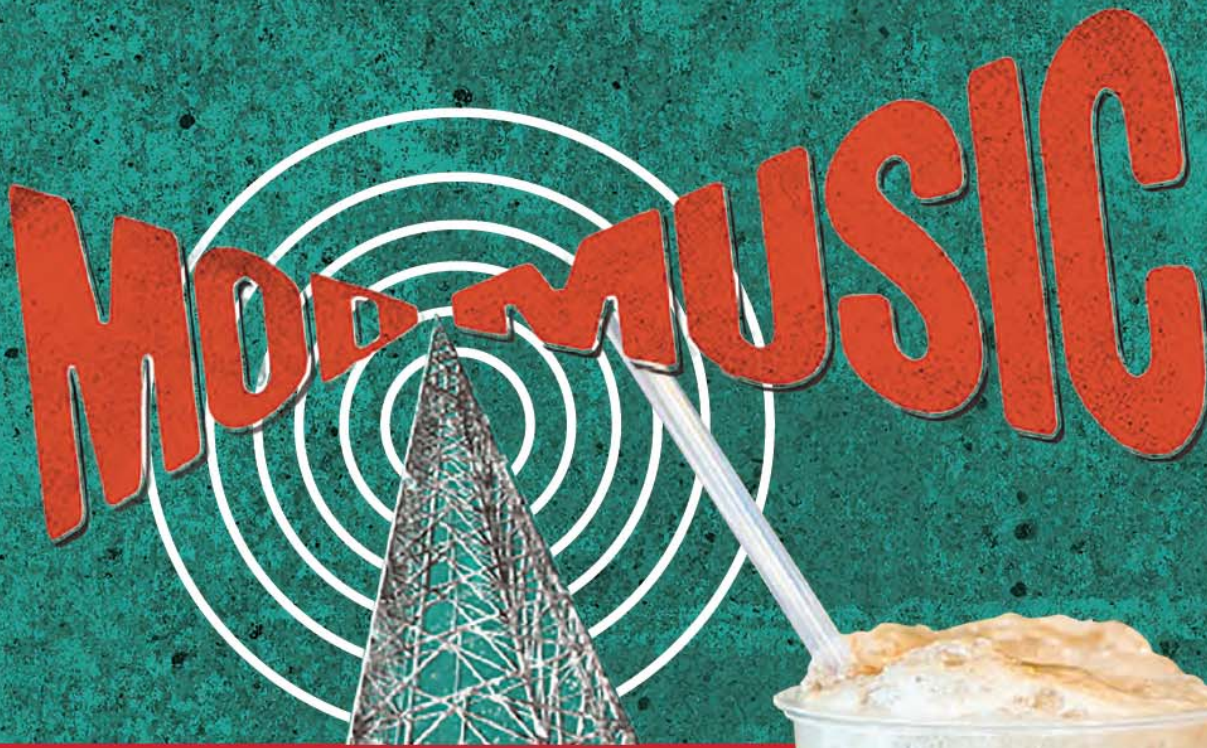
MOD Pizza uses social media as a way to connect with our community and connect the MOD Squad with each other. Through both public and private Facebook, Twitter, and Instagram accounts, we share the excitement and lifestyle that we call MOD. Several team members in our support center are dedicated to monitoring and responding to posts and inquiries.

### CONNECT WITH US

- Learn more at [modpizza.com](http://modpizza.com).
- Follow us on Twitter @modpizza
- Follow us on Instagram [instagram.com/modpizza/](https://www.instagram.com/modpizza/)
- Like us on Facebook. [facebook.com/modpizza](https://www.facebook.com/modpizza)



UNIT DESIGN,  
MATERIALS & CAPITAL  
INVESTMENTS



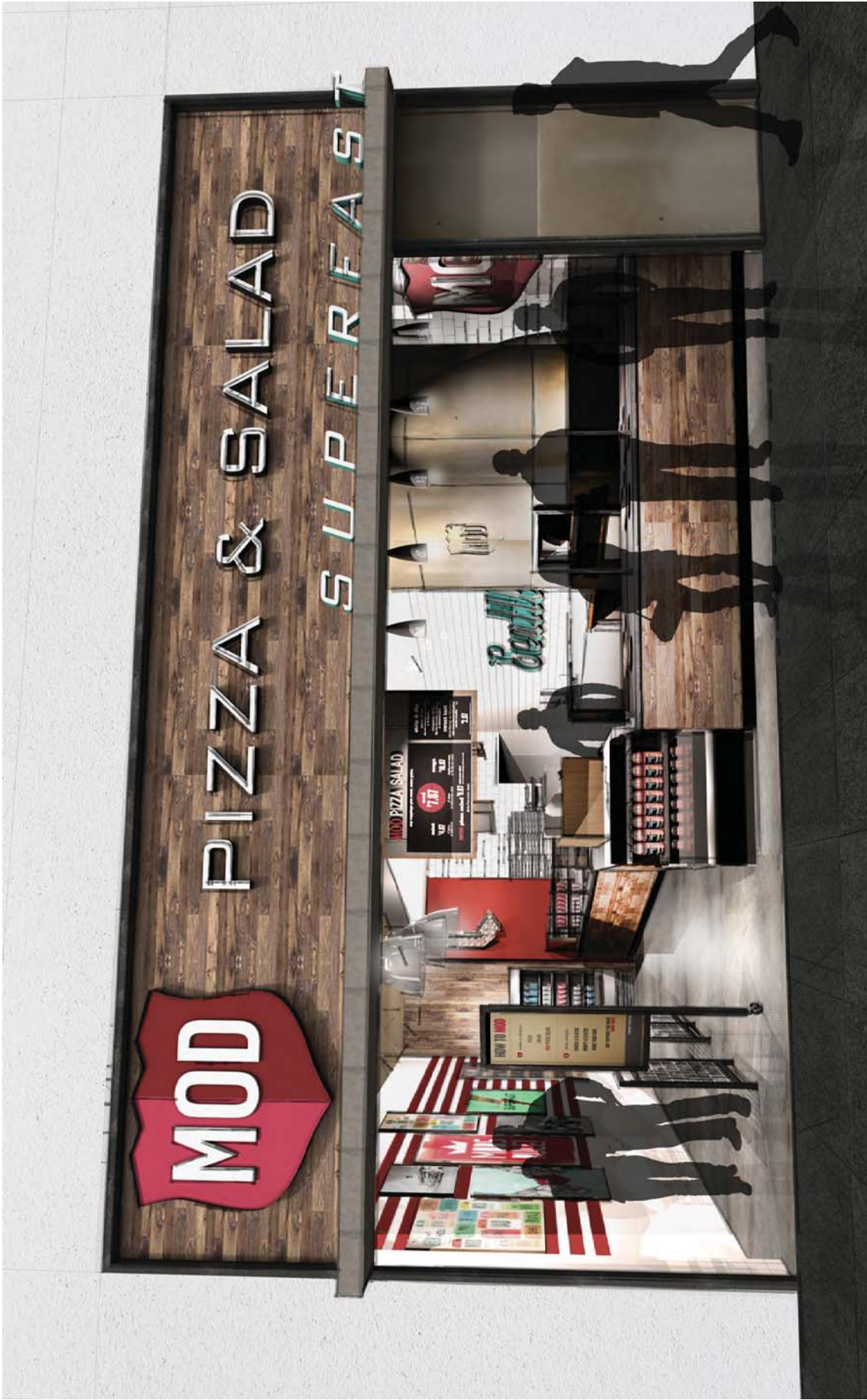
Unit Design, Materials  
& Capital Investment



TUNE IN TO...

[WWW.MODPIZZA.COM/MODMUSIC](http://WWW.MODPIZZA.COM/MODMUSIC)





# WELCOMING, INTUITIVE FLOOR PLAN DESIGNED TO BE SUPERFAST.

## WELCOME TO MOD

From the moment a customer spots us, they are encouraged to make MOD their own - with our storefront messaging our brand, our offerings, and our speed.

One of the first things a customer sees, even from the concourse, is our high capacity gas fired oven. Our oven is strategically angled so that approaching customers see the dancing flames and immediately know that their pizza will be cooked to order in a super hot oven.

As you begin the customer journey into our space, our "How to MOD" board along with our friendly MOD squad team explains the process of how to customize your own pizza or salad. The 'make line' then presents itself, allowing our guests to choose from one of 30 fresh ingredients to create their own Made On Demand pizza or salad. The flow of this space allows us to maximize our MOD squad to keep this line moving at mach speed.

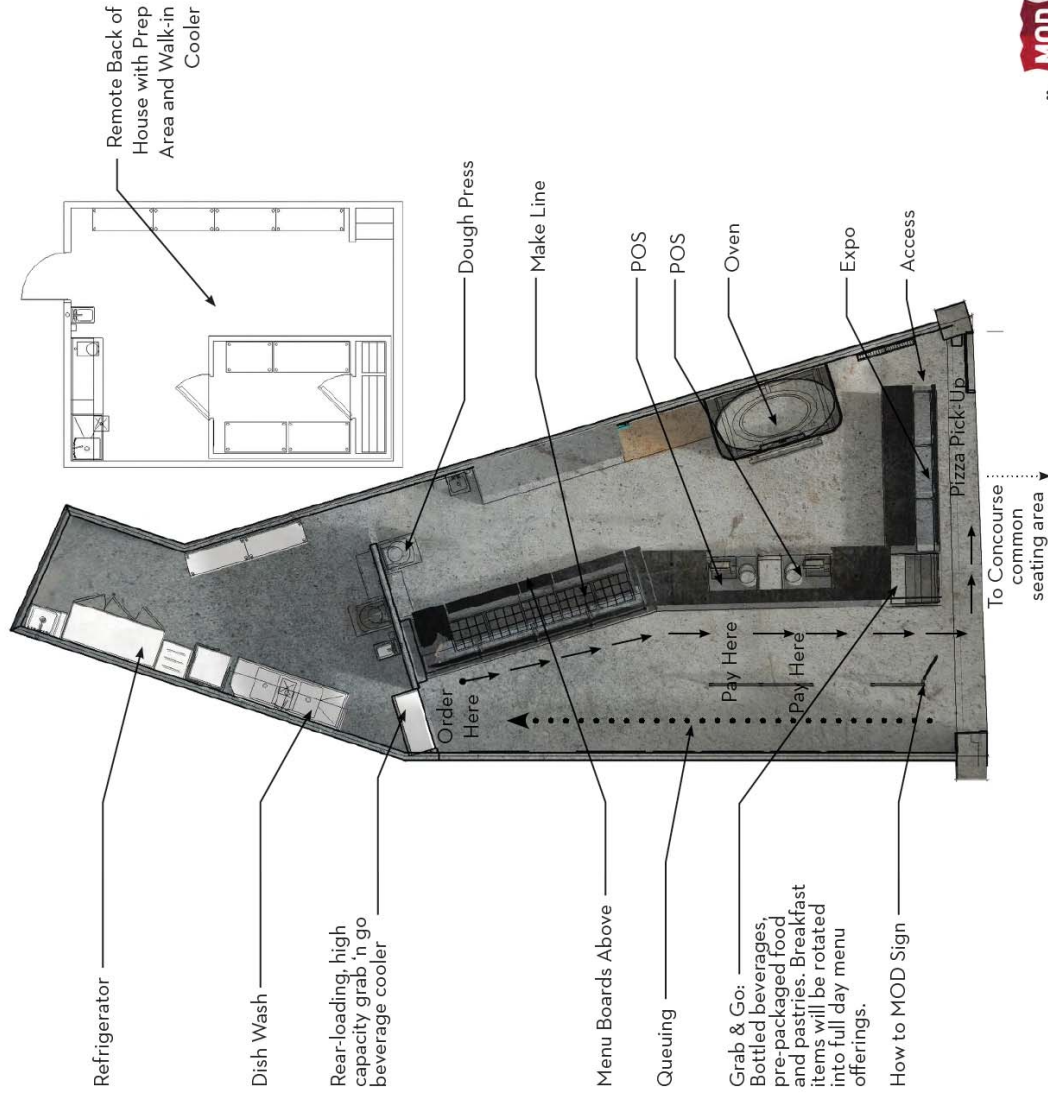
In the morning, guests can create their own breakfast pizza or sandwich. Display cases will be rotated with trays showcasing our baked goods from Seattle's Schwartz Bros. Bakery. Made to order pizzas and salads will be available at all hours to satisfy those whose travels or workday has them on a less traditional schedule.

Additionally, we've created an opportunity for "express" customers who may not be looking for a fully customized experience and truly want a 'superfast' grab and go offering drinks, pre-made salads, etc.

Both at pre-order and after the line, customers move past fixtures and cases where grab-and-go salads, soft drinks, water, fresh fruit, pastries and food is conveniently and abundantly displayed. Our operational deployment strategy combined with our supersized high capacity oven will enable us to keep the hurried traveler and airport personnel moving - getting is superfast and fresh.

### Development Requirements:

- 400 square feet remote workroom/storage
- Support for 6,500 lb oven
- 190,000 BTUs for gas fired oven













# ICONIC ELEMENTS

Features common to every MOD Pizza

## WALL OF FAME

An important centerpiece installation found in all MOD stores, the Wall of Fame recognizes the people that work in and visit our stores. At Sea Tac Airport, the Wall of Fame is the highlight of the interior graphics, raised above eye level and lit from above, to place special emphasis on the collage. Sprinkled into the many images, like an Easter egg, will be more locally relevant and interesting images for travelers to find. It is the story of MOD.

## MENU BOARDS

Menu boards are critical to our customers' understanding of our Made On Demand concept. We have recently updated our look and will continue to refine throughout the term.

## GRAB-n-GO

Bottle drinks, ready-made fresh salads, water and fresh fruit make this grab-n-go chill and superfast.





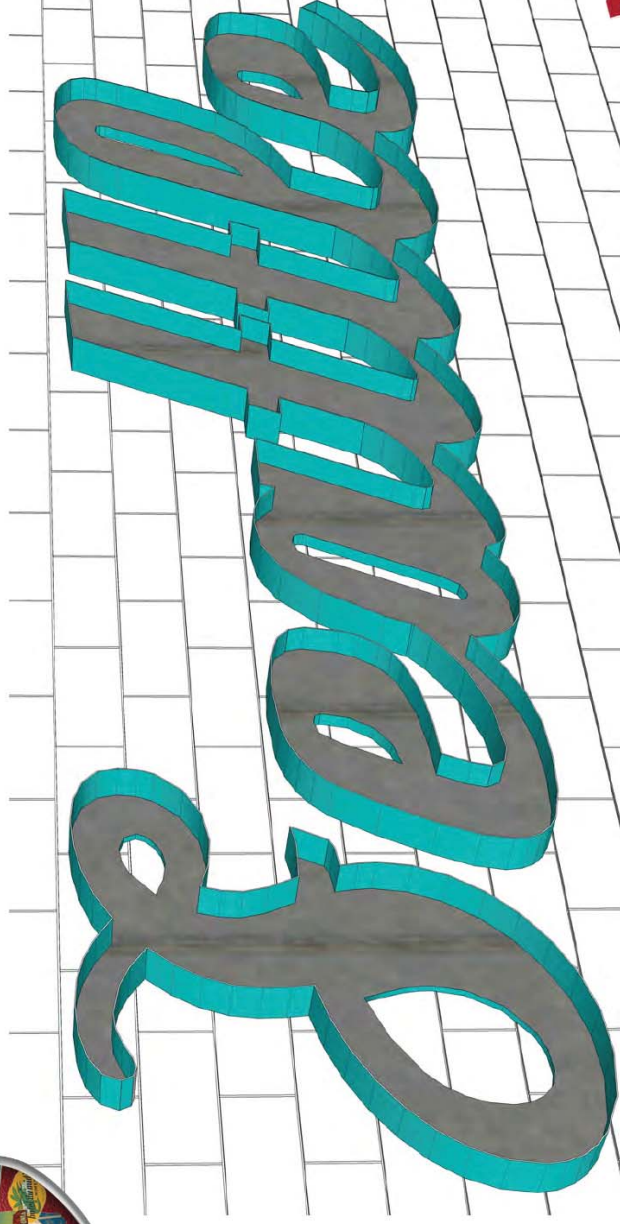
# SEATTLE ICONS



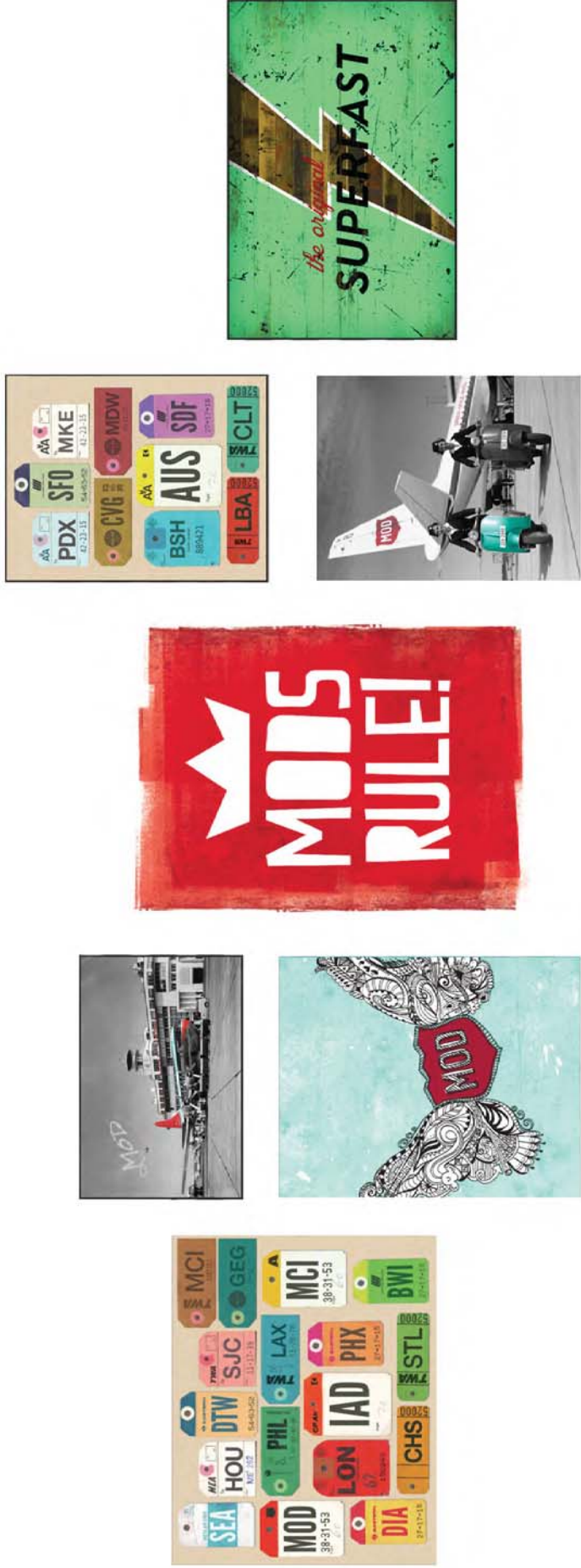
## SEATTLE ICONS

In creating a sense of place in our fair city, we kick-off our décor elements with a 'Seattle' sign to celebrate the emerald city with a retro vibe.

Our iconic MOD badge has a place on our storefront and back wall. As we do in all our stores, we MODify the badge to give it relevance to its locale - in this instance, luggage tags identifying MOD locations embellish the badge.

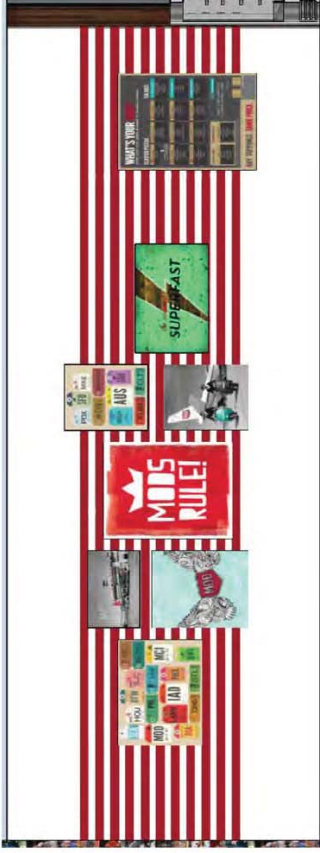


# BOLD, EYE-CATCHING DESIGN

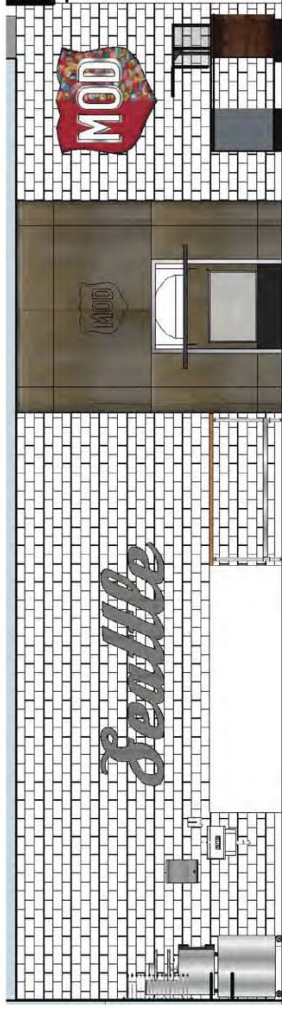


## GRAPHICS

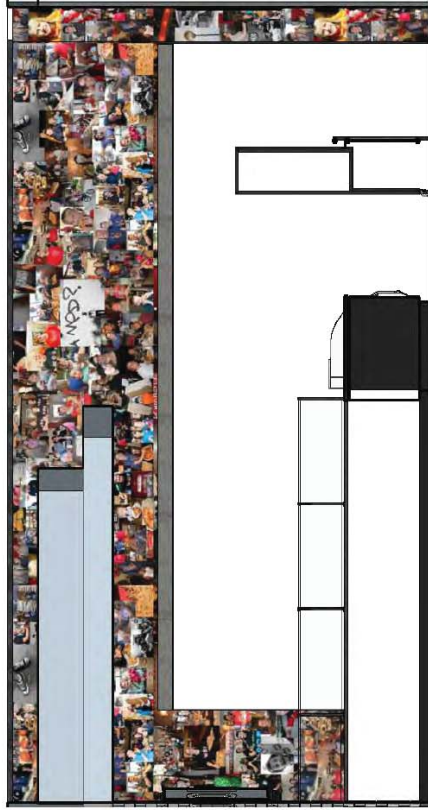
The MODified images of luggage tags, a MOD badge with wings, the retro airplane and scooter art all evoke a sense of adventure and fun with a tie to the local culture. Like our pizza, there are no boundaries, and the art conveys this image of superfast and fun with a nod to SeaTac and the aviation gateway to boundless possibilities.



LEFT WALL ELEVATION



RIGHT WALL ELEVATION



FRONT WALL ELEVATION



# MATERIALS PALETTE

This first impression from our exterior also conveys our character as a Northwest brand. Natural, raw, industrial, simple as well as modern and refined, not only describe our design and our materials, but are also attributes that often define the Northwest spirit. The simplicity of our design comes together not just through the use of 'green' materials (locally sourced solid, reclaimed wood & recycled products, use of the existing concrete floor), but also in our effort to strip the design and the building methodology of any excess – sustainable practices that are an inherent part of our design process. Our sustainable processes takes leading green practices and applies them to our sourcing and construction, such as low VOC paints and finishes, air quality control, sustainable water measures and also extends them to our operations excellence in composting and recycling.



Raw Steel



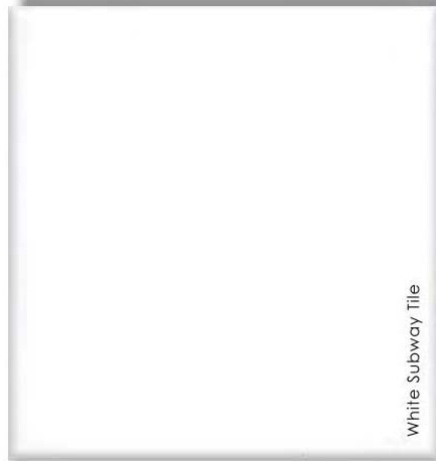
Reclaimed Oak Millwork



Distressed Red Paint



Solid Surface Counters



White Subway Tile



Patinaed Bronze



Modeled/Stained Concrete Floor



Reclaimed Walnut  
Tables and Bar Top



# SAMPLE PHOTOS

Photos of our existing locations are highlighted below, but we have included many photos throughout the proposal showcasing our stores.



## 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.

<b>Unit/Package Number:</b>	CT - 22
<b>Concept:</b>	MOD Pizza
<b>Square Feet:</b>	1,156

Initial Capital Investment	Amount	Percent of Initial Capital Investment
- Leasehold Improvements	\$ 872,330	72.6 %
- Furnishings, Fixtures and Equipment	\$ 161,129	13.4 %
- Design, Engineering, and Construction Management <sup>(1)</sup>	\$ 168,650	14.0 %
<b>Total Initial Capital Investment</b>	<b>\$ 1,202,109</b>	<b>100.0 %</b>
<b>Total Initial Capital Investment/Sq.Ft</b>	<b>\$ 1,039.89 /Sq.Ft</b>	

Mid-Term Refurbishment Investment		
- Minimum Mid-Term Refurbishment Investment <sup>(2)</sup>	\$ 180,317	
- Minimum Mid-Term Refurbishment Investment/Sq.Ft	\$ 155.98 /Sq.Ft	

Working Capital	
- Amount of Working Capital Available	\$ 16,851,549
- Sources of Working Capital (list below)	
	Working Capital as of Q2, 2016 (July 10, 2016). Source of funds: operations and equity funding

<sup>(1)</sup> Must not exceed 12% of Initial Minimum Investment

<sup>(2)</sup> 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



**FINANCIAL  
PROJECTIONS  
& FINANCIAL OFFERS**

*WE ARE*  
**SEATTLE**

Financial Projections  
& Financial Offer



## 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 (1<sup>st</sup>) day of the month. The MAG for the First Full Year of the Agreement is four hundred thousand dollars (\$400,000). For the second full calendar year through the Last Full Year, 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 calendar year in accordance with the Agreement.

OR

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

**Flat Rate Percentage Fee of:**

Proposed Percentage Fee in Number Format	Proposed Percentage Fee in Words
____%	n/a

OR

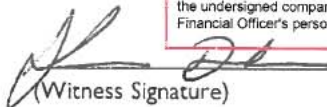
**Tiered Percentage Fee of:** (Add tiers as necessary on a separate sheet of paper using this format.)

Annual Gross Sales	Proposed Percentage Fee in Number Format	Proposed Percentage Fee in Words
Annual Gross Sales less than \$3 million	13.3%	thirteen and one third percent
Annual Gross Sales greater than \$_____ and less than \$_____	____%	n/a
Annual Gross Sales equal to or greater than \$3,000,001	15%	Fifteen percent

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:

  
(Witness Signature)

This Financial Offer Form is signed by the Chief Financial Officer in his capacity as an officer of the undersigned company and not in the Chief Financial Officer's personal capacity.

MOD Super Fast Pizza, Inc.  
(Company Name)

BY:

  
(Signature of Chief Financial Officer)

Bob Barton

(Printed Name of Chief Financial Officer)

DATE: 9/14/16 Telephone No. 888-770-6637

, to his/her knowledge, the proposal presented by the company was prepared in good faith and designed to be sustainable during



Exhibit 8 - Financial Proforma Template  
Complete One Proforma for Each Unit and One Consolidated Proforma for the Package

PROFORMA'  
(constant 2015 dollars)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>Assumptions Used</b>											
Enplanements <sup>2</sup>	22,278,664	22,343,039	22,407,600	23,068,649	23,749,200	24,449,827	25,171,124	25,913,700	26,587,191	27,278,185	243,247,179
Sales per Enplanement	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.25	\$ 0.23
Total Square Feet	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	
Sales per Square Foot	\$ 4,109.00	\$ 4,273.36	\$ 4,444.29	\$ 4,622.06	\$ 4,806.94	\$ 4,999.22	\$ 5,199.19	\$ 5,407.16	\$ 5,623.45	\$ 5,848.38	\$ -
<b>PROJECTIONS</b>											
<b>Gross Sales:</b>											
Cost of Goods Sold	\$ 4,750,000	\$ 4,940,000	\$ 5,137,600	\$ 5,343,104	\$ 5,556,828	\$ 5,779,101	\$ 6,010,265	\$ 6,250,676	\$ 6,500,703	\$ 6,760,731	\$ 57,029,009
	\$ 1,330,000	\$ 1,383,200	\$ 1,438,528	\$ 1,496,069	\$ 1,555,912	\$ 1,618,148	\$ 1,682,874	\$ 1,750,189	\$ 1,820,197	\$ 1,893,005	\$ 15,968,122
Gross Profit	\$ 3,420,000	\$ 3,556,800	\$ 3,699,072	\$ 3,847,035	\$ 4,000,916	\$ 4,160,953	\$ 4,327,391	\$ 4,500,487	\$ 4,680,506	\$ 4,867,726	\$ 41,060,886
<b>Expenses</b>											
Payroll	\$ 1,592,963	\$ 1,562,014	\$ 1,624,494	\$ 1,689,474	\$ 1,757,053	\$ 1,827,335	\$ 1,900,428	\$ 1,976,446	\$ 2,055,503	\$ 2,137,723	\$ 18,123,433
Benefits	\$ 69,537	\$ 68,186	\$ 70,914	\$ 73,750	\$ 76,700	\$ 79,768	\$ 82,959	\$ 86,278	\$ 89,729	\$ 93,318	\$ 791,140
Utilities	\$ 4,657	\$ 4,750	\$ 4,845	\$ 4,942	\$ 5,041	\$ 5,141	\$ 5,244	\$ 5,349	\$ 5,456	\$ 5,565	\$ 50,989
Operating Expenses	\$ 292,000	\$ 303,680	\$ 315,827	\$ 328,460	\$ 341,599	\$ 355,263	\$ 369,473	\$ 384,252	\$ 399,622	\$ 415,607	\$ 3,505,783
Franchise/License Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent to Port	\$ 662,500	\$ 691,000	\$ 720,640	\$ 751,466	\$ 783,524	\$ 816,865	\$ 851,540	\$ 887,601	\$ 925,105	\$ 964,110	\$ 8,054,351
General & Administrative	\$ 137,750	\$ 143,260	\$ 148,990	\$ 154,950	\$ 161,148	\$ 167,594	\$ 174,298	\$ 181,270	\$ 188,520	\$ 196,061	\$ 1,653,841
Washington Lease Excise Tax	\$ 42,693	\$ 44,401	\$ 46,177	\$ 48,024	\$ 49,945	\$ 51,943	\$ 54,020	\$ 56,181	\$ 58,428	\$ 60,765	\$ 512,577
Insurance	\$ 12,000	\$ 12,240	\$ 12,485	\$ 12,734	\$ 12,989	\$ 13,249	\$ 13,514	\$ 13,784	\$ 14,060	\$ 14,341	\$ 131,397
Other Direct Expenses	\$ 104,500	\$ 108,680	\$ 113,027	\$ 117,548	\$ 122,250	\$ 127,140	\$ 132,226	\$ 137,515	\$ 143,015	\$ 148,736	\$ 1,254,638
<b>Total Expenses</b>	<b>\$ 2,918,600</b>	<b>\$ 2,938,211</b>	<b>\$ 3,057,399</b>	<b>\$ 3,181,349</b>	<b>\$ 3,310,249</b>	<b>\$ 3,444,298</b>	<b>\$ 3,583,702</b>	<b>\$ 3,728,675</b>	<b>\$ 3,879,440</b>	<b>\$ 4,036,227</b>	<b>\$ 34,078,150</b>
EBITDA	\$ 501,400	\$ 618,589	\$ 641,673	\$ 665,686	\$ 690,667	\$ 716,655	\$ 743,689	\$ 771,811	\$ 801,066	\$ 831,499	\$ 6,982,737
<b>Interest, Depreciation and Amortization</b>											
Net Profit Before Taxes	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 156,000	\$ 156,000	\$ 156,000	\$ 156,000	\$ 156,000	\$ 1,380,000
	\$ 381,400	\$ 498,589	\$ 521,673	\$ 545,686	\$ 570,667	\$ 560,655	\$ 587,689	\$ 615,811	\$ 645,066	\$ 675,499	\$ 5,602,737
Total Initial Investment <sup>3</sup>	\$ 1,202,109										n/a
Initial Investment per Square Foot	\$ 1,038										n/a
Total Midterm Investment <sup>3</sup>	\$ 180,316										n/a
Midterm Investment per Square Foot	\$ 155.98										n/a

(1) The term length varies by package. The CEP documents identify when each unit will be available for build-out and the term length. These dates should be considered when completing this proforma.

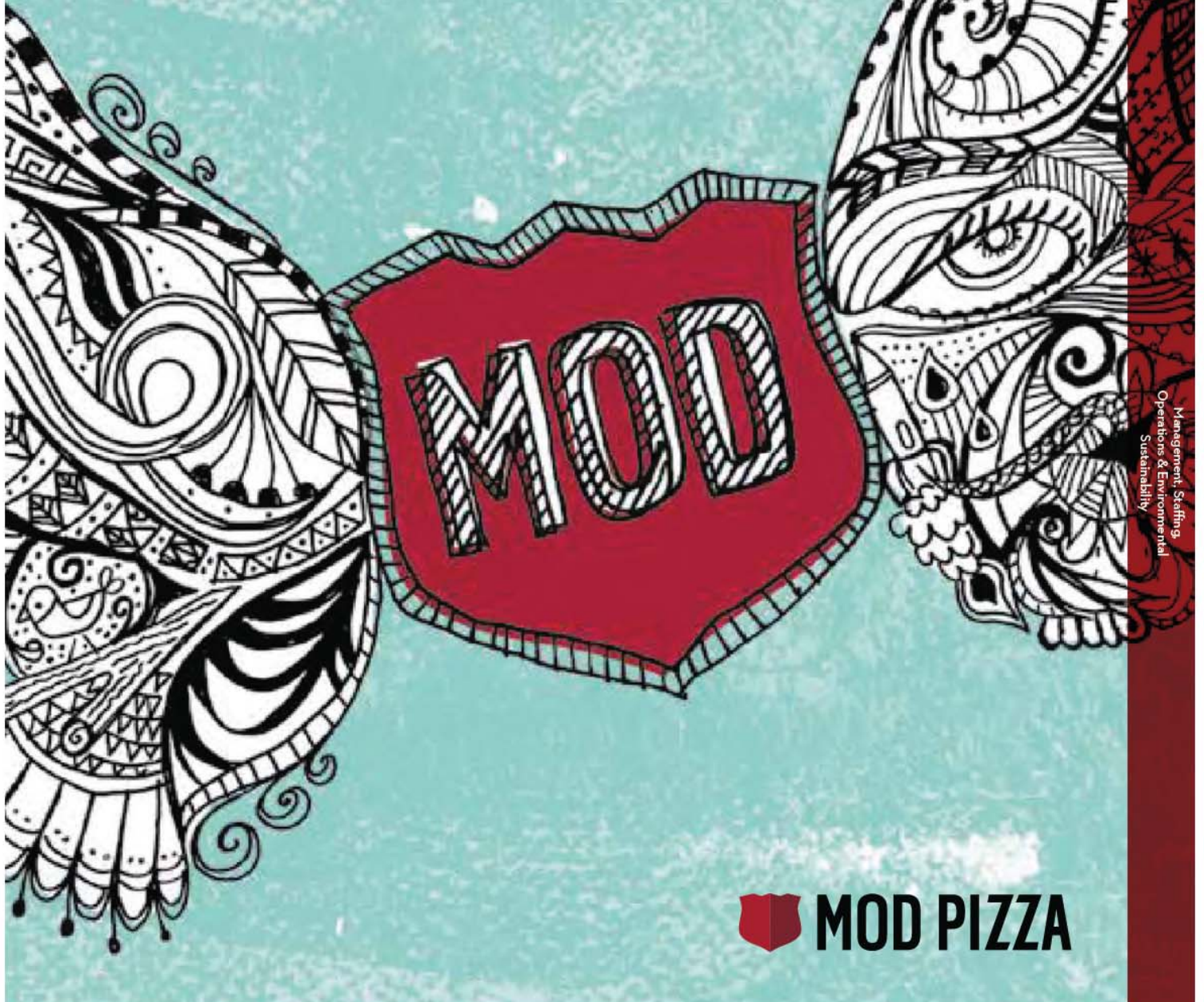
(2) The enplanements shown are projections only for the purpose of this CEP and are not guaranteed or meant to assure any future passenger level at the airport. While these enplanements will be used to determine a consistent measure for sales per enplanement among the respondents, each respondent is responsible for independently developing their own projections for this submittal.

(3) The minimum acceptable investment per square foot for each package is defined in the CEP. Respondents proposed investment must equal or exceed this figure.

CONFIDENTIAL



# MANAGEMENT, STAFFING, OPERATIONS & ENVIRONMENTAL SUSTAINABILITY







## THE ONLY THING WE PUT INTO A BOX IS PIZZA

We hire great people and encourage them to stay that way. According to our co-founder Ally Svenson, "When we started creating MOD, we thought 'What would happen if we built a company that measured success differently from everybody else? What if our bottom line also included personal growth, individual opportunity and fun? What if we could create a place where people felt like they belonged and served a heaping dose of attention and care along with the most inspired pizza we could possibly make? What would that look like?' It would look like this."

## WE HIRE TO HELP PEOPLE GROW

Our core values guide our managers to choose new team members. We review this upon hire and regularly during employment. It's the foundation upon which we built our company.

**INDIVIDUALITY WITH RESPONSIBILITY:** We accept everyone for who they are because we are at our best when we are ourselves.

**WE BUILD BRIDGES, WE DON'T DIG HOLES:** We don't get blinded by where people have come from, but focus on who they can become.

**DELIVER MOD EXPERIENCES:** We deliver a service experience that sets a new standard for our industry. Meeting expectations is simply not good enough.

**WIDE BOULEVARDS AND HIGH CURBS:** You are empowered to act and to make decisions using our values as your guide. Learn from your mistakes and get better every day.

**PERFORMANCE COUNTS:** There are no shortcuts. We hold each other accountable because we care about each other and our purpose.

**DREAM BIG AND ENJOY THE JOURNEY:** While working at MOD is a job, it doesn't need to feel like work. Life is simply too short for it not to be fun. So smile, laugh and spread some MODness!

**GROW AND IMPROVE EVERY DAY:** Our objective is not to be good, it is to be great, and to be the best at what we do: delivering the most inspiring and memorable experience in the fast casual industry.

**WE ARE A TEAM... WE ARE THE MOD SQUAD:** We are in this together. Stay inside the curbs, live the values, and we will always have your back.

**BE PASSIONATE AND HUMBLE:** We are passionate about our purpose beyond pizza and we will remain humble because we know how much we have to be thankful for.

**WE WILL NEVER GIVE UP:** What we are trying to accomplish is simply too important for us not to succeed. We will face challenges along our journey but we are too committed to our goals and to each other to ever consider defeat.

40

## IN-STORE MOD SQUAD

Each MOD Pizza location has one General Manager, three or four Captains (shift leaders), and 20-30 MOD Squad Members (regular staff). Full deployment for a busy day is 10 people, average is seven or eight people per shift. Typically the General Manager and Captains are full-time and most of the Squad members are part-time. In our Portland airport store, a greater percentage are full-time, so we will adapt to what Sea-Tac operations require. Staffing levels are based on sales during the different meal periods. During peak time we ensure there is plenty of staff to make sure all guests are well taken care of, that they get great pizzas quickly made on demand, while also ensuring the restaurant stays clean. MOD Pizza has always strived to hire the best. By paying above minimum wage and offering medical benefits we have seen very low turnover rates. We empower our employees to be themselves and do the right thing, that way the business takes care of itself.

## COMMITTED TO AIRPORT GUESTS

We have learned a lot since we opened our Portland International Airport store in April of 2015. We open at 6:00am and typically close at 10:15pm. However, we understand that every airport is unique and our Sea-Tac hours will coincide with the earliest departures and latest arrivals. In addition, we will make adjustments to our staffing plan based on delays, weather anomalies and other opportunities to give guests a bit of MODness in the wee hours, as needed.

# STAFFING PLAN

	Openers	Early Morning	Mid Morning	Lunch	Shoulder	Dinner	Late Night	Closers
	3am to 5am	5am-8am	8am-11am	11am-2pm	2pm-5pm	5pm-8pm	8pm-11pm	11pm - 12am
STAFF	4	9 to 11	9 to 11	13 to 15	7 to 9	11 to 14	8 to 10	5
MANAGEMENT	1	2	2	2	1	1	1	0
	Openers	Greeter / Order Taker Pizza Maker (2-3) Cashier Expo Oven / Cook Float / Dish Prep	Greeter / Order Taker Pizza Maker (2-3) Cashier Expo Oven / Cook Float / Dish Prep	Greeter / Order Taker Pizza Maker (4) Cashier (2) Expo Island Oven / Cook (2) Float / Dish (2) Prep	Greeter / Order Taker Pizza Maker (2) Cashier Expo Oven / Cook Float / Dish Prep	Greeter / Order Taker Pizza Maker (4) Cashier Expo Oven / Cook (2) Float / Dish (2) Prep	Greeter / Order Taker Pizza Maker (2-3) Cashier Expo Oven / Cook Float / Dish AM Prep	Closers



## WE SHOW OUR GRATITUDE

A key driver of how we continue to see our core values play out in our business is our commitment to making a difference in the lives of the MOD Squad. In our street locations, MOD Pizza starts employees well above minimum wage, offers benefits, and is proud to have been

the only restaurant group voted one of “Washington’s Best Workplaces.” We will examine the market at Sea-Tac and will commit to taking great care of our MOD Squad team members, always offering them fair, above-market compensation.

Perks include healthcare, dental and vision insurance, generous sick and personal time, a free meal during every shift, and regular input into company policies. There’s even a Bridge Fund, set up for employees who need a little extra help during a family crisis, tuition payments or other outside-of-work necessities. It has helped many of our people when they needed it most.

Life-skills workshops including computer MS Office introduction, resume creation, college scholarship and FAFSA explanation, and budget/savings planning are also offered to team members.



# WE WANT CUSTOMERS TO RAVE

At MOD Pizza, we are grateful to every customer who chooses to walk through our doors. We also appreciate every MOD Squader who chooses us as their place of employment—for a while or for a career. The MOD experience starts with the acknowledgment of a guest. We're glad they came in and we show it.

## EXCEED EXPECTATIONS

Our MOD Squad does this in many ways, such as a free milkshake for a kid who just needed a reason to smile. We don't have too many rules when it comes to guest interaction, other than asking our team to be AUTHENTIC. It's more fun when it's not scripted or canned. That's just how we like things at MOD Pizza. Our team doesn't require manager approval to comp a meal for a guest. We encourage them to feel like owners.

## SECRET SHOPPER PROGRAM

The MOD mystery shopper program uncovers the behavioral and operational drivers of our customer experience that are ultimately responsible for improving customer satisfaction and loyalty. MOD Pizza locations are secret shopped by Second to None (our vendor) on a monthly basis, taking approximately 30 minutes to complete.

## WE'RE FANATICAL ABOUT GUEST FEEDBACK

We encourage our customers to connect with the support center via email. They're usually surprised when they get a personal response within 24 hours from one of our VPs. We give it the personal touch. Every issue and concern is overseen and addressed by our Operations Services team.

## CUSTOMER REVIEW MONITORING

MOD Pizza considers customer reviews to be crucial in measuring success of the customer experience, and actively monitors and measures customer feedback across all major social media and review channels (Yelp, Facebook, Google, etc). Store performance is actively monitored using third party tools and tallied in a monthly "Tweetybird" report which reflects each store's overall customer experience score at the local and regional level.

## RANDOM ACTS OF MODNESS

MODness is way of working and living based on the Winston Churchill quote: "We make a living by what we get, but we make a life by what we give." It's what drives our business and every interaction with guests. And it is what inspires our managers to randomly reward guests with acts of kindness. It could be a free meal, a free milkshake, a song, or any number of creative ways to make someone's day. We find that guests remember these small kindnesses. They come back and go into the world and give back. That's the ripple effect of spreading MODness.

## MODNESS IN ACTION

### ACKNOWLEDGE YOUR GUESTS

At MOD Pizza, we welcome every guest. Say hello, wave, smile or nod your head. It does not matter how busy we are, look up and make contact with our guests.

### CONNECT WITH YOUR CUSTOMERS

Have you been here before? Can I help you with anything? How is your day going? Make first-time visitors feel like regulars, make regulars feel like they own the place—that is being MOD.

### BE GENUINE

At MOD Pizza you are given the freedom to live without a script. Be yourself, your customers will appreciate you.

### ANTICIPATE NEEDS AND WANTS

Think: how would I like to be treated? At MOD Pizza you are given the freedom to think. Treat customers the way you would expect to be treated.

Learn more about why MODS Rule and what makes our people so great on our Vimeo page (<https://vimeo.com/90686640>)

42

# FACILITY MAINTENANCE PLAN

## MOD PIZZA PLANS ITS STORES WITH CLEANLINESS AND EASE-OF-OPERATION IN MIND

### STORES ARE EASY TO MAINTAIN

Our restaurants are designed to engage our teams and guests, but they've also been built to last. We use materials and finishes that are comfortable, functional and aesthetically interesting. Equally important, they are easy to clean and maintain. We have nailed down each detail on checklists, procedures and systems. We have incredibly high standards when it comes to cleanliness and order.

One of the unique aspects of MOD Pizza is just how clean our stores are. We have no deep fryers. We don't have a flat-top or char-grill. Our pizza oven burns so hot (over 700 degrees) that there is very little odor or grease generated.

So while we keep very strict cleaning and maintenance schedules, our stores are just naturally clean.

Our team has developed and grown several restaurant companies. We understand the value of having very clean and inviting facilities. We will take the lessons we've learned from operating our Portland International Airport restaurant and apply them to our Sea-Tac location.

*Integral to our culture is a passion for exceeding expectations in terms of the quality of the food we serve.*

### COMMITTED TO TRAINING

We believe that whether team members are with us for a short time or a long career, we want to offer them the tools to be successful from customer service to how to maintain our stores.

This doesn't just mean the front line team. Every employee in the Support Center spends a shift each quarter in a store. Our Training Manual covers everything from how to treat customers to food safety to cleanliness. We believe in setting our MOD Squad up for success.



We have a full-time film production expert who works with our training team to keep all training videos fresh, interesting and relevant to our workforce. This ensures that all of our training videos are entertaining and educational, and that they have a dose of MOD's essence.

### EQUIPMENT MAINTENANCE

We work closely with our MOD Bosses to monitor even the smallest equipment malfunction and replace it immediately. We track these malfunctions to help us develop new stores and improve current ones. Our goal is to have the best equipment so that our team can focus on guests and not inconveniences.

The average lifespan of commercial kitchen equipment ranges from five to eight years; however, life expectancy varies depending on the type of machine, volume of use, and the maintenance it receives. We anticipate a shorter lifespan for appliances such as ice machines, dishwashers and refrigeration units. Each of our contracted service vendors evaluates our equipment regularly to determine potential replacement timelines. The low average age of our stores has not predicated a standardized store refresh/equipment replacement protocol until now. Given the high volume of business expected at Sea-Tac, we feel it is safe to assume a three to five year refresh/replace cycle.

Our marketing team keeps our in-store signage fresh and up to date. We love new promotions!

Please see our Equipment Maintenance/Replacement Schedules attached, as well as our daily Opening and Closing Captain Duties and Deep Cleaning Schedules.



# SUSTAINABILITY

## DAY-TO-DAY OPERATIONS

From the beginning, we have incorporated sustainability into the design of our stores and our day-to-day practices. Many stores use upcycled materials or locally sourced materials designed to show the least wear and tear on our countertops, tabletops and walls. Our kitchens use stainless steel serviceware that will last for years of daily use. Pizza screens are designed to take abuse and get better over time.

MOD Pizza stores recycle and compost in areas where we are able to. All of our items are compostable (boxes, napkins, utensils), with the exception of cans and bottles (recyclables).

At the Portland International Airport, we were asked to develop a compostable plate to replace the recyclable cardboard boxes that we use in other stores. The cardboard, while recyclable, was taking up larger volume in the airport garbage cans. Just for PDX, we have a special compostable plate that uses less volume and is more environmentally friendly. We will use this in our Sea-Tac store as well.



Here's some of what we do in our stores today:

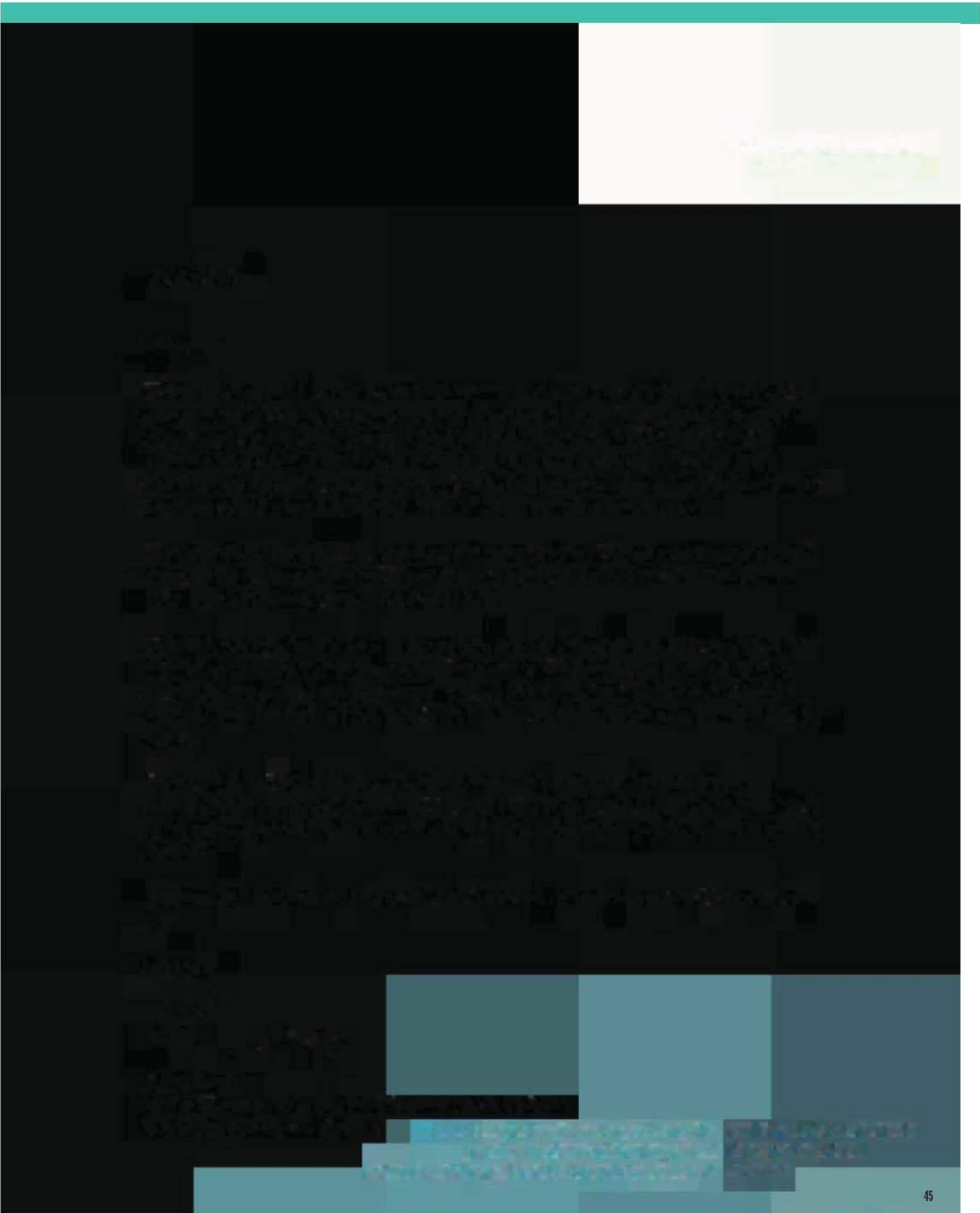
- **Air Quality** - We maintain indoor air quality with daily cleaning and proper protection of all ductwork and HVAC equipment.
- **Transportation** - Our employees routinely take public transit to work.

- **Packaging** - In our airport stores we use compostable packaging per local specifications. We will use Cedar Grove approved compostable, recyclable serviceware, or those similar to our Portland airport store.
- **Waste** - Our stores will recycle cardboard and separate waste into recyclable, compostable and trash.
- **Food Waste** - We have little to no food waste from store operations due to frequent produce deliveries and the nature of our food-holding equipment and procedures.
- **Cleaning Supplies** - We will use only supplies that meet green cleaning standards.

## STORE DESIGN/CONSTRUCTION

Here are some of the ways we consider sustainability in our store design and construction:

- We celebrate existing exposed structure and finishes to complement our interior design, eliminating unnecessary use of materials routinely i.e. concrete floors, brick walls, wood beams, ceiling structure.
- We utilize low-VOC paints in our finishes, adhesives and sealants.
- We sort and recycle construction waste to suitable waste facilities.
- We utilize compact fluorescent, low-wattage and LED lamps and fixtures in our stores.
- We use low-flow metering faucets at all hand sinks.
- We use a pre-rinse spray valve at the three compartment sink.
- Refrigerants are all non-CFC based.
- We utilize Energy Star equipment.





# JOB QUALITY, WORKFORCE TRAINING, EMPLOYMENT & SERVICE CONTINUITY



Job Quality, Workforce  
Training, Employment &  
Service Continuity





## EXHIBIT 11

### Job Quality, Workforce Training, Employment and Service Continuity Information Form

#### 1) Wages and Compensation

A. Indicate whether your expected wages meet or exceed Ordinance 13-2010. If so, check only one box below. If not, do not check either box.

- ☒ Wages MEET the requirements of Ordinance 13-2010  
☐ Wages EXCEED the requirements of Ordinance 13-2010

B. If you did not check one of the boxes above, please advise whether you qualify for a waiver from Ordinance 13-2010 by checking the box below for the reason that applies to your firm:

- ☐ We employ and intend to continue to employ less than ten (10) non-managerial, non-supervisory employees.  
☐ We have a bona fide collective bargaining agreement in which a waiver acknowledging the departure from this requirement is explicitly set forth in clear and unambiguous terms.

C. Please state the expected **starting** pay (expressed in \$/hour) for all non-managerial, hourly employees on opening day of your operation at the airport if your firm is awarded a lease with the Port of Seattle as a result of this competitive process.

Starting wage is at \$13/hour – this being for city of Seattle area stores. For the city of Sea-Tac, MOD knows that the starting wage under the Ordinance guidelines is \$15.24/hour and will adhere to the Ordinance accordingly as wages change.

D. Please state the expected **average** pay (expressed in \$/hour) for all non-managerial, hourly employees on opening day of your operation at the airport.

We have estimated that our hourly team will be paid \$17/hour plus tips.

E. Please describe in detail other forms of compensation (e.g. tips, sales commissions, bonuses, etc.) that you intend to pay or provide to your non-managerial, hourly employees in your operation at the airport. To the greatest degree possible, please state these figures on a \$/hour basis. Please note the restrictions on tip jars stated in the Operating Standards for Concessionaires.

MOD pays out tips collected from the tip jar and from credit card receipts on a bi-weekly base added to the employee's pay check. The process has been reviewed by our external auditing firm, Ernst & Young, who has approved of our process as the most fair way to pay



the employees at the store. We collect the tips received in a two week period; we analyze the total number of hours worked by the employees who worked in that two week period and then split the tip amounts collected appropriately. We also have a calendar for when the tips are paid out with each payroll run processed.

Employees earn on average \$2 per hour in tips, which varies by region.

## 2) Paid Time Off

A. Indicate the level of paid time off (PTO) that you expect to provide your employees. Check only one box below.

- ☒ Minimum level of Paid Time Off is one hour for every forty hours worked
- ☐ Minimum level of Paid Time Off exceeds one hour for every forty hours worked

B. Please describe in detail, the amount of Paid Time Off your firm will provide to each non-managerial, hourly employee for a specific amount of time worked (i.e., X hour of PTO for every Y hours of work). Please indicate whether this PTO is vacation, sick leave or safe leave, or combined PTO.

MOD has a sick and safe time accrual and a vacation accrual policy in place. These policies allow for employees to roll over any unused time off into the next year. For our employees who work in the city of Seattle, for example, they accrue sick time at a rate of 1 hour for every 40 hours worked up to a maximum of 72 hours.

C. Separate from the PTO described above, please describe in detail any other leave (e.g. Parental Leave, Bereavement Leave, Paid Holidays, etc) that is offered to the non-managerial, hourly employees and how much leave (hours or days) by type that your firm offers.

MOD Pizza offers our employees Bereavement Leave of 3 days.

## 3) Employee Health Care Benefits

A. Indicate whether your expected health care benefits meet or exceed the requirements of the Affordable Care Act. If so, check only one box below. If not, do not check either box.

- ☒ Health insurance for full-time employees MEETS the minimum requirements of the Affordable Care Act
- ☐ Health insurance for full-time employees EXCEEDS the minimum requirements of the Affordable Care Act

**B.** Please state the amount (expressed in \$/hour) contributed by your firm to the health benefits for all non-managerial, hourly employees.

MOD contributes 60% to health benefits for all full-time employees (working 26 or more hours per week). Amount per hour is difficult to calculate as hourly rates vary.

**C.** Please state the dollar amount that non-managerial, hourly employees are required to contribute to their health care benefits on a per hour basis.

Employees are required to contribute 40% to their health care benefits.

#### **4) Other Benefits**

**A.** Describe in detail, other forms of benefits provided to non-managerial, hourly employees such as paid lunch time, retirement plans, education opportunities, life insurance, etc. To the greatest degree possible, please state these benefits on a \$/hour basis. For each benefit listed above, please state the minimum hours that a non-managerial, hourly employ must work per week to qualify for it.

The Life, AD&D, and Short Term Disability are 100% paid for by MOD directly for our full time employees. MOD offers a free meal for every work shift (we have given 2.5 million in free Squad meals in 2016 so far). We also provide a 10 minute paid rest break for every 4 hours worked and 30 minute unpaid meal period if working more than 5 hours. All employees receive free uniforms and MOD swag.

The MOD Squad goes through an excellent training program as well as Career Development offerings. Employees have the potential to join the "All Star" team which gives Squad members the opportunity to travel and open new MOD locations all over the country.

#### **5) Employee Training**

**A.** Describe in detail 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.

MOD employees go through a 5-day training program. They are taught all operational standards and MOD standards on customer service. They begin with the basics and build on that each day. All MOD Squad Members are cross trained and learn how to work every position. They learn all positions and are given the opportunity to spend additional time in positions where they show strength. All Squad Members learn how to make pizzas and all other menu items, they are taught to cook, operate the cash register, food prep, machine operating and cleaning, as well as customer interaction.



## 6) Employment Continuity

### A. Check if you agree:

- ☒ If awarded this opportunity, we will 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.

### B. Check if you agree:

- ☐ If awarded this opportunity, we will commit to hire 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.

**IMPORTANT NOTE:** If the award of this opportunity will result in the operation of four or more units (where the lease(s) for those units were first effective on or after November 25, 2014), the proposer is **required** to make this commitment.

### C. Check if you agree:

- ☒ For employees that may be hired from the pool, we commit to retaining those employees for a minimum of a 90-day "trial period."

### D. Please describe any conditions that your firm will place on this 90-day trial period.

**We believe that your initial period of employment should be a review period for both you and MOD. To determine that our association is mutually satisfactory, new Squad Members are hired on an introductory basis and will remain an introductory employee for the first 90 days of employment. Existing Squad Members transferred or promoted to a new job within MOD will also be subject to a 90-day introductory period.**

**During the introductory period, you will have the opportunity to demonstrate satisfactory technical qualifications for your job, performance of your job duties, and personal conduct in the workplace. MOD views the introductory period as an important part of the integration process at MOD. This period is so important that the Company requires absences during this period be pre-arranged with management and the number of days/hours missed are kept to a minimum. An introductory employee's supervisor may extend the introductory period if deemed appropriate in light of absences during the introductory period, performance issues, or other considerations. The decision to extent the introductory period is in the sole and absolute discretion of MOD.**

**If during this time it is determined that your employment is not working out satisfactorily, your employment may be terminated without cause and with or without advance notice. In the case of an employee who was transferred or promoted, the Company may, but is not required to, consider returning the employee to his/her prior position (if still vacant). If your progress is satisfactory, you will become a regular employee.**



It is important to remember that employment is at the mutual consent of the employee and MOD, and may be terminated at will, with or without cause or notice, at any time during or after the introductory period. Neither the successful completion of the introductory period, nor the individual's status as a regular employee will modify the "at will" status of the employment relationship. At all times, the employment relationship remains at-will.

New members of the MOD Squad must read and sign all appropriate documents before starting their first day of work. They are required to work up to three paid training shifts and are expected to be able to demonstrate that they have working knowledge of the menu and POS system before their first non-training shift.

New members of the MOD Squad are required to attend at least one formal evaluation meeting with their General Manager during their 90-day trial period and can be terminated during their trial period or at any time thereafter, with or without reason.

## 7) Service Continuity

A. Indicate whether you have held good faith discussions with labor organizations representing incumbent employees.

- ☐ We have held good faith discussions with labor organizations representing incumbent employees.
- ☒ We have NOT held good faith discussions with labor organizations representing incumbent employees.

IMPORTANT NOTE: If the award of this opportunity will result in the operation of four or more units (where the lease(s) for those units were first effective on or after November 25, 2014), the proposer is **required** to have held good faith discussions.

B. If you have had good faith discussion with labor organizations representing incumbent employees, indicate whether you have, and will provide with, documentation of these discussions:

- ☐ We have, and will provide the Port with, documentation of these discussions.

IMPORTANT NOTE: If the award of this opportunity will result in the operation of four or more units (where the lease(s) for those units were first effective on or after November 25, 2014), the proposer is **required** to have documentation of these discussions prior to responding to this proposal.

## 8) Additional Job Quality, Training and Continuity Efforts

A. Please describe any other efforts, not previously mentioned in this document, that your firm will make to support the job quality, training, and continuity of your employees beyond those outlined above.

We would love to share more, but cannot because of page limits.



# SMALL BUSINESS PARTICIPATION







## LOCAL, FORMERLY SMALL BUSINESS

We are proud to say we started out as a Seattle small business. We opened our first store in 2008, and it was three years before we hit five stores. We always knew we wanted to grow this grand experiment that is MOD Pizza. It was too important an idea not to.

Every day, we strive to convey the entrepreneurial spirit of a small business owner in each of our stores. We train our General Managers and the entire MOD Squad to act like business owners and make each store their own. And while we hope every one of our MOD Squaders grows with us, we will also be proud to have inspired the grit they need to start their own business someday.

We aren't small anymore, but many of our strategic vendors are, and it is part of our belief in Generosity to bring them along on our journey.

We chose to bid as a locally owned company store, but are open to future mentorship of small business owners at Sea-Tac. It's part of our goal of Spreading MODness.

## OUR VENDOR PARTNERS

We are proud of the local small business owners we work with every day. Many are based in the Pacific Northwest and have grown their businesses as MOD has grown.

We also keep it local for many of our service providers that assist at our Support Center; their reach often extends across the U.S. Some of those partners include:

### **ZEBRA PRINTING (SEATTLE, WA)**

We use this small local printer for all the menus in our stores across the U.S. Zebra is minority owned.

### **SUNRISE IDENTITY (BELLEVUE, WA)**

This small local business provides all the MOD Pizza swag --from t-shirts to promotional products.

### **QUALITY PRESS (SEATTLE, WA)**

This small local printer creates and prints all of our business cards and free pizza coupons for stores across the U.S.

### **PETERSON RUSSELL KELLY PLLC (BELLEVUE, WA)**

Our real estate counsel is John Sherwood, Jr. at Peterson Russell Kelly in Bellevue.





# VENDOR MAP

WASHINGTON + OREGON







## SOURCING PRODUCTS FROM LOCAL, SMALL AND/OR DISADVANTAGED BUSINESSES

### THE BACKBONE OF OUR OPERATION

MOD Pizza is committed to spreading MODness to our local business community and bringing our neighbors along with us as we grow. What better way to travel down life's road than with like-minded friends and neighbors? We try not to just use them locally, but to extend their reach across the U.S. if we can. Second best is to choose small, family-owned companies from other parts of the U.S. where we do business. On the previous page, we showed you some of our local business partners. Below we detail what our national expenditure is expected to be in 2016 (based on 140 stores, although we will have opened more by publication date).

### PACIFIC NORTHWEST PARTNERS

#### SCHWARTZ BROTHERS BAKERY (SEATTLE, WA)

Pizza dough balls - \$2,530,000 in our 64 stores in California, Oregon and Washington. In our airport stores, they also provide our delicious breakfast pastries.

#### CHARLIE'S PRODUCE (SEATTLE, WA)

Fresh produce - \$3,500,000 in 38 stores in Oregon and Washington.

#### WEST ROCK (PORTLAND, OR)

Sustainable pizza boxes - \$1,920,000 in all stores.

#### MAMA LIL'S PEPPERS (PORTLAND, OR)

Marinated peppers - \$305,000 in all stores. Mama Lil's works with individuals with autism for job placement.

#### BRUCE PAC (EUGENE, OR)

All-natural chicken breast meat - \$2,873,000 in all stores.

#### OREGON FRUIT (SALEM, OR)

All-natural local fruit purees for food service - \$468,000 in all stores.

#### DARIGOLD (SEATTLE, WA)

Local farmer-owned dairy provides milkshake mix - \$260,000 in 53 Washington, Oregon and N. California.

#### OREGON SPICE COMPANY (PORTLAND, OR)

Superior herbs, spices and custom blends - \$121,352 in all stores.

### FRIENDS FROM OTHER PLACES

#### JACOBELLIS (CALIFORNIA)

Ground beef, mild and spicy sausage, and select limited-edition products like chicken jalapeno sausage. Small, family owned business

#### KING ARTHUR FLOUR (VERMONT)

Founded in Boston in 1790, it's the nation's oldest flour company. Employee-owned company and headquartered in Norwich, Vermont, King Arthur Flour was named the 2016 "Company of the Year" by The ESOP (Employee Stock Ownership Plan) Association--\$1,237,000 in all stores.

#### CEDAR VALLEY CHEESE (WISCONSIN)

Our mozzarella is from that part of the country where they wear cheesehead hats. Where else would we buy cheese? This farm provides cheese to all our stores - \$6,704,000.

## CONFIDENTIAL





## MENTORING SMALL BUSINESSES

We chose to operate our Sea-Tac MOD Pizza as a locally-owned company store, but are open to ideas that Sea-Tac may have for us to mentor other small businesses, including ACDBEs. This could include a chance to provide products or services, or sponsor seminars to share about how we train and develop our team.

## PRODUCT PLACEMENT BY SMALL BUSINESS

We will prominently place a sign in the Sea-Tac store that talks about our valued local vendors. Throughout the term of the lease, we will continue to search for local vendors for breakfast items, beverages and other featured items that help to promote Seattle-based businesses.

## DESIGN AND CONSTRUCTION

### PLUM PROJECT SERVICES (SEATTLE, WA)

Project management of some of our stores in the Pacific Northwest has been completed by Kristie Kucur of woman-owned, Seattle-based Plum Project Services. Kristie has more than 17 years of construction and development experience, working in store development for national retailers like Starbucks, Potbelly Sandwich Shops, Recreational Equipment and Blockbuster Video. During her 13 years with these national retailers, Kristie actively managed hundreds of small- and large-box stores, remodels and relocations. Kristie's core competency is in vigilant project management integrating timeline management, budget and cost controls, with an attentive focus on quality. She is also a LEED Green Associate.

### GRAPHITE DESIGN GROUP (SEATTLE, WA)

This local architect created our renderings presented here and will continue to work with us after we win!

## GENEROSITY THROUGH PHILANTHROPY

### DOING THE RIGHT THING

We show our Generosity and Gratitude through our philanthropy, such as the Spreading MODness campaign we discussed in the Concept section. Our MOD Squads are empowered to choose a food bank or shelter in their community that would benefit from a portion of our pizza sales for one week (\$1 per MOD-sized pizza sold).

Our GM at Sea-Tac will truly engage with the airport community, working together to choose a charitable partner prior to our opening.

Through this campaign and others, we have donated more than \$500,000 in total to community-based charities in the markets where we do business. And our numbers are growing. In 2015 we donated \$283,000, and as of July 2016, we had donated more than \$150,000.

In our markets, we support organizations such as:

- Generosity Feed (Reston, VA)
- Northwest Family Services (Portland, OR)
- Cy-Fair Education Foundation (Houston, TX)
- Spectrum Support (Eldersburg, MD)

In Seattle, we support organizations such as:

- Friends of Youth (Redmond, WA)
- Issaquah Food & Clothing Bank (Issaquah, WA)
- Jubilee Reach (Bellevue, WA)
- Lake Stevens Education Foundation (Lake Stevens, WA)
- Little Bit Therapeutic (Redmond, WA)

We look forward to extending this type of program to the Sea-Tac community. From military send-offs to Make-a-Wish flights, we're ready to offer assistance, food and celebration to Sea-Tac's initiatives.

*It's about enjoying the journey.*