



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

December 7, 2010

Ordinance 16987

Proposed No. 2010-0551.1

Sponsors Lambert and Phillips

1 AN ORDINANCE authorizing the King County executive
2 to execute a ten-year concession agreement with Subway
3 Real Estate, LLC, for a food and beverage concession at
4 Marymoor park.

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION 1. Findings.

7 A. The Parks Business Plan directs the parks and recreation division of the
8 department of natural resources and parks to work in partnership with organizations to
9 provide new recreational amenities that generate nontax revenues for parks.

10 B. A Subway Real Estate, LLC, franchisee has operated a restaurant concession
11 at Marymoor park since 2005, providing healthy food, which is a valued amenity to park
12 users.

13 C. In the fall of 2009, a new operator purchased the right to operate Subway Real
14 Estate, LLC's franchise at Marymoor park.

15 D. King County and Subway Real Estate, LLC, desire to enter into a new
16 concession agreement that will allow the new franchisee to operate the restaurant at
17 Marymoor park through 2020, which will provide the parks and recreation division with
18 long-term nontax revenue.

19 E. Subway Real Estate, LLC, and its franchisee will be authorized to provide
20 specific goods and services at prices specified in the concession agreement. Subway Real
21 Estate, LLC, and its franchisee will pay King County a base rent fee and a percentage of
22 gross receipts.

23 F. The Subway Real Estate, LLC, concession at Marymoor park benefits the
24 public by generating revenue to support the county's parks and recreation division as
25 outlined in K.C.C. 4.57.020.

26 G. Under K.C.C. 4.57.020, any proposed concession agreement with an original
27 term that exceeds five years must be approved by the King County council.

28 SECTION 2. The King County executive is hereby authorized to sign a

29 concession agreement, substantially in the form of Attachment A to this ordinance, with
30 Subway Real Estate, LLC, for a food and beverage concession at Marymoor park.
31

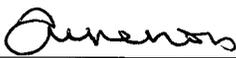
Ordinance 16987 was introduced on 10/11/2010 and passed by the Metropolitan King County Council on 12/6/2010, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.
McDermott
No: 0
Excused: 0

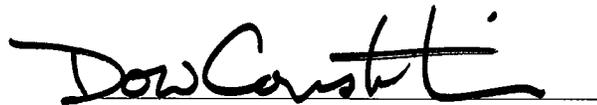
KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Robert W. Ferguson, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 16 day of DEC, 2010.


Dow Constantine, County Executive

Attachments: A. Concession Agreement

RECEIVED
2010 DEC 18 AM 2:31
CLERK
KING COUNTY COUNCIL

CONCESSION AGREEMENT

THIS CONCESSION AGREEMENT ("Agreement"), is made and entered into by and between King County, ("the County"), a home rule charter county and political subdivision of the State of Washington, and SUBWAY REAL ESTATE, LLC, a limited liability company, organized under the laws of Delaware and having its usual place of business at 325 Bic Drive, Milford, Connecticut, 06461 ("Concessionaire").

NOW, for and in consideration of the mutual agreements herein contained, the County and Concessionaire do hereby agree as follows:

Background

The County is the owner and operator of Marymoor Park, located 6046 W. Lake Sammamish Pkwy NE, Redmond, Washington, 98052, and,

In 2005, the Concessionaire and County entered into an agreement specifying the terms and conditions under which Concessionaire would operate a restaurant for the sole purpose of selling food and beverage items at the Marymoor Park Concession Stand.

In the Fall of 2009, the a new operator purchased the franchise rights to the Concessionaire's Marymoor Park Subway location.

The Concessionaire and the County now desire to enter into a new agreement specifying the terms and conditions under which the Concessionaire will continue to operate a restaurant at the Marymoor Park Concession Stand from 2010 through the end of 2020.

Pursuant to Chapter 4.57 KCC, King County Parks and Recreation Division of the Department of Natural Resources and Parks, an agency of King County, is authorized to enter into concession agreements on behalf of the County.

Concessionaire is a Delaware limited liability company organized principally to negotiate and draft leases with a view towards subletting the leased premises to franchisees or licensees of a separate Florida corporation known as Doctor's Associates, Inc.

Concessionaire intends to promptly sublet the Premises, as defined below, to a franchisee or licensee of Doctor's Associates, Inc.

Definitions

1. PARK. Marymoor Park, located 6046 W. Lake Sammamish Pkwy NE, Redmond, Washington.
2. GROUNDS. "Grounds" means the parking lot (s), athletic fields, park entry road, exterior entryway/courtyard, landscape, and sidewalks owned and operated by the County within the Park, other than the Building. As shown in **Exhibit A**.

3. **BUILDING.** "Building," means the structure or portions of a structure owned and operated by the County known as the Marymoor Park Concession/Restroom facility located at 6046 W. Lake Sammamish Pkwy NE, Redmond, Washington, 98052. As shown in **Exhibit A**.
4. **PREMISES.** "Premises" means a portion of the Building to be occupied by the Concessionaire. Also included in the meaning of Premises is the interior hallway in the Building that contains the utilities (water, electrical, etc.), a.k.a. the pipe chase, that the Concessionaire may use to store dry good supplies.
5. **COMMON AREA.** "Common Area" means the area outside the Premises and within 30 feet of the Building. As shown in **Exhibit A**.

I

- 1.1 **SCOPE OF CONCESSION AGREEMENT.** The Concessionaire is authorized to use the Premises to provide the specific goods and services, at the specific prices as outlined in **Exhibit C**, incorporated herein. The Concession shall only provide the goods and services outlined in Exhibit C, at the prices specified in Exhibit C and use said Premises for the maintenance and operation of a restaurant during the Parks hours of operation, and for no others without prior written consent of the County. For the duration of this Concession Agreement, the Concessionaire may not change or alter any of the goods, services, or prices outlined in Exhibit C, including temporary promotions, without the prior written approval of the County. Concessionaire shall not sell any goods or services at prices different from prices displayed or advertised or at any price greater than that shown on Exhibit C, or as approved in writing by The County. The Concessionaire and its authorized representatives and invitees are authorized to use the Common Areas, with others who are entitled to use the Common Areas, subject to the conditions of this Agreement.
- 1.2 **TERM.** The duration of this Concession Agreement shall be for the period commencing June 1, 2010, and ending October 31, 2020.

II.

- 2.1 **RENT.** Concessionaire shall pay to King County minimum base rent of One-Thousand-One-Hundred-Twenty-Six Dollars (\$1,126.00) per month, which amount shall be increased annually by 100 percent of the SEATTLE-TACOMA-BREMERTON Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers ("CPI"), payable monthly. In addition to the minimum base rent, Concessionaire shall pay to the County, as additional rent, thirteen and three tenths of a percent (13.3%) of Concessionaire's gross receipts for that month less the amount of the minimum base rent for that month. If the amount of the base rent is greater than 13.3% of the gross receipts in any month, the Concessionaire shall pay only the minimum base rent. "Gross monthly receipts" is defined as the Concessionaire's total revenue from operating the restaurant on the Premises during the relevant month, excluding only Washington State Sales Tax. Concessionaire shall be responsible to pay the Leasehold Excise Tax based on the total rent paid each month. The monthly payment of the total rent and tax shall be made payable to the KING

COUNTY PARKS and are to be delivered to the Marymoor Business Office located at Marymoor Park or mailed to:

King County Parks
Marymoor Business Office
PO Box 3517
Redmond, WA 98073

- 2.2 TIME OF PAYMENTS. Concessionaire's monthly payment, as required in paragraph 2.1 above, shall be mailed or delivered to the County on or before the 10th day of the following month. Concessionaire shall also submit with each payment a signed statement attesting to the gross monthly receipts for the particular month. The County will provide a standard reporting form.
- 2.3 LATE PAYMENTS. There will be a collection charge of FIFTY DOLLARS (\$50.00) or the maximum rate permitted by law for any late payment. In addition, one and a half percent (1 1/2%) per month interest will be charged for any delinquent rent not delivered to the County by the tenth (10th) of the following month.
- 2.4 LEASEHOLD TAX. A Leasehold Excise Tax, if applicable, is levied pursuant to the Revised Code of Washington (R.C.W.) Chapter 82.29A. Concessionaire is liable for payment of this tax. The County agrees to pass on the Lease Hold Excise Tax from the Concessionaire to the State of Washington. If the State of Washington changes the Leasehold Excise Tax, the tax payable shall be correspondingly changed.
- 2.5 OTHER CONSIDERATION. No offset, reduction, or credit toward consideration shall be allowed unless it is in writing and signed by the Director of the Parks and Recreation Division of King County.
- 2.6 NOTICE OF RENTAL ADJUSTMENT. When it adjusts the minimum base rent pursuant to the Agreement, the County will give Concessionaire written notice of the adjusted rent within thirty (30) days of the next date payment is due.
- 2.7 TAXES. The Concessionaire agrees to pay on a current basis all taxes or assessments levied on its activities; PROVIDED, however, that nothing contained herein shall modify the right of the Concessionaire to contest any such tax, and the Concessionaire shall not be deemed to be in default as long as it shall, in good faith be contesting the validity or amount of any such taxes.
- 2.8 MAINTENANCE OF RECORDS AND INSPECTIONS. Concessionaire shall keep accurate books and accounts of the matters upon the basis of which the rent and other payments are to be computed and ascertained. Such books and records shall be retained, open, and available for inspection by the County upon the official request of the County during the term of this Agreement and up to five (5) years after its expiration or termination

III.

- 3.1 SECURITY AND DAMAGE DEPOSITS. The Concessionaire shall deposit with the County the sum of \$500.00 DOLLARS as a security deposit for the payment of rent and tax, and shall also deposit with the County the sum of \$250.00 DOLLARS as a damage deposit for any damages to the Premises for which the Concessionaire is responsible and for any cleaning of the Premises that the Concessionaire has not completed when the Concessionaire vacates the Premises. The security deposit is the only sum to be credited toward payment of the last month's rent upon expiration or termination of the agreement. The return of these deposits, or any portion of them, shall be conditioned on the performance of all the Concessionaire's duties. Within sixty (60) days after termination of the tenancy and vacation of the Premises the County will return any sum due the Concessionaire from the deposits retained by the County. Furthermore, the Concessionaire understands and agrees that unless paid by the Concessionaire, amounts may be deducted from the security deposit for damage and cleaning at the time of Concessionaire's vacation of the Premises in excess of the damage deposit if any amount remains in the security deposit after subtraction for rent and taxes owing. The deposits need not be held in any special account and no interest will be paid thereon.
- 3.2 KEY DEPOSIT: Concessionaire will pay a \$50.00 key deposit returnable at the end of the term.

IV.

- 4.1 CONCESSIONAIRE'S OPERATING HOURS.
- A. Premises Operating Hours. Concessionaire's local Development Office representative, in consultation with King County Parks Agreement Manager or King County Parks On-Site Liaison shall decide the hours of operation of the Premises in respect to the ultimate discretion of Concessionaire. Notwithstanding the foregoing, if early entry or late closure of the Premises is required: upon proper notice of at least three (3) days notification of the County, Concessionaire shall be allowed into the Park for set-up not less than thirty (30) minutes prior to Parks' hours and will be allowed to stay in the Park for closing and clean up of the Premises not less than thirty (30) minutes after Park hours.
- B. Special Events. "Special Events" shall mean those events hosted and/or produced by King County either requiring Special Use Agreements or permitted by existing contractual agreements with Third Parties For Special Events. Concessionaire shall be open for business as negotiated with the County's On-site Liaison. Concessionaire will be allowed into the Park for set-up 1 hour before a Special Event starting time and will be allowed to stay in the Park for closing and clean up of the Premises not less than 1 hour after the conclusion of such event.
- C. Setting Park Hours. Notwithstanding the foregoing, the County reserves the right to decide the Park's hours. The Concessionaire shall adjust its hours of operation accordingly and the County shall not be liable for damages to Concessionaire, its employees, or agents as a result of any change in the Parks hours.

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4.2 CONTINUOUS OPERATION.

- A. Concessionaire shall keep the Premises open and use them to transact business with the public daily during hours listed in section 4.1 of this Agreement. Concessionaire will operate its business activity on the Premises in a manner that attempts to maximize the revenue derived from the privileges and rights granted hereunder. Concessionaire shall have ready for sale all articles shown in Exhibit C in sufficient quantity to satisfy the reasonably foreseeable demand of patrons during operating hours and days of operation.
- B. Subject to the prior written approval of the County, the Concessionaire may close the Premises or any portion thereof for a reasonable period for repairs or remodeling, for taking inventory, or to accommodate the construction by the County of public improvements, provided that a written notice of such impending closure is posted by Concessionaire in a conspicuous place on the Premises for at least one (1) week immediately prior to the closure date. Notwithstanding the foregoing, Concessionaire may close the Premises or any portion thereof for a reasonable period in an emergency without the approval of the County.
- C. The County reserves and retains the right to close the Premises for a reasonable period for its convenience upon written notice to the Concessionaire of not less than seven (7) days and to close the Premises or any portion thereof immediately in case of an emergency. The County shall not be liable for damages to Concessionaire, its employees or agents as a result of such closure.

- 4.3 ACCESS TO PREMISES DURING NON-OPERATING HOURS. During hours the Park is not open to the public, access by the Concessionaire, its representatives, agents or employees, to the Premises may be refused by the County unless the person seeking access has received permission to enter the Park from the County or its On-site Liaison. The County shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building or Park of any person. In case of invasion, mob, riot, public excitement, or other commotion or any structural damage from any cause whatsoever, the County reserves the right to prevent access to the Building during the continuance of the same, by closing the doors or otherwise, for the safety of the Concessionaire and protection of the Building and property located within. The County shall have no duty to provide security protection for the Building at any time or to monitor access thereto.

- 4.4 CONCESSIONAIRE PARKING PASSES. The County shall issue parking passes to the Concessionaire for the purpose of accessing the Premises during Operating Hours. The Concessionaire, its representatives or employees shall use parking passes to access the Premises for business related purposes only. The County shall determine number and type of parking passes issued to the Concessionaire, and Concessionaire shall surrender any and all parking passes to the County upon request.

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V.

- 5.1 CONDITION OF PREMISES. The Concessionaire has inspected and knows the condition of the Premises and it is understood and agreed that the Premises are taken on an "as is" basis without any obligation on the part of the County to make any changes, improvements, or to incur any expenses whatsoever for the maintenance or repair of the Premises other than those specifically required by this Agreement.
- 5.2 CONSTRUCTION DEFECTS. The County shall not be liable to the Concessionaire for claims or damages arising from any defect in the construction of or the condition of the Premises at the time Concessionaire assumes occupancy, whether known or unknown, or for damage by storm, rain, or leakage or any other occurrence.
- 5.3 IMPROVEMENTS AND ALTERATIONS.
- A. Concessionaire shall make no alterations or improvements to or upon the Premises, or install any fixtures (other than trade fixtures which can be removed without injury to the Premises) without first obtaining written approval from the County. The alterations or improvements will be at Concessionaire's sole cost and approval may be conditioned on inspections and approval of improvement by the County, performance bonds, supplying as-built drawings, and other reasonable requirements imposed by the County.
- B. Unless otherwise stipulated, all improvements or alterations erected or made on the premises, other than Concessionaire's trade fixtures, shall, upon expiration or earlier termination of this Agreement, belong to the County without compensation to the Concessionaire; however, the County shall have the option, to be exercised on expiration or earlier termination of the Agreement, to require the Concessionaire, at Concessionaire's expense, to remove any or all such improvements or alterations, including those improvements made during the term of the prior concession agreement between King County and Subway Real Estate Corp, dated February 23, 2005.
- 5.4 SIGNS. No sign, advertisement, notice, or other lettering will be exhibited, inscribed, painted, or affixed by Concessionaire on any part of the outside of the Premises without the prior written consent of the County, provided that such consent shall not be unreasonably withheld. If Concessionaire violates this provision, the County may remove the sign without any liability and may charge the expense incurred by such removal to the Concessionaire provided, however, the County shall give Concessionaire written notice of Concessionaire's violation of this provision and Concessionaire shall have forty-eight (48) hours after receiving said notice to comply with the terms of this provision. All signs erected or installed by Concessionaire shall be subject to any federal, state or local statutes, ordinances or regulations applicable to signs.
- 5.5 MAINTENANCE.

- A. Concessionaire shall throughout the term of this Agreement, and without cost or expense to the County, keep and maintain the Premises and all improvements, fixtures, and equipment which may now or hereafter exist thereon, in a neat, clean, and sanitary condition and shall, except for reasonable wear and tear, at all times preserve the Premises in good and safe repair. Upon the expiration or sooner termination of the Agreement, Concessionaire shall forthwith return the same in as good condition as existed at the commencement of occupancy (ordinary wear and tear excepted).
- B. If, Concessionaire fails to maintain or repair any part of the Premises or any improvement, landscaping, fixtures or equipment thereon, then after thirty (30) days' notice from the County, the County may, but shall not be obligated to, enter upon the Premises and perform such maintenance or repair, and Concessionaire agrees to pay the costs thereof to the County upon receipt of a written demand. Any unpaid sums under this paragraph shall be payable as additional rent on the next rent payment date due following the written demand and will bear interest at the maximum rate allowed by Washington State Law.
- C. The County shall maintain and manage the Common Area.

- 5.6 UTILITIES. The County shall pay for all operational costs, expenses, fees, services, and charges of all kinds for heat, light, water, gas, and for all other public utilities used on said Premises so that the same shall not become a lien against the Premises. Concessionaire shall pay for all costs, expenses, fees, services, and charges associated with telephone line and service for the Premises.

VI.

- 6.1 STANDARD OF CONDUCT. Concessionaire recognizes that, although it is operating its facilities as an independent operator for profit, the County is a provider of park and recreation facilities for the use and enjoyment of the general public. The Concessionaire, its agents and employees will devote their efforts toward rendering courteous service to the public, with a view of enhancing the enjoyment of the patrons of this recreational facility.

Concessionaire shall operate and conduct the facilities on the Concession Premises in a businesslike manner, and will not permit any acts or conduct on the part of the Concessionaire's employees that would be detrimental to the County's operation of the Building and Grounds. Concessionaire employees shall be persons of good moral character and shall be neat and clean in appearance.

- 6.2 EMERGENCY INFORMATION. Concessionaire must provide the County with names and telephone numbers to contact in case of emergency. Concessionaire must fill out an emergency information sheet and return it to the County's point of contact.
- 6.3 ACCESS. The halls, passages, exits, entrances shall not be obstructed by the Concessionaire or used by them for any purpose other than for ingress to and egress from their respective Premises. This includes obstructing halls, passages, entrances, exits, and

roof with furniture, trash, or deliveries. Nothing herein contained shall be construed to prevent access by persons with whom the Concessionaire normally deals in the ordinary course of Concessionaire's business unless such persons are engaged in illegal activities. No Concessionaire and no employees or invitees of the Concessionaire shall go upon the roof of the Building.

- 6.4 LOCKS AND KEYS. Concessionaire shall not place any additional lock or locks on any door to or in the Premises or Building without the County's prior written consent. The County shall furnish a reasonable number of keys to the locks on the doors in the Premises to Concessionaire at move in. All keys to the Premises and Building shall be obtained from the County office and Concessionaire shall not, from any other source, duplicate or obtain keys or have keys made. The Concessionaire, upon termination of the agreement, shall deliver to the County the keys to the Premises, Building, rooms and restrooms that shall have been furnished.
- 6.5 INSTALLATION OF BURGLAR AND INFORMATIONAL SERVICES. If Concessionaire requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain and comply with the County's instructions in their installation.
- 6.6 FLOOR LOADS. Concessionaire shall not place a load upon any floor of the Premises, which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. The County shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by the County, stand on such platforms as determined by the County to be necessary to properly distribute the weight, which platforms shall be provided at Concessionaire's expense. Business machines and mechanical equipment belonging to Concessionaire, which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to the County or to any Concessionaire's in the Building, shall be placed and maintained by the Concessionaire, at Concessionaire's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Building must be acceptable to the County. The County will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of the Concessionaire
- 6.7 DELIVERIES AND MOVING MATERIALS WITHIN BUILDING. Concessionaire's initial move in and subsequent deliveries of bulky items, such as furniture, safes and similar items, unless otherwise agreed in writing by the County, may be made only at times designated by the County. No deliveries shall be made which impede or interfere with other Concessionaires or the operation of the Building. Concessionaire shall be solely liable for any and all damage resulting from the above activities.
- 6.8 UNAPPROVED EQUIPMENT. Concessionaire shall not install, operate or maintain in the Premises or in any other area of the Building, any electrical equipment which does not bear the U/L (Underwriters Laboratories) seal of approval, or which would overload the electrical system or any part thereof beyond its capacity for proper, efficient and safe

operation as determined by the County, taking consideration the overall electrical system and the present and future requirements therefore the Building. Concessionaire shall not furnish any cooling or heating to the Premises, including without limitations, the use of any electronic or gas heating devices, fans or space heaters, without the County's prior written approval.

- 6.9 VENDING MACHINES. Vending machines will be provided by another entity and may be located in or near the Common Area to provide snack, candy, ice cream, and beverages to the general public; provided, that products that directly compete with Concessionaire, e.g. smoothies, yogurt and sandwiches, shall not be allowed in the Vending Machines. The County shall, in its sole discretion, make the final determination of what products may be allowed in the Vending Machines.
- 6.10 EXCLUSIVE BEVERAGE DISTRIBUTOR. INTENTIONALLY DELETED ~~The County currently has an exclusive agreement with Pepsi Bottling Group, LLC, requiring that if Postmix Products, Packaged Products, or both are used to prepare fountain beverage products for sale at any of the County's Buildings and premises, then those products must be purchased through PepsiCo, Inc., or other third party licensor. Concessionaire will be required to purchase all of their beverage products from that distributor for their restaurant operations. "Postmix Products" and "Packaged Products" shall mean soft drinks, teas, isotonic, juices and water.~~
- 6.11 FIRE REGULATIONS. Concessionaire specifically agrees that it shall comply with all applicable fire regulations. Concessionaire also shall provide the County with the name(s) of a designated responsible employee to represent Concessionaire in all matters pertaining to fire regulations.
- 6.12 HEALTH REGULATIONS. Concessionaire specifically agrees that it shall comply with all Federal, State, County and Local Health and Sanitation Department regulations. Further, the Concessionaire shall fully comply with the King County Food Code, including the requirement to obtain a valid permit to operate a food-service establishment from the Seattle-King County Health Department, and the requirement to submit properly prepared plans and specifications to the Seattle-King County Health Department for its plan approval. Concessionaire is responsible to provide King County Parks a copy of all required Health Permits **BEFORE** the Concessionaire begins operations.
- 6.13 SAFETY. The County may from time to time adopt appropriate systems and procedures for the security and safety of the Building, its occupants, entry and use, or its contents. Concessionaire, Concessionaire's agents, employees, contractors, guests and invitees shall comply with the County's requirements relating thereto.
- 6.14 NUISANCE. Concessionaire shall not use, keep or permit to be used or kept any noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner that is offensive or objectionable to the County or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other Concessionaires or those having business in the Building. No animals (other than service animals aiding disabled persons, such as "seeing eye" dogs) or birds shall be brought in or kept in or about the Premises or the Building. Concessionaire shall not make or permit

to be made any disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises, or with those having business with such occupants by the use of any musical instruments, radio, phonograph, unusual noise, or in any other way. Concessionaire shall not throw anything out of doors or down passageways.

- 6.15 RESTROOMS. Restrooms are attached to the Building. The restrooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein.
- 6.16 JANITORIAL SERVICE. Concessionaire shall not cause any unnecessary labor by the County by reason of Concessionaire's carelessness or indifference in the preservation of good order and cleanliness of the Common Area or Building. Concessionaire will provide all cleaning and paper products for operation of the Premises.
- 6.17 WASTE. Concessionaire shall provide an adequate number of trash containers to collect all the trash that will be created by the operation of the concession and shall dispose of same in refuse containers provided by the County. The County shall have the right to require the Concessionaire provide additional trash containers if the County determines additional containers are necessary. Concessionaire will dispose of all trash and litter created from their operation in the County's Trash Dumpster. Concessionaire shall be provided access to the Trash Dumpster. The Concessionaire shall not dump grease on the Grounds. Concessionaire shall use only food and beverage containers which are biodegradable. Concessionaire shall use non-plastic coated paper and cardboard cups and containers.
- 6.18 SEATING. The Concessionaire will be allowed to provide a maximum of twelve (12) seats with tables in the Common Area, with the County's approval of the layout, during Concessionaire's operating hours, except during large Special Events in which additional tables and chairs will be allowed in the Common Area during the store's operating hours with the County's approval.
- 6.19 TELEPHONES. If needed, the County will direct technicians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for or stringing of wires will be allowed without the prior consent of the County. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of the County.
- 6.20 PEST EXTERMINATION. Concessionaire shall utilize the termite or pest extermination service designated by the County to control termites and pests in the Premises. Concessionaire shall bear the cost and expense of such extermination services.
- 6.21 NON-SMOKING BUILDING. The Building is a non-smoking Building. Concessionaire shall prohibit smoking in the entirety of the Premises.
- 6.22 TIME OF REPAIRS AND MAINTENANCE. Concessionaire shall carry out Concessionaire's permitted repair, maintenance, alterations, and improvements in the Premises in a manner which will not interfere with the rights of other users of the Building, including, but not limited to, the County's employees.

- 6.23 CONCESSIONAIRE ADVERTISING. Concessionaire may use the name of the Park and Building in connection with or in promotion or advertising the business of Concessionaire. "King County's Marymoor Park" located near Redmond, Washington.
- 6.24 SOLICITING. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building or on the Grounds is prohibited, without the prior written approval from the County.
- 6.25 DISORDERLY CONDUCT. The County reserves the right to exclude or expel from the Park any person who, in the judgment of the County, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Park.
- 6.26 PREMISES CLOSURE. Concessionaire shall see that the doors of the Premises are closed and securely locked before leaving the Building and that all water faucets, water apparatus and electrical appliances and equipment are entirely shut off before Concessionaire or Concessionaire's employees leave the Building. Concessionaire shall be responsible for any damage to the Building or other Concessionaire's property caused by a failure to comply with this rule.
- 6.27 CONCESSIONAIRE'S COMPLIANCE. Concessionaire shall be responsible for the observance of all of the foregoing conditions by Concessionaire's employees, agents, licensees, assigns, and invitees.
- 6.27 FIRE EXTINGUISHER. Concessionaire shall supply and have easily accessible at least one (1) fire extinguisher per concession site, or as may otherwise be required by applicable fire codes, laws, and regulations.

VII

- 7.1. REPRESENTATIVES. The Director of the King County Parks Division (or designee) shall represent the County and a representative from Subway Real Estate Corp. (or designee) shall represent Concessionaire on all matters related to this Agreement ("The Representatives"). Each Representative shall designate an operational liaison for purposes of day-to-day scheduling and working arrangements. The County Representative (or designee) shall assign a staff member for these operational liaison duties.

The County liaison for this agreement ("Agreement Manager") is:

John Villapudua
 Program Manager
 201 South Jackson Street, Suite 700
 Seattle, WA 98104-3855
 Mail Stop – KSC-NR-0700
 Phone – 206.263-6209
 Fax – 206.296-8686
 e-mail – john.villapudua@kingcounty.gov

The County liaison for day-to-day operation ("On-Site Liaison") is:

Norah Gaynor
Program Manager
6046 West Lake Sammamish Parkway N.E.
P.O. Box 3517
Redmond, WA 98052
Phone – 206-296-0673
Fax – 206-296-4342
e-mail – norah.gaynor@kingcounty.gov

The Concessionaire's Liaison for this agreement is:

Jennifer Nier
Territory Manager
Franchise World Headquarters
19210 29th Ave SE
Bothell, WA 98012
Phone – 425-745-4555
e-mail – nier_j@subway.com

7.2 PLANNING AND OPERATIONAL MEETINGS. The County's On-site Liaison or designee shall be authorized to speak on its behalf with respect to the operation, improvement, planning and development of the Premises. The County's On-Site Liaison or designee shall meet with the Concessionaire's Liaison or designee as needed, at least quarterly or as agreed, to exchange, review and discuss policies, development plans, levels of scheduled use and operation procedures for the Premises.

VIII.

8.1 INDEMNITIES AND HOLD HARMLESS.

A. The Concessionaire agrees to indemnify and hold the County harmless as provided herein to the maximum extent possible under law. Accordingly, the Concessionaire agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless the County, its appointed and elected officials, and employees from and against liability for all claims, demands, suits, and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Concessionaire's exercise of rights and privileges granted by this Agreement, except to the extent of the County's sole negligence. The Concessionaire's obligations under this section shall include:

1. The duty to promptly accept tender of defense and provide defense to the County at the Concessionaire's own expense;
2. Indemnification of claims made by the Concessionaire's own employees or agents; and,

3. Waiver of the Concessionaire's immunity under the industrial insurance provisions of Title 51 R.C.W. but only to the extent necessary to indemnify the County, which waiver has been mutually negotiated by the parties.
- B. In the event it is necessary for the County to incur attorney's fees, legal expenses or other costs to enforce the provisions of this section, all such fees, expenses and costs shall be recoverable from the Concessionaire.
 - C. In the event it is determined that R.C.W. 4.24.115 applies to this Agreement, the Concessionaire agrees to defend, hold harmless, and indemnify the County to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of the County to the full extent of Concessionaire's negligence. Concessionaire agrees to defend, indemnify, and hold harmless the County for claims by Concessionaire's employees and agrees to waiver of its immunity under Title 51 R.C.W., which waiver has been mutually negotiated by the parties.
 - D. A hold harmless provision to protect King County similar to this provision shall be included in all subcontracts entered into by Concessionaire in conjunction with this Agreement.

8.2 PROPERTY INSURANCE.

- A. The Concessionaire will carry fire and extended coverage insurance with rent interruption endorsement in an amount equal to the full replacement value of all improvements (Premises located in the building) and six (6) months rental interruption. The policy shall include the County as an insured as its interests may appear. A current certificate of insurance must be on file with the County. The County will not carry insurance on Concessionaire's property.
- B. In the event of the total or partial destruction by fire, regardless of origin, or otherwise of the building, structures, or facilities currently on the premises or subsequently constructed by the Concessionaire, the Concessionaire shall have the obligation to reconstruct such facilities to their original condition within six (6) months after their destruction.

- 8.3 LIABILITY INSURANCE REQUIREMENTS. By the date of execution of this Agreement, the Concessionaire shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the exercise of the rights and privileges granted by this agreement, by the Concessionaire, its agents, assignees, representatives, employees, or subcontractors. The cost of such insurance shall be paid by the Concessionaire.

For all coverages: Each insurance policy shall be written on an "Occurrence" form.

- A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

General Liability. Insurance Services Office Form No. CG 00 01 Ed. 11-88, covering COMMERCIAL GENERAL LIABILITY.

- B. Minimum Limits of Insurance. The Concessionaire shall maintain the following minimum limits for: 1) Commercial General Liability no less than \$2,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage, and \$2,000,000 in the Aggregate; 2) Automobile Liability in the amount of \$1,000,000 per Occurrence shall be provided; and 3) If Concessionaire has employees, Statutory Workers Compensation and \$1,000,000 Employers Liability/Stop Gap coverage is required.

- C. Deductibles and Self-insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the County. The deductible and or self-insured retention of the policies shall not limit or apply to the Concessionaire's liability to the County and shall be the sole responsibility of the Concessionaire.

- D. Other Insurance Provisions. The insurance policies required in this Agreement are to contain or be endorsed to contain the following provisions:

General Liability Policy:

- 1. The County, its officers, officials, employees, and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Concessionaire in connection with this Agreement. Such coverage shall include Products-Completed Operations.

- 2. To the extent of Concessionaire's negligence, the Concessionaire's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Concessionaire's insurance or benefit the Concessionaire in any way.

- 3. The Concessionaire's insurance shall apply separately to each insured against whom a claim is made and or lawsuit is brought, except with respect to the limits of the insurer's liability.

All Policies:

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, until after forty-five (45) days prior notice - return receipt requested, has been given to the County.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a Bests' rating of no less than A: VIII, or if not rated with Bests' with minimum surpluses, the equivalent of Bests' surplus size VIII.

If at any time, of the foregoing policies shall be or become unsatisfactory to the County, as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to the County, the Concessionaire shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements for approval.

F. Verification of Coverage. Concessionaire shall furnish the County with current certificate(s) of insurance and endorsement(s) required by this Agreement. The certificate(s) and endorsement(s) for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by the County and are to be received and approved by the County prior to the commencement of activities associated with the Agreement. The County reserves the right to require complete certified copies of all required insurance policies at any time.

8.4 MUTUAL RELEASE AND WAIVER. To the extent a loss is covered by insurance in force, the County and Concessionaire hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies, including any extended coverage endorsements hereto; provided that this Agreement shall be inapplicable if it would have the effect of invalidating any insurance coverage of the County or the Concessionaire.

IX.

- 9.1 TERMINATION. This Agreement is subject to termination based upon the following:
- A. Necessity. In the event the County determines that termination of this Concession Agreement is necessary due to closure of the facility, transfer of the facility or any other reason the County determines justifies termination other than breach of this Agreement, the County shall give the Concessionaire thirty (30) day notice of termination of this Agreement.
 - B. Default. If either Party to this Agreement breaches it, then the other Party may terminate this Agreement; provided, that the dispute resolution procedure set forth in this Agreement is completed before termination; except the notice and dispute resolution requirements do not apply where protection of the public's health, welfare or safety requires immediate termination by the County.
 - C. If Concessionaire determines that it cannot reasonably continue to operate the Premises, Concessionaire may terminate this Agreement after giving King County six (6) months' advance written notice of termination.
 - D. County funding in support of this Agreement beyond the current appropriation year is conditioned upon appropriation by the County Council of sufficient funds to undertake the activities described in this Agreement as determined solely by the County. Should such an appropriation not be approved, this Agreement shall terminate at the close of the current appropriation year.
 - E. Concessionaire's Waiver Of Rights Upon Termination By County. The Concessionaire hereby expressly waives the right to claim or recover against the County and/or any official, employee, or representative thereof for any damages whatsoever incurred due to termination by the County.

- 9.2 SURRENDER OF PREMISES. At the expiration or earlier termination of this Agreement, Concessionaire shall promptly surrender possession of the Premises to the County, and shall deliver to the County all keys that it may have to any and all parts of the Premises. The Premises shall be surrendered to the County in as good a condition as on the date the Concessionaire took possession, except for the effects of reasonable wear and tear, alteration and repairs made with approval of the County, and property damage by fire and other perils insured in contracts or policies as required herein.

No later than thirty (30) days after expiration or termination of this Agreement, Concessionaire shall remove from the Premises any and all property, materials, equipment, goods, and effects belonging to the Concessionaire and/or its employees. If the Concessionaire fails to remove any property by the above-stated date, the County shall have the right to remove, store, sell, and/or destroy such property at the sole expense of the Concessionaire and shall have a lien thereon for the cost incurred, which lien may be enforced by sale upon thirty (30) days written notice.

- 9.3 DEFAULTS AND RE-ENTRY. If the County terminates this Agreement based on Concessionaire's default, then the County may re-enter the Premises using such force as may be required. Notwithstanding such re-entry by the County, Concessionaire will remain liable for the rent as provided herein, over the remaining term of this Agreement. Concessionaire further covenants and agrees to make good to the County any deficiency arising from a re-entry and reletting of the Premises at a lesser rental than agreed to herein. The Concessionaire shall pay such deficiency each month as the amount thereof is ascertained by the County. If it becomes reasonably necessary to make any changes, alterations, or additions to the premises or any part thereof for the purpose of reletting said premises or any part thereof, Concessionaire shall also be responsible for such cost. PROVIDED, that Concessionaire's total liability under this section shall not exceed an amount equal to six (6) months minimum base rent. In no event shall the County seek to accelerate rent upon Concessionaire's default.

- 9.4 ADVANCES BY THE COUNTY FOR CONCESSIONAIRE. If Concessionaire fails to pay any fees or perform any of its obligations under this Agreement other than payment of rent, the County will mail notice to Concessionaire of its failure to pay or perform. Twenty (20) days after mailing notice, if Concessionaire's obligation remains unpaid or unperformed, the County may pay or perform these obligations at Concessionaire's expense. Upon written notification to Concessionaire of any costs incurred by the County under this paragraph, Concessionaire will reimburse the County within twenty (20) days.

- 9.5 DISPUTE RESOLUTION. If either Party claims that the other Party has breached any term of this Agreement or is otherwise in default, the following procedures shall be followed if, and when, informal communications such as telephone conversations, fail to satisfy the claiming Party:

A. The claiming Party's representative shall provide a written notice to the other Party's representative of the alleged default. The notice shall identify the act or omission at

- issue and the specific term(s) of the Agreement which the complaining Party alleges was violated.
- B. The responding Party's representative shall respond to the notice in writing within seven (7) working days. The response shall state that Party's position regarding the alleged default as well as what, if any, corrective action the responding Party agrees to take.
- C. The claiming Party shall reply in writing, indicating either satisfaction or dissatisfaction with the response. If satisfied, any corrective action shall be taken within fourteen (14) calendar days of the receipt of the responding Party's reply. If dissatisfied, the claiming Party shall call an in-person meeting. The meeting shall occur within a reasonable period of time and shall be attended by the Representatives of each Party, and such others as they individually invite. If the claiming Party remains dissatisfied with the results of the meeting, it may sue to enforce the terms of this Agreement or it may terminate this Agreement. The Parties also may agree to an alternate dispute resolution process.

X.

- 10.1 ACCESS AND BUSINESS INTERRUPTION. The County reserves the right to enter the Premises to repair or install utilities or improvements associated with the other portions and uses of the Building or Park. The County also reserves the right to limit the public's access to the Building or Park in exercise of its police powers or other legal authority or to allow uses of the Building or Park that may impede public access to the Premises. Concessionaire shall not be entitled to any damages from business interruption caused by these activities of the County. However, the County will consider requests for temporary reduction in rent due to a reduction in revenue related to such interruption, provided that the County will have complete discretion in approving or denying requests and such decisions are not subject to arbitration or any other review.
- 10.2 PARTIAL DESTRUCTION OF PREMISES. If at any time during the term of this agreement the Premises are damaged by fire, act of nature, or other cause beyond the control of Concessionaire, to the extent that continued use of the Premises is unfeasible, then Concessionaire may, on written notice to the County delivered within 30 days after the damage has occurred, terminate this agreement without any liability of Concessionaire to the County except for the payment of rent accrued to the date of termination. If Concessionaire does not elect to terminate this agreement, the County shall, with due diligence, restore the Premises to its condition prior to Concessionaire taking possession; provided the County shall not be obligated under this provision to expend on such restoration more than the proceeds of any insurance received by it on account of the damage. The County shall not be responsible for any damages suffered by Concessionaire due to the partial destruction of the Premises.
- 10.3 INSPECTION AND "FOR RENT" SIGNS. The County reserves the right to inspect the Premises at any and all reasonable times throughout the term of this Agreement, provided that the County shall not interfere unduly with Concessionaire's operations. The right of inspection reserved to the County hereunder shall impose no obligation on the County to

make inspections to ascertain the condition of the Premises, and shall impose no liability upon the County for failure to make such inspections. The County shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for thirty (30) days prior to the expiration or sooner termination of this Agreement.

- 10.4 LIENS. It is understood and agreed that this Agreement is executed and delivered upon the express condition that the Concessionaire will not and cannot contract any debt or debts for labor, materials, services, or otherwise which will or may become a lien against the interest of the County in the Premises, and the County hereby denies to Concessionaire any right, power, or authority to do any act, or contract any obligation or liability which would in any way subject the interest of the County in the Premises to any lien, claim, or demand whatsoever.
- 10.5 ASSIGNMENT. Concessionaire's Rider, attached to this Agreement in **Exhibit D**, sets forth the terms and conditions under which Concessionaire may assign any right, privilege or license conferred by this Agreement.
- 10.6 COMPLIANCE WITH APPLICABLE LAW. In using the Premises, Concessionaire shall comply with all applicable laws, ordinances and regulations from any and all authorities having jurisdiction including, to the extent applicable, those related to "public works," payment of prevailing wages and competitive bidding of contracts. Concessionaire specifically agrees to comply and pay all costs associated with achieving such compliance without notice from the County, and further agrees that the County does not waive this section by giving notice of demand for compliance in any instance. The Concessionaire shall indemnify and defend King County should the County be sued or made the subject of an administrative investigation or hearing for a violation of such laws related to this Agreement.
- 10.7 KING COUNTY PARKS AND RULES AND REGULATIONS. Concessionaire shall comply with the rules and regulations of the King County Parks and with any such rules and regulations which may hereafter be made. If there is any question regarding the interpretation of any King County Parks rule or regulation, the County's interpretation shall be controlling.
- 10.8 HAZARDOUS MATERIALS AND ENVIRONMENTAL COMPLIANCE. The Concessionaire shall not, without first obtaining the County's written approval, apply, store, deposit, transport, release or dispose of any hazardous substances, petroleum products, sewage, medicinal, bacteriological, or toxic materials, or pollutants, on the Premises. All approved application, storage, deposit, transportation, release and disposal shall be done safely and in compliance with applicable laws. Concessionaire shall be fully and completely liable for any and all cleanup costs, and any and all other charges, fees, penalties (civil and criminal) imposed by any authority with respect to Concessionaire's use, disposal, transportation, generation, release, handling, spillage, storage, treatment, deposit and/or sale of hazardous substances in or about the Premises, Building or Grounds. Concessionaire promises to fully reimburse the County for any expenses, costs or fees it may incur if Concessionaire fails to comply with the terms and conditions of this section.

XI.

11.1 NONDISCRIMINATION IN EMPLOYMENT PROVISION OF SERVICES.

King County Code Chapter 12.16 is incorporated by reference as if fully set forth herein and such requirements apply to this Agreement. During the performance of this Agreement, neither the Concessionaire nor any party subcontracting under the authority of this Agreement shall discriminate or tolerate harassment on the basis of race, color, sex, religion, national origin, marital status, sexual orientation, age, or the presence of any sensory, mental, or physical disability in the employment or application for employment or in the administration or delivery of services or any other benefits under this Agreement.

11.2 NONDISCRIMINATION IN SUBCONTRACTING IN SUBCONTRACTING PRACTICES.

King County Code Chapter 12.17 is incorporated by reference as if fully set forth herein and such requirements apply to this Agreement. During the solicitation, award and term of this Agreement, the Concessionaire shall not create barriers to open and fair opportunities to participate in County contracts or to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction or services. In considering offers from and doing business with subcontractors or suppliers, the Concessionaire shall not discriminate against any person on the basis of race, color, religion, sex, age, national origin, marital status, sexual orientation or the presence of any mental or physical disability in an otherwise qualified disabled person.

11.3 FAIR EMPLOYMENT PRACTICES. King County Code Chapter 12.18 is incorporated by reference as if fully set forth herein and such requirements apply to this Agreement. During the performance of this Agreement, neither the Concessionaire nor any party subcontracting under the authority of this Agreement shall engage in unfair employment practices.

11.4 COMPLIANCE WITH LAWS AND REGULATIONS. The Concessionaire shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit discrimination. These laws include, but are not limited to, RCW Chapter 49.60, Titles VI and VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the Restoration Act of 1987.

11.5 SANCTIONS FOR VIOLATIONS. Any violation of the mandatory requirements of the provisions of this Section shall be a material breach of this Agreement for which the Concessionaire may be subject to damages, withholding payment and any other sanctions provided for by the Agreement and by applicable law.

11.6 REPORTING

- A. The Concessionaire entering into a contract or agreement with King County valued at \$25,000 or more shall submit with this Agreement a total Personnel Inventory Report providing employment data for minorities, females, and persons with disabilities.

Subject to the provisions of KCC Chapter 12.16.060, the Concessionaire's Personnel Inventory Report shall be effective for two years after the date on which the report was submitted.

- B. If the Concessionaire enters into a contract with King County valued at more than \$25,000, or contracts which in the aggregate have a value to the Concessionaire of more than \$25,000, then Concessionaire should submit an Affidavit of Compliance in the form provided by the County, demonstrating commitment to comply with the provisions of KCC Chapter 12.16 in accordance with paragraph A of this Section 11.

- 11.7 SECTION 504 AND AMERICANS WITH DISABILITIES WITH DISABILITIES ACT. The Concessionaire shall complete a 504/ADA Self-Evaluation Questionnaire for all programs and services offered by the Concessionaire (including any services not subject to this Agreement) and shall evaluate its services, programs and employment practices for compliance with Section 504 of the Rehabilitation Act of 1973, as amended ("504") and the Americans with Disabilities Act of 1990 ("ADA"). The Concessionaire shall complete a 504/ADA Assurance of Compliance, and corrective action plan as needed for structural, programmatic, and/or service changes necessary at each of its premises within the State of Washington to comply with 504 and the ADA, and it is attached as an exhibit to this Agreement and incorporated herein by reference.
- 11.8 Concessionaire will indemnify and hold the County harmless if Concessionaire violates the terms and conditions of this section.

XII

- 12.1 HEIRS, AGENTS, AND ASSIGNS. Without limiting any provisions of this Agreement pertaining to assignment, the County and Concessionaire agree that the provisions of this Agreement are intended to bind their heirs, successors, agents and assigns.
- 12.2 CAPTIONS. The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.
- 12.3 EVERY PROVISION IS MATERIAL. Each term of this Agreement is material. A breach by Concessionaire of any one of the terms of this Agreement shall be considered to be a material breach of the entire Agreement and shall be grounds for the County to terminate the entire Agreement.
- 12.4 TIME IS OF THE ESSENCE. Time is of the essence of this Agreement, and in the event of the failure of Concessionaire to pay any charges at the time in the manner herein specified, or to keep any of the covenants or agreements herein set forth, the Concessionaire shall be in default.
- 12.5 CUMULATIVE REMEDIES. No provision of this Agreement precludes the County from pursuing any other remedies for Concessionaire's failure to perform his obligations.
- 12.6 ATTORNEY'S FEES/COLLECTION CHARGES. In the event legal action is brought by either party to enforce any of the terms, conditions, or provisions of this Agreement,

the prevailing party shall recover against the other party in addition to the costs allowed by law, such sum as the court may adjudge to be a reasonable attorney's fee.

- 12.7 HOLDING OVER. If the Concessionaire holds over after the expiration or earlier termination of the Agreement's term without the express written consent of the County, then Concessionaire shall become a Concessionaire at sufferance only, at a rental rate equal to one hundred-fifty percent (150%) of the rent in effect upon the date of such expiration (prorated on a daily basis), and otherwise subject to the terms, covenants, and conditions herein specified so far as applicable. Acceptance by the County of rent after such expiration or earlier termination shall not result in a renewal of this Agreement, nor affect the County's right of re-entry or any rights of the County hereunder or as otherwise provided by law. If Concessionaire fails to surrender the Premises upon the expiration of this Agreement despite demand to do so by the County, Concessionaire shall indemnify and hold the County harmless from all loss or liability including, without limitation, any claim made by any succeeding Concessionaire founded on or resulting from such failure to surrender, and together with interest, attorney's fees, and costs.
- 12.8 POWERS OF THER COUNTY. Nothing contained in this Agreement shall be considered to diminish the governmental or police powers of the County.
- 12.9 IMPOSSIBILITY. The County shall not be responsible for its failure to perform its obligations described herein if the County's performance is rendered impossible or impracticable due to strikes, walk-outs, acts of God, inability to obtain labor, materials, or services, government restrictions, enemy action, civil commotion, fire, unavoidable casualty, or similar causes beyond the control of the County. Furthermore, the County shall not be responsible for any damages arising from its failure to make the Premises available for Concessionaire's use where such performance is rendered impossible or impracticable due to the County's closure of the Park or Building to the public or transfer of the Park or a portion thereof.
- 12.10 SEVERABILITY. If any term or provision of this Agreement or the application of any term or provision to any person or circumstance is invalid or unenforceable, the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected and will continue in full force.
- 12.11 NON-WAIVER. Waiver of any breach of any term or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this Agreement shall be waived, modified or deleted except by an instrument, in writing, signed in advance by the parties hereto.
- 12.12 NO PARTNERSHIP. Nothing contained herein shall make, or be deemed to make, the County and the Concessionaire a partner of one another, and this Agreement shall not be construed as creating a partnership or joint venture.
- 12.13 AGREEMENT LIMITATIONS. It is understood and agreed that this agreement only grants a concession agreement, and not a lease. This Agreement shall only confer permission to occupy and use the Premises described for concession purposes.

Concessionaire's expenditure of capital and/or labor in the course of use and occupancy shall not confer any interest or estate in the Premises or park by virtue of said use, occupancy and/or expenditure of money thereon. The sole privilege granted from the County to Concessionaire is a personal and revocable privilege of use in the Premises for the concession described herein. Concessionaire is responsible for obtaining all other necessary agreements and licenses.

- 12.14 PUBLIC DISCLOSURE OF AGREEMENT. This Agreement shall be considered a public document and will be available for inspection and copying by the public. If the Concessionaire considers any portion of the items delivered to the County to be protected under law, the Concessionaire shall clearly identify each such portion with words such as "CONFIDENTIAL," "PROPRIETARY" or "BUSINESS SECRET." If a request is made for disclosure of such portion, the County will determine whether the material should be made available under the law. If the material is not exempt from public disclosure law, the County will notify the Concessionaire of the request and allow the Concessionaire twenty (20) days to take whatever action it deems necessary to protect its interests. If the Concessionaire fails or neglects to take such action within said period, the County will release the portions of the Agreement deemed subject to disclosure. By entering into this Agreement, the Concessionaire assents to the procedure outlined in this paragraph and shall have no claim against the County on account of actions taken under such procedure. Concessionaire's failure to specifically identify items as "CONFIDENTIAL," "PROPRIETARY" or "BUSINESS SECRET" will not diminish Concessionaire's proprietary rights in its trade secrets and other confidential information identified in this Contract (including all Attachments and Exhibits), or otherwise identified, as trade secrets and/or confidential information; provided, that if Concessionaire fails to specifically label protected items, then the County will not be liable to Concessionaire for inadvertently releasing such items pursuant to a disclosure request.
- 12.15 ENTIRE AGREEMENT - AMENDMENTS. This printed Agreement, together with the attached Concessionaire's Rider and any and all exhibits expressly incorporated herein by reference and attached hereto shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.
- 12.16 NOTICES. Required notices except legal notices shall be given in writing to the following respective address:

If to THE COUNTY, to:
 King County Parks & Recreation
 Parks Director
 201 South Jackson Street, Suite 700
 Seattle, WA 98104-3855
 206-296-8631

If to CONCESSIONAIRE, to:
 Director of Leasing
 Franchise World Headquarters
 19210 29th Ave SE
 Bothell, WA 98012
 425-745-4555 ext 104

Subway Real Estate LLC
 325 Bic Drive

Milford, CT 06461
Attn: Legal Dept.

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed.

12.17 MUTUAL NEGOTIATION; CONSTRUCTION. The County and Concessionaire have mutually negotiated the terms and conditions of this Agreement. The County and Concessionaire agree that the Agreement shall not be construed against either of them.

12.18 CHOICE OF LAW; JURISDICTION AND VENUE. The County and Concessionaire agree that Washington State law will govern this Agreement, including the State's choice of law rules. The County and Concessionaire agree that the King County Superior Court, in Seattle, Washington, will have jurisdiction to hear any litigation regarding this Agreement; and the County and Concessionaire further agree that the King County Superior Court in Seattle will be the sole and proper venue in which to bring any litigation regarding this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Concession Agreement to be executed on this ____ day of June, 2010.

CONCESSIONAIRE:
Subway Real Estate LLC

THE COUNTY:
King County, a Political Subdivision of the
State of Washington

By: 

By: _____

Title: Matthew Whelan
Manager

Title: Kevin R. Brown, Director
King County Parks & Recreation Division

Date: 8/23/10

Date: _____

APPROVED AS TO FORM:

By: _____
Andrew Marcuse
Senior Deputy Prosecuting Attorney

MW

STATE OF CONNECTICUT)
)ss
COUNTY OF NEW HAVEN)

On this day personally appeared before me Matthew Whelan to me known to be the Manager of the Limited Liability Company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said ~~corporation~~ * Limited Liability company for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 23rd day of August, 2010.



Sharon A. Chaco
NOTARY PUBLIC
STATE OF CONNECTICUT
My Commission Expires
April 30, 2012

Sharon A. Chaco
NOTARY PUBLIC in and for the State of
Connecticut residing at Milford
My appointment expires 4/30/12

STATE OF WASHINGTON)
)ss
COUNTY OF KING)

I certify that _____ signed this instrument, on oath stated that (he/she) was authorized by the **King County Executive** to execute the instrument, and acknowledged it as the Manager, Property Services of King County, Washington to be the free and voluntary act of said the County for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State of
Washington residing at _____
My appointment expires _____

Exhibit A – Grounds; Building; Common Area

MW

Exhibit A

Common Area

Concession/Restroom Building

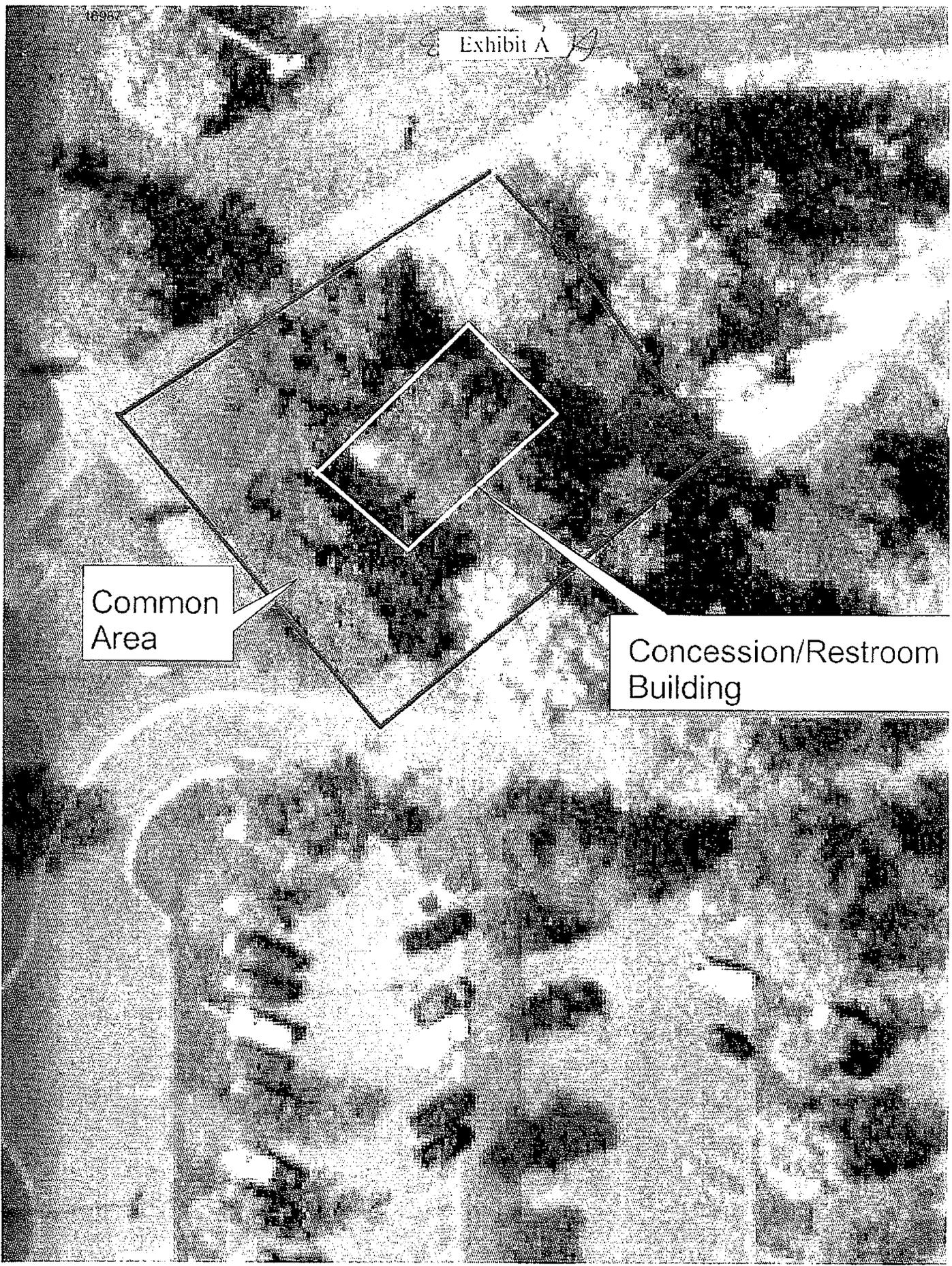
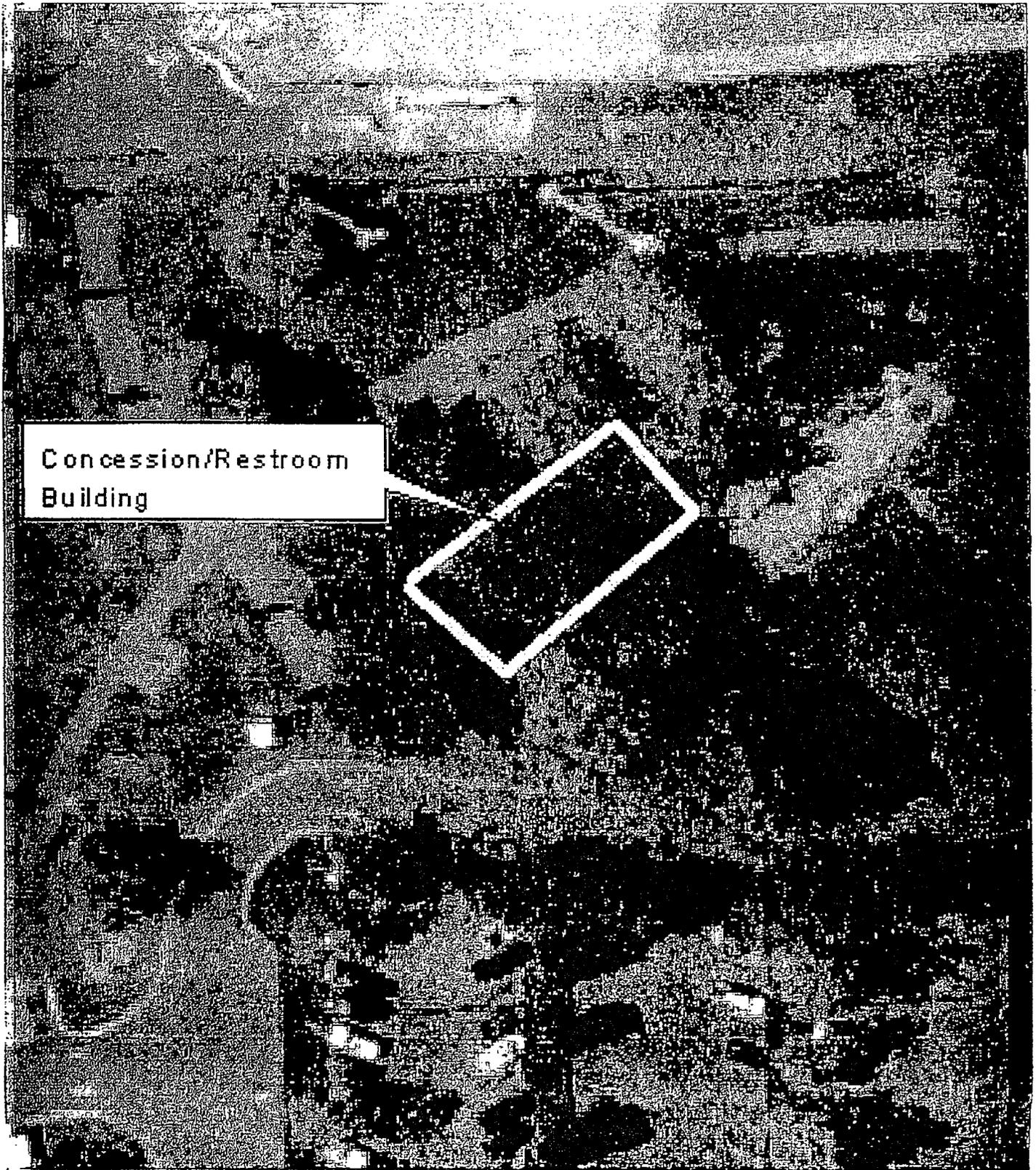
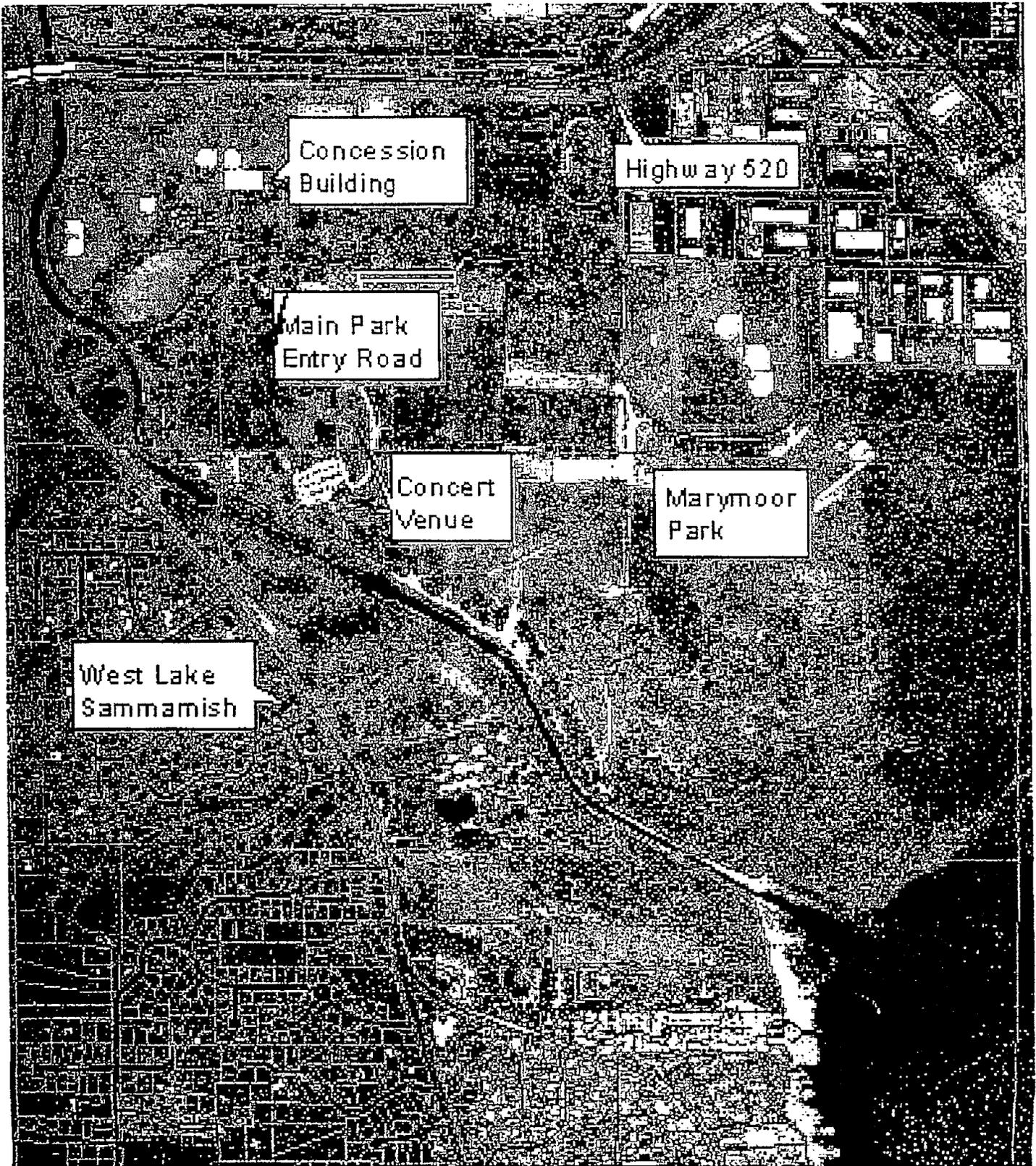


Exhibit A



[Handwritten signature]

Ex - A



[Handwritten signature]

Exhibit A

GENERAL NOTES:

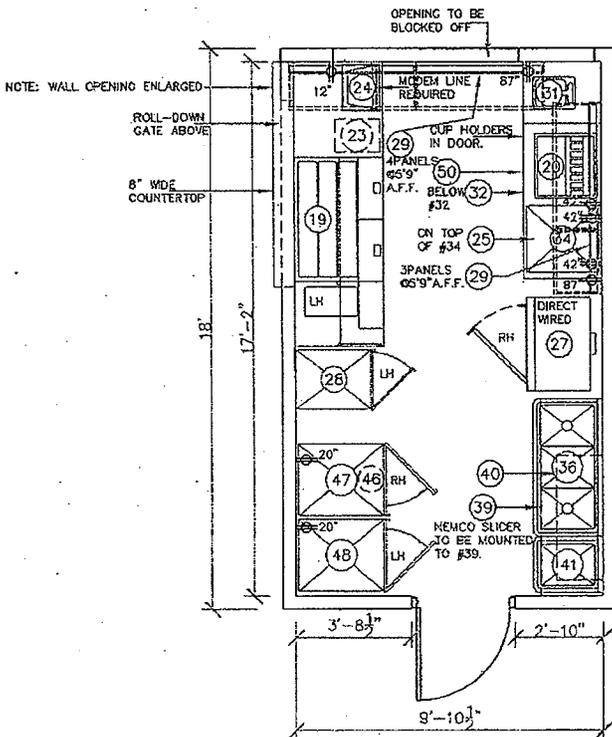
- CEILING HEIGHT IS 8'-0"
- ELECTRICAL OUTLET HEIGHTS MEASURED TO BOTTOM OF BOX.
- THE SELECTO STORE GUARD SW5 600 WATER FILTRATION SYSTEM IS REQUIRED IN ALL NEW STORES THAT DISPENSE BEVERAGES (IN CANADA THE ECOLAB FRESH H2O IS ALSO APPROVED); THE RECOMMENDED PLACEMENT FOR INSTALLATION IS UNDER THE BEVERAGE COUNTER OR REMOVED IN THE BACKROOM WHEN SPACE LIMITATIONS OCCUR. THE UNIT REQUIRES A DEDICATED LINE AND SHOULD BE INSTALLED PER MANUFACTURERS SPECIFICATIONS.
- PROMOTIONAL FLOOR STAND (MFR. TRANS WORLD) REQUIRED IN CUSTOMER AREA AT POINT OF ORDER (PREFERRED PLACEMENT). 14 1/2" X 10" BASE, 54" OVERALL HEIGHT.
- EXIT LIGHTS INSTALLED BY G.C. PER LOCAL CODE.
- EMERGENCY LIGHTS INSTALLED BY G.C. PER LOCAL CODE.
- EXTINGUISHERS, SMOKE AND FIRE DETECTION SYSTEMS INSTALLED BY G.C. PER LOCAL CODE.
- LABOR & MATERIAL SUPPLIED BY G.C. UNLESS OTHERWISE NOTED.
- ALL DIMENSIONS TO BE VERIFIED BY G.C. ON SITE.
- DECOR SPECIFICATIONS ARE TO BE SUBWAY'S "TUSCANY" SCHEME.
- THE D.A. MUST CONFIRM THAT SUBWAY WILL SHARE OR BE PROVIDED SPACE FOR THE FOLLOWING ITEMS:
DRY STORAGE, MOP SINK FACILITIES, AND RESTROOM ACCESS.

NOTE:

"THESE PLANS ARE FOR REVIEW ONLY AND ARE NOT TO BE CONSTRUED AS FINAL APPROVAL."

NOTE:

THIS PROPOSED SATELLITE LOCATION REQUIRES APPROVAL BEFORE A FULL SET OF PLANS CAN BE REQUESTED. *THE D.A. IS RESPONSIBLE FOR CONTACTING TRACI NABORS (EXT. 1730) OR JILL FERNANDEZ (EXT. 1701) FOR APPROVAL.



SATELLITE LOCATION

PLEASE NOTE: DO NOT SCALE THIS FLOOR PLAN. REFER TO THE WRITTEN DIMENSIONS. PHOTO-COPYING OR FAXING WILL DISTORT THIS DRAWING

NO.	ITEM
19	FRONT COUNTER
20	DROP-IN SODA MACHINE
23	SAFE
24	SUBSHOP 2000 P.O.S.
25	MICROWAVE
27	BREAD OVEN
28	ENCLOSED BREAD CABINET
29	MENUBOARD
31	BACK COUNTER W/ HANDSINK
32	BACK COUNTER
34	RAPID COOK OVEN
36	SINK
39	S.S. FLIP-UP WORK SURFACE
40	WALL SHELF
41	VEGETABLE SINK
46	RETARDER CABINET
47	REFRIGERATOR
48	FREEZER
50	SODA STORAGE

REVISION	#
1	1
PREPARED BY SANG JI	
STORE ADDRESS MARYMOORE PARK REDMOND, WA	
D.A. DEMATTEIS/WOOLSEY	
SCALE 1/4" = 1'	STORE # 25524-1
DATE JANUARY 19, 2003	
DRAWN BY <input type="checkbox"/> BRIAN BLACK	
ALL DIMENSIONS MUST BE VERIFIED PRIOR TO REQUESTING A FULLSET OF PLANS	

Exhibit B – Insurance Documents; County Required Forms

MV

27937 13

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/28/2005

PRODUCER (425)455-5640 FAX (425)455-6727
Baldwin Resource Group, Inc.
PO Box 1848
Bellevue, WA 98009

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
SLH, Inc.
255 Central Way
Kirkland, WA 98033
Store # 27937

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: North Pacific Insurance Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADD'L	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	BOP113048	01/07/2005	01/07/2006	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (EA accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	BOP113048	01/07/2005	01/07/2006	W/C STATU-1 TORY LIMITS: <input type="checkbox"/> OTH-ER: <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
King County Parks & Recreation, it's officers, officials, employees and agents are added as Landlord and additional insured as respects their interests at 6046 West Lake Sammamish Pkwy NE, Redmond, Wa.

CERTIFICATE HOLDER

King County Parks & Recreation Division
Russ Bosanko, Program Mgr
201 South Jackson Street,
Suite 700
Seattle, WA 98104-3855

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Ryan Stewart

ML

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

Handwritten signature and initials in the bottom right corner of the page.

Exhibit C – Goods and Services; Menu; Pricing

mn

Exhibit C

SUBWAY #27937 MARYMOOR PARK, 6046 W. LK. SAMM. PKWY NE REDMOND, WA 98052		
MEAL DEALS	6"	12"
1-MEATBALL	5.39	7.39
2-COLD CUT TRIO	5.39	7.39
3-TURKEY BREAST	5.89	7.89
4-TUNA	5.89	7.89
5-ITALIAN BMT	6.19	8.19
6-CLUB	6.29	8.29
7-STEAK	6.29	8.29
8-CHICKEN	6.39	8.39
7 UNDER 6		
SAVORY TURKEY BREAST	3.99	5.99
SAVORY TURKEY BREAST & HAM	3.99	5.99
OVEN ROASTED CHICKEN BREAST	4.49	6.49
SWEET ONION CHICKEN TERIYAKI	4.49	6.49
HONEY MUSTARD HAM	3.99	5.99
ROAST BEEF	4.29	6.29
CLUB (TURKEY BREAST, HAM & ROAST BEEF)	4.39	6.39
TOASTED		
CHICKEN BACON RANCH	4.99	6.99
TURKEY BREAST, HAM & BACON MELT	4.59	6.59
CHEESE STEAK	4.39	6.39
MEATBALL	3.49	5.49
ITALIAN BMT	4.29	6.29
SEAFOOD/VEGETARIAN/LOCALS		
CLASSIC TUNA	3.99	5.99
SUBWAY SEAFOOD SENSATION	3.99	5.99
VEGGIE DELITE	2.99	4.99
SPICY	4.09	6.09
COLD CUT COMBO	3.49	5.49
PASTAMI	4.69	6.69
VEGGIE MAX	4.49	6.49
CHICKEN FAJITA	4.49	6.49
SALAD		
GRILLED CHICKEN & BABY SPINACH	4.89	
VEGGIE DELITE	3.99	
TUNA	4.99	
CLUB	4.99	
WRAP		
CHICKEN & BACON RANCH	4.99	
TURKEY BREAST & BACON MELT	4.99	
TURKEY	4.99	
TUNA	4.99	

Exhibit C

DELI		
HAM	2.59	
CLASSIC TUNA	2.59	
SAVORY TURKEY BREAST	2.59	
ROAST BEEF	2.59	
SUBWAY SEAFOOD SENSATION	2.59	
DRINKS		
SMALL	1.29	
MEDIUM	1.39	
LARGE	1.49	
X-LARGE	1.59	
WATER	1.39	
JUICE	1.59	
SOBE	1.79	
COFFEE	1.29	
MILK - PINT	1.39	
CHIPS	0.99	
COOKIES	.49/1.19/4.89	
KID'S PAK	3.99	
PARTY SUB	10.99	
PARTY PLATTER	37.99	
BREAKFAST		
CHEESE & EGG	1.89	
BACON & EGG	2.59	
HAM & EGG	2.59	
WESTERN EGG	2.59	
STEAK & EGG	2.59	
SAUSAGE & EGG	2.59	
EXTRAS		
BACON	0.50	1.00
DOUBLE MEAT	1.00	2.00
CHEESE	0.25	0.50
MAKE IT A MEAL	1.90	

[Handwritten signature]
[Handwritten initials]

Exhibit D – Concessionaire’s Rider

nr

Rider to Concession Agreement dated the ____ day of _____ 2010, made by and between King County, ("the County"), a home rule charter county and political subdivision of the State of Washington and Subway Real Estate, LLC, a limited liability company, organized under the laws of Delaware ("Concessionaire"). Premises will be known as:

Marymoor Park
6046 West Lake Sammamish Parkway NE
Redmond, WA 98052

Notwithstanding any clause in this Concession Agreement to the contrary, the following provisions shall prevail:

R1. Concessionaire may assign this Concession Agreement or sublet the Premises to any bona-fide licensee/franchisee of Doctor's Associates Inc. ("DAI") doing business as a SUBWAY® sandwich shop, without the prior consent of or written notice to the County. Such assignment or subletting shall not alter the Concessionaire's responsibility to the County under this Concession Agreement. County agrees to accept rent from the Concessionaire or its assignee. Pursuant to this Rider, Concessionaire and Concessionaire's assignee, if any, will each remain jointly and severally liable for all of Concessionaire's obligations and covenants under the Agreement.

R2. COUNTY RECOGNIZES AND ACKNOWLEDGES THAT CONCESSIONAIRE IS A DELAWARE LIMITED LIABILITY COMPANY AND THAT CONCESSIONAIRE'S ASSETS CONSIST ALMOST EXCLUSIVELY OF CONCESSION AGREEMENTS, SUBCONCESSION AGREEMENTS, AND OPTIONS TO PURCHASE CONCESSION AGREEMENTD PREMISES. COUNTY ALSO RECOGNIZES AND ACKNOWLEDGES THAT CONCESSIONAIRE WAS ORGANIZED PRINCIPALLY FOR THE PURPOSE OF NEGOTIATING AND DRAFTING CONCESSION AGREEMENTS WITH A VIEW TOWARDS SUBLETTING THE CONCESSION AGREEMENTD PREMISES TO FRANCHISEES/LICENSEES OF DOCTOR'S ASSOCIATES, INC. COUNTY RECOGNIZES AND ACKNOWLEDGES THAT IT HAS BEEN ADVISED THAT DAI IS A FLORIDA CORPORATION THAT OWNS ALL RIGHTS TO AWARD FRANCHISES FOR SUBWAY® SANDWICH SHOPS AND THAT COUNTY HAS ALSO BEEN ADVISED THAT CONCESSIONAIRE HAS NO RIGHTS WHATSOEVER TO AWARD FRANCHISES FOR SUBWAY® SANDWICH SHOPS OR COLLECT ANY FRANCHISE RELATED ROYALTIES FROM ANY PROSPECTIVE SUBCONCESSIONAIRE OF THE PREMISES. COUNTY RECOGNIZES AND ACKNOWLEDGES THAT IT HAS BEEN GIVEN AN OPPORTUNITY, WHETHER BY ITSELF OR WITH THE ASSISTANCE OF ITS PROFESSIONAL ADVISORS, TO MAKE INQUIRY OF CONCESSIONAIRE'S FINANCIAL STATUS AND TO EVALUATE SAID STATUS TO ITS SATISFACTION. COUNTY HAS EITHER MADE SUCH INQUIRY AND IS SATISFIED WITH THE RESPONSE TO SUCH INQUIRY OR HAS AFFIRMATIVELY AND VOLUNTARILY DETERMINED NOT TO DO SO. COUNTY FURTHER RECOGNIZES AND ACKNOWLEDGES THAT NO PERSON OR ENTITY OTHER THAN CONCESSIONAIRE HAS MADE ANY REPRESENTATIONS OF ANY KIND WITH REGARD TO THE ABILITY OF CONCESSIONAIRE TO PERFORM CONCESSIONAIRE'S OBLIGATIONS HEREUNDER.

COUNTY ALSO RECOGNIZES AND ACKNOWLEDGES THAT CONCESSIONAIRE INTENDS TO ASSIGN THE PREMISES TO A PERSON(S) WHO HAS OR WILL BE AWARDED A FRANCHISE/LICENSE FOR A SUBWAY® SANDWICH SHOP FROM DOCTOR'S ASSOCIATES, INC., UNDER WHICH SUBCONCESSION AGREEMENT THE SUBCONCESSIONAIRE WILL PAY RENT DIRECTLY TO COUNTY SO THAT THE RENTAL PAYMENT FROM SUCH SUBCONCESSIONAIRE WILL NORMALLY NOT BE RECEIVED OR HELD BY CONCESSIONAIRE. ALTHOUGH THE SUBCONCESSIONAIRE MAY OPEN A BUSINESS OPERATION DOING BUSINESS AS A SUBWAY® SANDWICH SHOP AND MAY HAVE FRANCHISE AND OTHER BUSINESS RELATIONSHIPS WITH CORPORATIONS RELATED TO OR ASSOCIATED BY THE GENERAL PUBLIC WITH "SUBWAY," AS IT IS COMMONLY KNOWN, COUNTY RECOGNIZES AND ACKNOWLEDGES THAT THE SOLE AND EXCLUSIVE PERSON OR ENTITY AGAINST WHICH IT MAY SEEK DAMAGES OR ANY REMEDIES UNDER THIS OR ANY OTHER DOCUMENT IN WHICH THE COUNTY AND CONCESSIONAIRE OR COUNTY AND SUBCONCESSIONAIRE ARE PARTIES, WHETHER FOR UNPAID RENT AND ASSOCIATED DAMAGES, CLAIMS OF UNJUST ENRICHMENT, CLAIMS OF UNFAIR TRADE PRACTICES, OR ANY OTHER THEORY OF RECOVERY OF ANY KIND OR NATURE, IS CONCESSIONAIRE OR SUBCONCESSIONAIRE. FURTHER, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THERE WILL NOT BE ANY LIABILITY WHATSOEVER AGAINST (A) DOCTOR'S ASSOCIATES, INC., ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES AND/OR AGENTS, AND/OR (B) ANY PERSONS AND ENTITIES WHO ARE THE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AND/OR AGENTS OF THE CONCESSIONAIRE. SUCH EXCULPATION OF LIABILITY SHALL BE ABSOLUTE AND WITHOUT ANY EXCEPTION WHATSOEVER.

R3. County and Concessionaire acknowledge that it is extremely important that rent be paid in a timely manner as required by this Concession Agreement. Since Concessionaire may sublet the Premises to a licensee/franchisee of Doctor's Associates Inc. and the licensee/franchisee may pay rent directly to County, Concessionaire does not receive rental income and will not know if rent has not been paid. Since the parties recognize that time is of the essence in this matter, County agrees to give written notice to Concessionaire within ten (10) days of any failure to perform any of the terms or conditions of this Concession Agreement by an assignee of Concessionaire. Any notice which is to be given to Concessionaire shall be deemed sufficiently given if sent by Certified or Registered Mail, postage prepaid, addressed as follows:

Concessionaire:

- (1) Subway Real Estate, LLC
325 Bic Drive
Milford, CT 06461,
- (2) To the Development Agent at:
Franchise World Headquarters
19210 29th Ave SE
Bothell, WA 98012
- (3) And the demised Premises.

The customary receipt shall be conclusive evidence of service, and notices shall be effective as of the date of mailing thereof.

Any change in the entity to whom rent is due or address for notices must be authorized in writing by the named County or by court order and sent to all the required notification parties as listed above. Absent such acceptable authorization, Concessionaire shall not be in default of this Concession Agreement if it continues to pay rent as specified herein.

R4. For good and valuable consideration, County agrees to the following provision: In the event of a default by the Concessionaire, County acknowledges an affirmative duty to mitigate damages. Further, County and Concessionaire agree that Concessionaire's liability upon default shall not exceed six (6) month's base rent or the remainder due pursuant to this Concession Agreement, whichever is less. Upon the termination of this Concession Agreement, whether in accordance with this section or otherwise, Concessionaire shall be permitted access to the Premises to remove any and all logo or trademark items. Such items shall include, but shall not be limited to, signage and murals.

R5. County agrees not to lease to, grant a concession to or otherwise authorize any entity to sell or serve submarine, deli style or wrap sandwiches within the building in direct competition with Concessionaire.

R6. Upon ten (10) days written request from the Concessionaire, County agrees to acknowledge and deliver to the Concessionaire a Memorandum of Concession Agreement, substantially in the form attached hereto.

In the event County fails or refuses to execute the Memorandum of Concession Agreement within the specified time period, Concessionaire, at Concessionaire's option, may consider this a default by the County and terminate this Concession Agreement. County hereby appoints the Concessionaire its attorney-in-fact for purposes of completing the Memorandum of Concession Agreement on behalf of the County and to record the Memorandum with the local recording authority. The County agrees that the Concessionaire and any third party requiring access to the Memorandum, may rely upon the information contained therein as being accurate.

R7. County, within twenty (20) days of Concessionaire's request, shall deliver to Concessionaire an executed, written, Estoppel Certificate (substantially in the form attached hereto) identifying Concessionaire and this Concession Agreement and certifying and confirming, in addition to any information or confirmation Concessionaire may reasonably require, the following:

- A. That this Concession Agreement is either unmodified since its execution and in full force and effect, or modified since its execution but still in full force and effect as modified;
- B. That Concessionaire is not in default of any of its obligations under this Concession Agreement;
- C. The Concession Agreement Term, Rent Commencement Date, Expiration Date, Current Rent, remaining as to the Premises for which the Estoppel Certificate applies.

In the event County shall fail to return such statement within thirty (30) days of Concessionaire's request, Concessionaire shall presume that there are no defaults, monetary or non-monetary, under the Concession Agreement and County shall be estopped from rebutting such presumption. Concessionaire may rely on such Certificate as true and correct and the information contained within the Estoppel Certificate shall be binding upon the County, its assignees and successors in interest.

WITNESS:

The County:
KING COUNTY

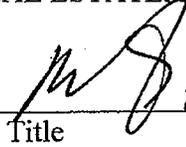
WITNESS:

Concessionaire:
SUBWAY REAL ESTATE, LLC



Signature:
Name

Title

 8/23/14

Matthew Whelan
Manager

Rider Exhibit 1
MEMORANDUM OF CONCESSION AGREEMENT

This is a Memorandum of Concession Agreement for the Concession Agreement executed on the _____, between **Subway Real Estate, LLC** (Grantee) a limited liability company organized under the laws of the State of Delaware, having its principal office at 325 Bic Drive, Milford, CT 06461, hereinafter called "the Concessionaire," and **King County** (Grantor), a home rule charter county and political subdivision of the State of Washington organized under the laws of the State of Washington, having its principal office at: 201 S. Jackson Street, Suite 700, Seattle, WA 98104, hereinafter called "the County."

For the purpose of this document and/or the Concession Agreement, as well as the exhibits/schedules executed by the County and Concessionaire, the terms "County" and "Lessor" as used shall be deemed synonymous and the terms "Concessionaire" and "Concessionaire" as used shall be deemed synonymous.

The County Concession Agreements to the Concessionaire the premises as described in the Concession Agreement:

1. Premises:

Store Number: _____

Located at: **6046 W. Lake Sammamish Pkwy NE, Redmond, Washington, 98052**

Legal Description attached as Exhibit (If applicable)

Parcel Identification Number _____

State of Washington, King County

2. Term:

The Concession Agreement is for a term of **ten (10)** years

3. Renewal (Option) Periods:

The Concessionaire shall have the right to renew this Concession Agreement for: **zero (0)** period(s) of **zero (0)** year(s)

In Witness whereof the "COUNTY" has hereunto executed this document this _____ day of _____, 2010.

COUNTY: _____

Store Number: _____

Located at: _____

Signature

Printed Name

Title

Witness

Witness

Printed Witness Name

Printed Witness Name

STATE OF _____

COUNTY OF _____

On this the _____ day of _____ in the Year _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____

_____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledge to me that he/she/they executed the same in his/her, their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

(Notary Seal)
My Commission Expires: _____

In Witness whereof the "CONCESSIONAIRE" has hereunto executed this document this _____ day
of _____, 2010

CONCESSIONAIRE: Subway Real Estate, LLC

_____ Title

Witness: _____

Witness: _____

_____ Printed Name

_____ Printed Name

STATE OF CONNECTICUT

COUNTY OF NEW HAVEN

On this the ___ day of ___ in the Year ____, before me, the undersigned, a Notary Public in and for
said State, personally appeared _____ duly authorized by Subway Real
Estate, LLC and personally known to me to be the individual(s) whose name(s) is (are) subscribed to the
within instrument and acknowledge to me that he/she/they executed the same in his/her, their
capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person
upon behalf of which the individual(s) acted, executed the instrument.

Notary Public
County of New Haven

(Notary Seal)
My Commission Expires: _____

ml

**RIDER EXHIBIT 2
ESTOPPEL CERTIFICATE**

The undersigned represents that he is the County, or the legal representative of the County, for the premises located at **6046 W. Lake Sammamish Pkwy NE, Redmond, WA 98052**. The undersigned further represents that the following is a true and accurate statement of rent due, related charges, security deposit and last month's rent held by the County for the above-mentioned premises.

The fixed or minimum monthly rental presently payable under the terms of the Concession Agreement is **\$1,126** per month and has been paid through **June 30, 2010**.

All rent, escalation rent, charges for taxes, maintenance and common areas, cost of living increases payable under the terms of the Concession Agreement has been paid through **June 30, 2010** and the Concessionaire is not presently in default of any of the terms or conditions of the Concession Agreement.

All other additional rent, if any, payable under the terms of the Concession Agreement has been paid through **June 30, 2010**.

As of this date, **June 30, 2010**, Concession Agreement arrears are as follows:

Type	Amount Due	As Of
Rent	_____	_____
Taxes thru	_____	_____
Common Area	_____	_____
Assessments	_____	_____
Insurance	_____	_____
Advertising	_____	_____
Other	<u>500</u>	_____ (security deposit)
Other	<u>250</u>	_____ (damage deposit)
Other	<u>50</u>	_____ (key deposit)
TOTAL	<u>800</u>	_____

The amount of the security deposit under the Concession Agreement is **\$500.00**.

Other than as stated above, there are no monies owed under the Concession Agreement for the premises between _____ and _____ dated _____ nor are there any defaults of the Concession Agreement by the Concessionaire as of such date.

The expiration date of the term of said Concession Agreement is **October 31, 2020**. The Master Concession Agreement **does not** provide for renewal terms. In the event the Master Concession Agreement provides for renewal options, notification of renewal or non-renewal must be sent to the County no later than: **N/A**
(Dates of Notification) **N/A**

MW

