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ORDINANCE NO. 2336

AN ORDINANCE relating to the King County Multi-Purpose Stadium; authorizing the King County Executive to enter into contracts for the construction and operation of the concession facilities.

WHEREAS, the King County Council passed Motion No. 1736 on September 3, 1974, which authorized the County Executive to prepare the documents necessary to obtain bid proposals to design, construct, finance, and operate concession facilities for the King County Multi-Purpose Stadium, and

WHEREAS, the County Executive, pursuant to said Motion, directed that bid documents be prepared, and

WHEREAS, the advertisement for bids went out in mid-September 1974 and the bid opening was held on February 11, 1975, and

WHEREAS, bids were received from Volume Services Division of Interstate United and Alpine Food Products, Inc., and

WHEREAS, the King County Executive has announced his intention to award the contract to Alpine Food Products, Inc.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

1. The execution by the County Executive of the contracts between King County and Alpine Food Products, Inc., relating to design, financing, construction and operation of the concession facilities at the Stadium, copies of which contracts are attached hereto and by this reference made a part hereof, is hereby authorized and approved.

INTRODUCED AND READ for the first time this 31st day of March, 1975.

PASSED this 7th day of April, 1975.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Bill Reams
Chairman

ATTEST:

Josely M. Quinn
Clerk of the Council

APPROVED this 9th day of April, 1975.

John J. Bellman
King County Executive

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CONTRACT TO DESIGN, FINANCE, CONSTRUCT, SELL AND OPERATE

THIS AGREEMENT entered into as of the 14th day of APRIL, 1975, by and between Alpine Food Products, Inc./Burco, Inc. (hereinafter referred to as "Concession Contractor") and King County, a political subdivision of the State of Washington (hereinafter referred to as "King County")

R.C. HEDREEN Co. D96/D95 - 700

RCW

W I T N E S S E T H:

WHEREAS, by Laws of 1967, Ch. 236, §5, the Washington State Legislature authorized municipalities to acquire by purchase or lease stadium facilities including all necessary appurtenances thereto;

WHEREAS, King County has previously contracted for the construction of a domed stadium that is presently under construction and is scheduled to be completed in 1975;

WHEREAS, it is necessary for the operation of the domed stadium facilities that Concession Facilities be provided and operated;

WHEREAS, it has been determined that King County should enter into a contract for the purchase and operation of the Concession Facilities specified in Bid No. 575 J-C (hereinafter referred to as the "Concessions Bid");

WHEREAS, the Concession Contractor has offered to finance, construct, sell and operate the Concession Facilities specified by King County pursuant to the Concession Contractor's proposal to King County, a true copy of which is attached hereto and made a part hereof as Exhibit "A", subject to the provisions of an Operations Contract in the form of Exhibit "B" and a Purchase Contract in the form of Exhibit "C" attached hereto and made a part hereof; and

WHEREAS, King County has reviewed and approved the construction, purchase and operation proposal of the Concession Contractor;

NOW, THEREFORE, in consideration of these presents, and the mutual covenants herein contained, it is agreed by and between King County and the Concession Contractor, its

heirs, executors, administrators, successors, designees, and assignees, subject to all of the terms and conditions hereof as follows:

ARTICLE 1. CONSTRUCTION OF THE CONCESSION FACILITIES.

Section 1.1. The Concession Contractor shall provide all financing, labor, material and equipment necessary to perform all work for the project described in the Concessions Bid, all in accordance with the Contract Documents as specified therein, which by this reference are incorporated herein as if set forth in full.

Section 1.2. The time for completion of the Concession Facilities and the liquidated damages to be assessed for failure to timely complete construction is as set forth in the Contract Documents of the Concessions Bid.

Section 1.3. Simultaneous with the execution of this contract, the Concession Contractor has furnished to the County a payment and performance bond in accordance with the Contract Documents of the Concessions Bid.

ARTICLE 2. EXECUTION OF PURCHASE AND OPERATIONS CONTRACTS.

Section 2.1. Simultaneously with the execution of this contract, the Concession Contractor and King County shall enter into an Operations Contract in the form attached hereto as Exhibit "B" and a Purchase Contract in the form attached hereto as Exhibit "C", which shall be held by King County and delivered upon acceptance of the Concession Facilities. Acceptance of the Concession Facilities shall be based upon a written determination by King County, furnished to the Concession Contractor, certifying that the Concession Facilities are accepted by King County as of the date specified therein.

Section 2.2. The purchase price for the Concession Facilities shall be as set forth in the Concession Contractor's proposal to King County.

Section 2.3. The percentage of the gross receipts to be paid to King County for the operation of the Concession Facilities and the term thereof shall be as set forth in the

Concession Contractor's proposal to King County.

ARTICLE 3. MISCELLANEOUS PROVISIONS.

Section 3.1. Title to the Concession Facilities shall remain in the Concession Contractor until conveyance thereof to King County as provided for in the Purchase Contract.

Section 3.2. The terms and provisions of this Contract to Finance, Construct, Sell and Operate and the conditions herein shall bind and inure to the benefit of King County's and the Concession Contractor's successors and permitted assignees.

Section 3.3. King County shall have the right to inspect the progress of the construction of the Concession Facilities at any time, all as more fully specified in the Contract Documents of the Concessions Bid.

Section 3.4. The Concession Contractor shall retain all risk of loss, damage or destruction until notice of acceptance by King County and shall maintain insurance coverage therefor as provided in the Contract Documents of the Concessions Bid.

Section 3.5. The Concession Contractor may not assign, transfer or convey any of its interest hereunder. Provided, however, that the Concession Contractor may assign, transfer and convey all of the interest of the Concession Contractor in the Purchase Contract and the Concession Facilities for the sole limited purpose of obtaining sufficient financing, both interim construction and permanent, for the construction of the Concession Facilities.

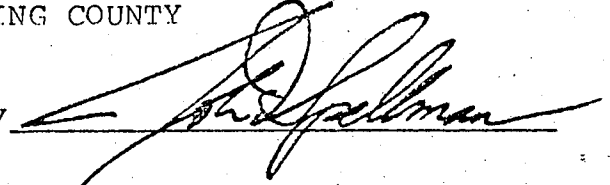
IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as of the day and year first above written.

CONCESSION CONTRACTOR:

KING COUNTY

R. C. Hedreen Co.

BY



Title

by: Rubert C. Hedreen

General Manager
Apple Food Products Inc.

General Manager
Bureco Company, Inc. - Roger L. Oby, Secretary

General Manager
Bureco Company, Inc.

General Manager
Bureco Company, Inc.

Roger L. Oby, Secretary

STATE OF WASHINGTON)
) SS:
 COUNTY OF KING)

On this day persoally appeared before me JOHN D., SPELLMAN, to me known to be the individual who executed the foregoing Concession Facilities Operations Contract for King County and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 1975.

 Notary Public in and for the State of
 Washington, residing at _____

STATE OF WASHINGTON)
) SS:
 COUNTY OF KING)

On this ____ day of _____, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____, to me known to be the _____ and _____, respectively, of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

 Notary Public in and for the State of
 Washington, residing at _____

STATE OF WASHINGTON)
 ss.
COUNTY OF KING)

On this _____ day of _____, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____, to me known to be the _____ and _____, respectively, of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of
Washington, residing at _____.

STATE OF WASHINGTON)
 ss.
COUNTY OF KING)

On this _____ day of _____, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____, to me known to be the _____ and _____, respectively, of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

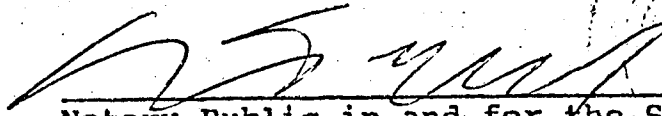
WITNESS my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of
Washington, residing at _____.

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this day persoally appeared before me JOHN D. SPELLMAN, to me known to be the individual who executed the foregoing Concession Facilities Operations Contract for King County and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 14th
day of April, 1975.

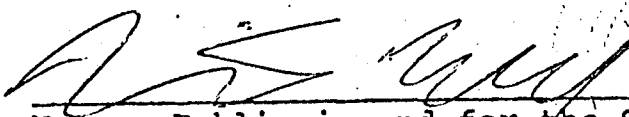


Notary Public in and for the State of
Washington, residing at Seattle.

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this 14th day of April, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared DeVere Jerry Burtenshaw and Roger L. Olsvy, to me known to be the President and Secretary, respectively, of Alpine Food Products, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Notary Public in and for the State of
Washington, residing at Seattle.

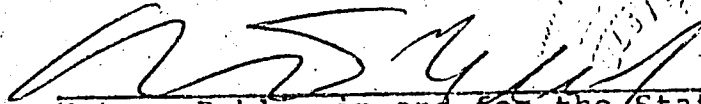
STATE OF WASHINGTON)

ss.

COUNTY OF KING)

On this 14th day of April, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared DeVere Jerry Burtenshaw and Roger L. Olsvy, to me known to be the President and Secretary, respectively, of Burtco Co., Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.


Notary Public in and for the State of
Washington, residing at Seattle.

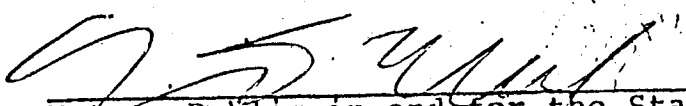
STATE OF WASHINGTON)

ss.

COUNTY OF KING)

On this 14th day of April, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Richard C. Hedreen and Gerald E. Heron, to me known to be the President and Assistant Secretary, respectively, of R. C. Hedreen Co., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.


Notary Public in and for the State of
Washington, residing at Seattle.

RECEIVED
JAN 17 1975

R. C. HEDREN CO.
SEATTLE

BID PROPOSAL

FOR

CONCESSION FACILITIES

(Finance, Construct, Sell and Operate)

(Basic Bid No. 1)

at

KING COUNTY STADIUM

SEATTLE, WASHINGTON



TO: King County Bid Board
Room E-531
King County Courthouse
Seattle, Washington 98104

Bid Number: 575 J-C

Pursuant to and in strict compliance with your Contract Documents, including but without limiting the generality of the foregoing, your Advertisement for Proposal for the Concession Facilities for the King County Stadium and Instructions to Bidders, the undersigned hereby proposes if this bid be accepted within the time limits stated in the Contract Documents to make all necessary financial and other arrangements to furnish all labor, equipment and materials and to perform all work and services for the construction of the Concession Facilities for the King County Stadium in strict accordance with the Contract Documents, to do all other things as required by the terms of the contracts bound in the Contract Documents, to sell the Concession Facilities

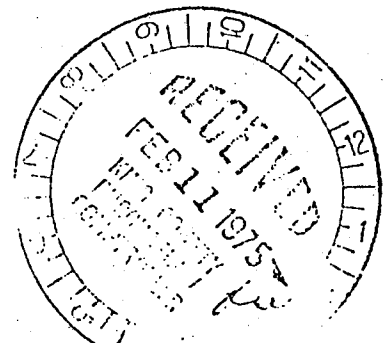
to King County and to operate the Concession Facilities on the following basis:

A. CONSTRUCTION: For the base bid as defined above, to finance, construct and sell the fixed concession facilities, the sum of \$ Two million, four hundred eighty one thousand twenty-four Dollars (\$2,481,024⁰⁰), including tax, which sum is hereby designated as the "Construction Cost." In ^{Washington State sales tax of \$131,228⁰⁰} In compliance with the Contract Documents, the undersigned hereby offers and agrees that if this bid be accepted within the time and in the manner therein provided, to insert in the Concession Facilities Purchase Contract a tax-free interest rate of *SEVEN per cent (7 %) per

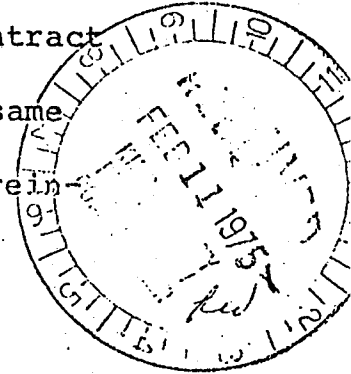
*Alternate--if awarded in 45 days, interest rate of Six & 1/2 per cent (6 1/2 %) per annum computed on the diminishing principal balance.

B. OPERATION:

	Alternate No. 1 (ten year term)	Alternate No. 2 (15 year term)	Alternate No. 3 (hawking beer included; additive percentage)
For the first \$500,000.00 of gross annual receipts percent of said gross receipts shall be paid to King County.	<u>32.00%</u>	<u>33.00%</u>	<u>2.25%</u>
For the second \$500,000.00 of gross annual receipts percent of said gross receipts shall be paid to King County.	<u>39.00%</u>	<u>40.00%</u>	<u>2.25%</u>
For gross annual receipts in excess of \$1,000,000.00, percent of said gross receipts shall be paid to King County.	<u>40.50%</u>	<u>41.50%</u>	<u>3.00%</u>




C. CONTRACT AND BONDS: If the undersigned be notified of the acceptance of this bid within ninety (90) days after the date set for the opening thereof or at any time thereafter before this proposal is withdrawn, he agrees to execute all required contracts and to furnish all bonds in form stipulated by the Contract Documents and to complete all requirements of same for compensation computed in the sums named herein above.



D. BID BONDS: The undersigned agrees that the bid bonds accompanying this proposal are left in escrow with King County, that the amount of the bonds are the measure of damages that King County will sustain by failure of the undersigned to deliver said contracts and bonds in accordance with the Contract Documents and that the bid bonds shall remain in full effect should he so fail. But if this proposal is not accepted or if the undersigned delivers said contracts and bonds as instructed, then the bid bonds shall become void.

E. SUBMITTALS: The undersigned submits with this bid proposal the following:

1. Name of architect or designer proposed for the concession facilities.

- 
2. Supporting evidence of bidder's qualifications.
 3. Names of major subcontractors proposed for construction.
 4. Names of major subcontractors proposed for operation.
 5. Names of officers, directors and major shareholders or partners of bidder.
 6. Detailed plans and description of equipment and furnishings to be installed.
 7. Irrevocable letter of intent from bidder's surety addressed to King County stating bidder's surety's intention to issue the performance bonds required in the contract documents for construction and operation.
 8. Fifteen (15) year amortization schedule for payment by King County to the bidder of the principal and interest necessary to amortize the construction cost.

All of the foregoing submittals are in the form as specified in the Instructions to Bidders.

F. ADDENDA: Receipt of Addenda numbered 1 through 4 is hereby acknowledged.

Bidder:

R. C. HEDREEN CO., - Contractor
ALPINE FOOD PRODUCTS, INC./BURTCO CO., INC. - Operator

(Legal name of person, firm or corporation submitting bid)

BY Robert C. Hedreen Pres. Donald J. Stearns Asst. Secretary
R. C. HEDREEN CO. - CONTRACTOR
1310 WARD STREET, SEATTLE, WASHINGTON 98109
BY Harold J. Young Pres. R. J. All Secretary
ALPINE FOOD PRODUCTS, INC. / BURTCO CO., INC. - OPERATOR
421 S. MICHIGAN STREET, SEATTLE, WASHINGTON 98108

By: _____

Title: _____

Street Address: _____

City, State & Zip: _____

Telephone: MA3-9041

Washington State Contractor's License No.: 233-01-10619

Name of Firm Licensed: R. C. HEDREEN CO.

Address: 1310 WARD STREET, SEATTLE, WASHINGTON 98109

Source of Financing: As proposed by Galbreath Mortgage Co.

Address: 101 East Town Street, Columbus, Ohio 43215

Date of Bid Submittal: February 11, 1975



CONCESSION FACILITIES OPERATIONS CONTRACT

This Concession Facilities Operations Contract, made and entered into this 14th day of APRIL, 1975, by and between King County, a political subdivision of the State of Washington (hereinafter referred to as "King County") and Alpine Food Products, Inc./Burtco, Inc. (hereinafter referred to as "Concessionaire");

AND R.C. HEDGECOCK CO.

W I T N E S S E T H:

WHEREAS, Concessionaire has financed the construction of and constructed certain improvements in the domed stadium currently under construction by King County, and upon King County's acceptance of such improvements has agreed to the delivery of this Operations Contract for the operation thereof; and

WHEREAS, said improvements (hereinafter "Concession Facilities") have been accepted by King County;

NOW, THEREFORE, the parties hereto in consideration of these presents and the mutual covenants herein contained agree as follows:

ARTICLE 1. EXCLUSIVE CONCESSION RIGHTS. Subject to the terms and conditions of this Operations Contract, King County hereby grants to the Concessionaire the exclusive right to sell at retail in the King County Stadium and on its grounds specifically in the areas depicted in the exhibit to the Contract Documents of the Concession Bid, all food and beverages, except as limited herein, and such other items as the Stadium Manager may from time to time approve. Specifically excluded from this grant is parking, advertising concessions and the service of food and beverages in a Stadium Club which may be constructed in the future, which activities King County specifically reserves unto itself. In any case where it is determined by the Stadium Manager that items other than food and beverages should be sold through the Concessionaire, then and in such event the Concessionaire shall conduct such sales.

The exclusive rights granted herein shall include the sale on the premises of tobacco products, newspapers, programs, souvenir books or other printed matter of a like nature and certain novelties and rental equipment. Provided that the exclusive rights granted shall not include the sale on the premises of programs associated with professional football, baseball and soccer and league sanctioned souvenirs and novelties associated with professional football, baseball and soccer. In those cases where it is so determined by the Stadium Manager to sell such items through the Concessionaire, the Concessionaire shall be required to do so. Provided further that this right shall apply only to spectator events, and not to such events as trade and consumer shows, banquets, conventions and

stadium tours. Sales at such events may be required by the Stadium Manager.

The exclusive sales rights granted herein shall extend to the sale of alcoholic beverages in all concession areas, provided however that the Concessionnaire will be required to obtain any licenses or permits in connection with the sale of such alcoholic beverages. King County will not oppose the Concessionnaire in obtaining said licenses or permits. The sale of alcoholic beverages will be permitted in the approved concession areas only and at such events as are approved by the Stadium Manager.

The exclusive sales rights granted herein shall not be construed so as to prevent or prohibit either King County or any of its licensees from engaging the services of a caterer of its own choosing to stage banquets or other special events. The Concessionnaire may bid on these services as an independent caterer. The term 'special events' shall not include athletic events, concerts, personality shows, trade shows or exhibitions.

The exclusive sales rights granted herein shall not be construed so as to prevent or prohibit an exhibitor from distributing without charge a type of food or merchandise sample which is manufactured and/or distributed in the normal course of the exhibitor's business or from selling food items for consumption off the premises. All food sold on the Stadium premises by the Concessionnaire must be prepared on the premises, and no food prepared on the premises by the Concessionnaire may be sold elsewhere.

The Concessionnaire hereby accepts said grant of exclusive concession rights and agrees to pay to King County the percentage income set forth hereinafter and to operate the Concession Facilities at all times in accordance with this Operations Contract.

ARTICLE 2. CONCESSION FACILITIES. The Concession Facilities referred to in this Operations Contract are more particularly described in the Contract Documents of King County Bid No. 575 J-C (hereinafter referred to as the "Concessions Bid"), which by this reference are incorporated herein as if set forth in full.

ARTICLE 3. NON-FOOD AND NON-BEVERAGE PERCENTAGE. Except as provided in paragraph 2 below, the Concessionnaire shall for the term of this Operations Contract and any extensions thereof pay to King County a sum equal to twelve (12%) per cent of the monthly gross proceeds of the Concessionnaire, less Washington State sales tax, arising out of the sale of

all non-food and non-beverage items, including without limiting the generality of the foregoing, tobacco products, souvenirs, novelties, newspapers, magazines, programs, rental items and all other items that the Concessionnaire is directed to sell by the Stadium Manager. The Concessionnaire shall not offer for sale any non-food or non-beverage items without the prior written approval of the Stadium Manager.

Sales of programs associated with professional football, baseball and soccer and league sanctioned souvenirs and novelties associated with professional football, baseball and soccer which the Concessionnaire is directed to sell by the Stadium Manager shall be on such terms and conditions as the Stadium Manager shall specify in writing. Decisions of the Stadium Manager shall be considered as final. In no event shall King County receive a percentage of professional football, baseball and soccer programs sold during the term of this contract.

ARTICLE 4. FOOD AND BEVERAGE PERCENTAGE. The Concessionnaire shall pay to King County for the term of this Operations Contract and any extensions thereof, a sum equal to the following percentages of the monthly gross proceeds of the Concessionnaire arising out of the sale of all food and beverage items. In the event hawking of beer is subsequently permitted, then the percentage of monthly gross proceeds for all food and beverage items shall be increased by 2.25% for the first two categories hereinbelow and 3.0% for the third category hereinbelow:

For the first \$500,000.00 of gross annual receipts 32%
of said gross receipts shall be paid to King County.

For the second \$500,000.00 of gross annual receipts 39%
of said gross receipts shall be paid to King County.

For gross annual receipts in excess of \$1,000,000.00 40.5%
of said gross receipts shall be paid to King County.

ARTICLE 5. GROSS PROCEEDS. "Gross proceeds" is defined as gross revenues (excluding sales tax and any possessory interest or leasehold interest tax), determined on the accrual method of accounting, for products delivered in, on or from the stadium premises, whether delivered by the Concessionnaire or any sublessee, suboperator, or agent or employee of the Concessionnaire. In any circumstances where a product is delivered by the Concessionnaire at a price lower than the price stated in Article 25 (including

any subsequent revisions), for purposes of this agreement, gross proceeds for such products shall be computed at the stated prices (excluding sales tax and any possessory interest or leasehold interest tax).

ARTICLE 6. PAYMENT DATE. The payments to be made by the Concessionnaire as set forth in Articles 3 and 4 hereinabove shall be paid to King County to the attention of the Stadium Manager within twenty (20) days after the close of each month for the term of this contract and any extensions thereof without notice or demand by King County. Payment shall be for the preceding month. Failure to pay all or any portion of the payment when due shall constitute a breach of this Operations Contract and shall entitle King County to terminate this Operations Contract. In addition thereto and without waiver of the foregoing remedy of King County, the Concessionnaire shall, should it become delinquent in the payments required herein, pay to King County a sum equal to one (1%) per cent per month or fraction thereof of such delinquent payments.

ARTICLE 7. UTILITIES. The Concessionnaire shall pay for all utilities consumed in connection with his operation. Water, sewer and electric utilities will not be metered separately for concession stands. Instead, the Concessionnaire shall pay a lump sum of One Thousand Dollars (\$1,000.00) per month to King County for the electrical service and the sum of Five Hundred Dollars (\$500.00) per month for the water and sewer service. In the event that the rates charged to King County are increased during the term of this Operations Contract, then the charges set forth in this Article 7 to the Concessionnaire shall be increased proportionately. Such payment shall be made on the 20th day of each month, for the previous month's service, and shall be in addition to the payment specified elsewhere herein. No liquified or gaseous petroleum products shall be permitted in the King County Stadium.

Initial date for computing utility rate increases shall be February 11, 1975. Monthly utility payments will begin after the first full calendar month following the first event date. No payment will be made for the month in which the first event date occurs.

ARTICLE 8. PARKING. King County shall provide to the Concessionnaire three (3) reserved on-site parking

spaces at no charge to the Concessionnaire which shall be selected by the Stadium Manager. Except to the extent set forth in this Article, no additional parking spaces will be provided.

ARTICLE 9. STORAGE. King County shall provide to the Concessionnaire, without cost, the storage areas set forth on the exhibit to the Contract Documents of the Concessions Bid. Except to the extent set forth in this Article, no additional storage areas shall be provided by King County.

ARTICLE 10. WASTE REMOVAL. The Concessionnaire shall at its own cost and expense and without charge to King County be responsible for containerizing in air and watertight containers all waste from the Concession Facilities. Such containers shall be neatly aligned at the edge of the concourse to be removed by the King County Stadium Trash Removal Service without cost to the Concessionnaire.

ARTICLE 11. VERMIN AND PEST CONTROL. The Concessionnaire shall engage the services of an exterminator to control vermin and pests as necessary at the Concessionnaire's sole cost and expense without charge to King County. The areas to be serviced by the exterminator shall include all areas within a twenty-five (25) foot radius from which food is dispensed and/or stored.

ARTICLE 12. VENDING MACHINES. The Concessionnaire may install at its own cost and expense without charge to King County vending machines for vending food, beverages and other items. Title to the vending machines installed by the Concessionnaire shall not be conveyed to King County. The gross proceeds accruing to the Concessionnaire from the operation of the vending machines shall be included as concession gross proceeds for calculation of payment to King County in accordance with Article 3 and Article 4 hereinabove.

ARTICLE 13. OPERATIONS BOND. The Concessionnaire has delivered to King County with the execution of this Operations Contract a fully executed bond in form satisfactory to King County in the sum of Two Hundred Thousand Dollars (\$200,000.00). The bond according to its terms guarantees that the Concessionnaire shall faithfully operate the Concession Facilities at the King County Stadium and shall faithfully pay all monthly payments due King County in accordance with the terms and conditions of this Operations

Contract. If at any time during the term of this Operations Contract and any extensions thereof the surety in the opinion of King County becomes irresponsible or inadequate, King County shall have the right to require additional or substitute sureties which the Concessionnaire shall furnish within thirty (30) days after written notice by King County. In the event the Concessionnaire fails to comply with such written notice by King County, King County shall have the election to declare a default herein and to terminate this Operations Contract.

ARTICLE 14. INSURANCE. The Concessionnaire at the time of execution of this Operations Contract shall deliver to King County two (2) copies of a policy of public liability and property damage insurance, which policy complies with the following requirements:

- (a) \$300,000.00 personal injury each person;
- (b) \$3,000,000.00 personal injury each occurrence;
- (c) \$3,000,000.00 property damage;
- (d) In place of (b) and (c) above, a combined single limit personal injury/property damage liability policy with \$5,000,000 each occurrence, \$5,000,000 aggregate;
- (e) Deductible amount of \$2,500.00 maximum;
- (f) Aggregate amount of \$3,000,000;
- (g) Providing coverage for all operations of the Concessionnaire and all fixed and movable equipment, and premises used or controlled by the Concessionnaire pursuant to this Operations Contract including products coverage for food and beverage sold and containing a description of the work performed by the Concessionnaire. This requirement includes coverage for premises occupied, liquor liability, amusement liability and automobiles utilized;
- (h) Original handwritten signatures on the policy certificate or any endorsements;
- (i) King County is named as an additional insured respecting all coverage;

(j) A cancellation provision providing:

"It is agreed that this policy shall not be cancelled nor the amounts of coverage provided herein reduced until thirty (30) days after the King County Stadium Manager shall have received written notice of such cancellation or reduction as evidenced by return receipt of certified mail."

(k) Fire Insurance. The Concessionnaire, at the time of the execution of this Operations Contract, shall provide King County with the original and a copy of a fire insurance policy, which includes coverage for fire, extended coverage, vandalism and malicious mischief and sprinkler leakage coverage naming King County as an additional insured "as their interest may appear" insuring all Concession Facilities, equipment, fixtures, furnishings, decorations, other improvements and stock equal to the full replacement cost of the items covered. King County shall be subrogated to all Concessionnaire's rights of settlement of loss and rights to the proceeds of settlement of loss. The Concessionnaire shall cooperate and assist the County in expediting the settlement of loss by providing all necessary information and records needed in a prompt manner.

King County shall, to the extent proceeds are available from the insuror, restore any items destroyed or damaged, if restoration is feasible. The Concessionnaire shall provide any funds necessary to pay costs of restoration or repairs not satisfied from the proceeds of the insurance contract.

In the event the Concession Facilities are destroyed to the extent that the continued operation thereof is impractical or impossible, then and in such an event there shall be no legal obligation to replace any of the destroyed items. In the event of such destruction, all proceeds of the fire insurance policy for all items except Concessionnaire-owned equipment shall be paid to King County without claim of any nature by the Concessionnaire. If the Concession Facilities are destroyed or damaged either in

whole or in part by Act of God, war, fire or other means to the extent that the same cannot be repaired with reasonable diligence within sixty (60) days after such occurrence, and during said sixty (60) day period the Concessionnaire is unable to continue the operation of the Concession Facilities, they shall be deemed to be destroyed within the context of this article.

ARTICLE 15. TAXES AND ASSESSMENTS. The Concessionnaire shall pay any and all personal or real property taxes, possessory interest taxes or other taxes or assessments of any nature whatsoever charged against the Concession Facilities, the space provided to the Concessionnaire to operate the Concession Facilities and arising out of the Concessionnaire's operations. Without limiting the generality of the foregoing, the Concessionnaire shall be responsible for paying any applicable excise and business and occupation taxes, and shall be responsible for collecting and paying, all sales tax on concession items sold and for all other taxes associated with the conduct of the Concessionnaire's business.

ARTICLE 16. LIENS. The Concessionnaire shall not suffer or permit any mechanic's or other liens to be filed against the Concession Facilities by reason of work, labor, services or material supplied or claimed to have been supplied to the Concessionnaire or to the Concession Facilities, and nothing in this Operations Contract shall be deemed or construed in any way as constituting the consent or request of King County, express or implied, to any Concessionnaire's subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvements, alterations or repairs to the Concession Facilities.

ARTICLE 17. REPAIR AND MAINTENANCE. The Concessionnaire shall be solely responsible for the condition, maintenance, operation and management of the Concession Facilities during the term of this Operations Contract and King County shall not be required to bear any cost or expense for repairs or maintenance of any nature whatsoever. As used in this Article, the term "repairs" includes repairs of every character, interior and exterior, structural and non-structural, ordinary as well as extraordinary, foreseen as well as unforeseen, alterations, changes, replacements and renewals. The Concessionnaire shall maintain the Concession

Facilities in good working order and repair in accordance with all supplier and manufacturer maintenance recommendations. The obligation of the Concessionnaire as set forth in this Article shall include in addition all King County-furnished Concession Facilities and shall extend to the concession and the storage areas.

ARTICLE 18. ALTERATIONS OF CONCESSION FACILITIES.

The Concessionnaire may make alterations to the concession equipment and furnishings during the term of this contract, at his own cost and on the prior written approval of the Stadium Manager. Such improvements shall be subject to the terms of this Operations Contract. Such right shall not prevent King County at the discretion of the Stadium Manager from making improvements to the concession facilities at its cost, with the approval of the Concessionnaire.

ARTICLE 19. OTHER PAYMENTS. Any and all other costs, charges, liabilities or other payments to be made of any nature whatsoever arising out of this Operations Contract and not specifically provided for herein shall be paid by the Concessionnaire. If the Concessionnaire shall at any time fail to make any payment or perform any other act on its part to be made or performed, King County may but shall not be obligated to and without notice or demand or without waiving or releasing the Concessionnaire from any obligation of the Concessionnaire under this Operations Contract make such payment or perform such other act to the extent that King County may deem desirable and in connection therewith to pay expenses and employ counsel. All sums so paid by King County and all expenses in connection therewith, together with interest thereon at the rate of ten (10%) per cent per annum from the date of such payment shall be payable by the Concessionnaire to King County on demand and at the time of any percentage payment becoming due, and King County shall have the same rights and remedies for the non-payment thereof as in the case of default in the percentage payments required of the Concessionnaire as set forth herein.

ARTICLE 20. TERM. The term of this Operations Contract shall be for a period of ten (10) years from the date fourteen (14) days prior to the first event date. At the end of the term of this Operations Contract, the title to the Concession Facilities shall vest automatically in the County if this Operations Contract was entered into pursuant

to Basic Bid No. 2 of the Concessions Bid. Upon the occurrence of this event, the Concessionnaire covenants and agrees to execute and deliver, or cause to be executed and delivered, to the County a good and sufficient instrument of conveyance in form satisfactory to the County, conveying the Concession Facilities to the County and shall furnish or cause to be furnished to the County a certificate of title showing an absolute vesting of title in the County, free and clear of all liens and encumbrances. Should the Concessionnaire fail to cure title defects not permitted herein within sixty (60) days (or such extended period as the County may allow) after receipt of written notice of such defects, the County may cure the defect by condemnation or other means.

ARTICLE 21. EMINENT DOMAIN. If as a result of the exercise of the power of eminent domain the Concession Facilities shall be taken, this Operations Contract and all right, title and interest of King County and the Concessionnaire hereunder shall cease and come to an end on the date of vesting of title pursuant to such proceedings and the total award made in such proceedings shall be apportioned between the Concessionnaire and King County as their interests may appear.

ARTICLE 22. TRANSFER. The Concessionnaire shall not sublet, transfer, convey, assign nor permit the use of the rights, privileges or premises granted under this contract in whole or in part to any other person, firm or corporation without the written authorization of King County. Said rights, privileges, and premises are not assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceedings in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. Any assignee approved by King County must accept and assume all the terms and conditions of this contract to be kept and performed by the Concessionnaire and such assignment shall not in any manner discharge or release the Concessionnaire or its sureties herein from any of the obligations under the terms of this contract. Non-compliance with this Article shall be deemed to be a default and shall provide to King County the same rights and remedies as in the case of default in the percentage payments set forth hereinabove. King County may transfer or convey this Operations Contract or any right or interest herein of King County without the prior written consent of the Concessionnaire. The terms and provisions of this Operations Contract

shall bind and inure to the benefit of King County's successors and assignees.

ARTICLE 23. ACCOUNTING. The Concessionnaire shall maintain at all times accurate accounting records for operation of the Concession Facilities and vending machines. The method of accounting shall be subject to the prior written approval of the Stadium Manager and shall, at a minimum, include the following:

(a) Complete separation of financial records from those of any other of Concessionnaire's enterprises, at another location or from a consolidation of such enterprises at various locations;

(b) Maintenance of accounts segregating and identifying assets, liabilities, net worth, income and expense in conformity with generally accepted accounting principles and practices;

(c) Documentation supporting all entries in financial records such that if all records are maintained in King County, all supporting information for accounting entries is also maintained in King County. If accounting is not maintained by the Concessionnaire in King County, but instead at a remote location, then supporting documentation for all revenues shall be maintained in King County, together with bank deposit receipts, bank statements, payroll summaries and copies of payroll tax returns, and all expenditure information transmitted to the remote accounting facility;

(d) Inventories of any Concessionnaire-owned capital assets and of expendables and consumables continuously maintained at the King County Stadium;

(e) Inventory records before and after each event and actual cash count of each event's receipts. King County has the right to observe and inspect all such inventories and cash counts; and

(f) Any specific accounting information found to be necessary by King County.

All of said documents, books, inventories, payrolls, accounting records and other information shall be available for inspection and re-inspection at any reasonable time during the term of this Operations Contract and for a reasonable period not to exceed one (1) year thereafter. The Stadium Manager may require the Concessionnaire to provide detailed daily reports on sales. Failure to keep any records required to be maintained above or to allow full inspection or re-inspection of said records or to provide reports as may be required shall be considered a default of this Operations Contract providing to King County the same rights and remedies as in the case of default in the percentage payments set forth hereinabove.

In addition to the right of inspection, King County shall have the right from time to time to conduct an audit and reaudit of the books and business conducted by the Concessionnaire and to observe operation of the business by the Concessionnaire so that accuracy of the above records can be confirmed. If the report of gross sales disclosed by such audit and observation exceeds the amount reported by the Concessionnaire by more than two percent (2%), the Concessionnaire shall, within thirty (30) days after billing thereof, pay to King County the cost of such audit, as well as any additional payments due disclosed by such audit. If no reasonable explanation for the discrepancy can be given, King County shall have the right to declare the Concessionnaire in default and to exercise the same rights and remedies as in the case of default in the percentage payments required of the Concessionnaire set forth hereinabove.

The Concessionnaire shall supply by the 20th day of each month statements summarizing, on an accrual basis, all revenues related to the Concessionnaire's operations at the King County Stadium for the prior month, together with reasonably detailed information on inventories.

The Concessionnaire shall transmit a financial statement within ninety (90) days of the close of each of the Concessionnaire's fiscal years during the term of this Contract. The financial statements shall be accompanied by an opinion of a certified public accounting firm.

It is the responsibility of the Concessionnaire to assure compliance by any sublessee, suboperator, or

agent of the Concessionnaire with the recordkeeping requirements of this Article.

ARTICLE 24. INSPECTION AND APPROVAL. The Stadium Manager or his designee shall have the right to enter the Concession Facilities and the storage spaces at all reasonable times for the purpose of examining the state of repair and condition of the premises and the equipment and for the purpose of determining whether the terms, covenants and conditions contained in this Operations Contract are being fully and faithfully observed and performed. The Stadium Manager shall have the right to reject the character of service and require that undesirable practices be discontinued or remedied. Failure of the Concessionnaire to take appropriate action after notification from the Stadium Manager shall be considered a breach of contract. The Stadium Manager shall have the right to approve or reject prior to implementation, the following:

- (a) Areas in which concessions may be sold;
- (b) Areas in which alcoholic beverages may be sold;
- (c) Dates and times concession stands may and shall be open for business;
- (d) Number of concession stands that must be open for each event;
- (e) Which items may be offered for sale;
- (f) The brand, quality and quantity of all food, beverages, containers, packages and goods offered for sale;
- (g) The price of all items offered for sale;
- (h) Design of employees' uniforms including colors;
- (i) The manner of use of callers, criers, hawkers, signs or other means of calling attention to or selling Concessionnaire's merchandise;
- (j) The method used for the orderly control of patrons at the concession stands and areas;

(k) The number of employees by type;

(l) Any change in the appearance of concession stands and areas;

(m) Maintenance and clean-up procedures and materials;

(n) The number, type and location of vending machines; and

(o) Size, type and location of any temporary or movable concession stands.

The Concessionaire agrees that for those Scoring and Information System sponsors who advertise products which are normally distributed in the Stadium concessions, the Stadium Manager may require that such products be made available in the Stadium so long as the sponsor's price for such products to the Concessionaire are consistent with prices of similar products of equal quality.

ARTICLE 25. PRICES AND ITEMS. The following schedule of maximum prices shall control the sale of all items set forth in this Article. All ounces are measured as fluid ounces, except peanuts, which are measured as avoirdupois ounces. Prices include the 5.3% sales tax currently in effect:

<u>Item</u>	<u>Quantity</u>	<u>Price</u>
Hot dog	10 per pound	55 cents
Hamburger, complete	6 per pound	85 cents
Pop corn, plain	24 ounces	30 cents
Pop corn, buttered	24 ounces	40 cents
Pop corn, buttered	83 ounces	\$1.00
Peanuts, in shell	2.8 ounces	30 cents
Candy bars	Varies	15 cents, 25 cents 50 cents
Soft drinks	12 ounces	30 cents
Soft drinks	18 ounces	40 cents
Coffee	8 ounces	25 cents
Beer	12 ounces	55 cents
Beer	18 ounces	80 cents
Beer	38 ounces	\$1.65

There shall be no adjustments to the foregoing prices or changes in the items for sale without the prior written approval of the Stadium Manager. All requests by the Concessionnaire for price adjustment must provide written documentation of conditions causing the request for adjustment. Decisions of the Stadium Manager shall be considered as final. Prices do not include possessory interest tax or leasehold interest tax.

ARTICLE 26. OPERATIONS. It is the intention of King County that the Stadium concession service be of the highest quality obtainable. This standard includes products, services, appearance, maintenance, equipment and business practices. The Concessionnaire shall conduct his operation in such a manner as to avoid the creation, commission or maintenance of a nuisance on the premises and to avoid causing or the creation of unusual or objectionable noises, noxious smokes, gases, vapors and odors. The Concessionnaire shall at all times comply with the following operating conditions:

(a) The deadline for all normal deliveries relating to concessions is at least three (3) hours prior to any event. Deliveries must be made at approved service entrances;

(b) Refreshment stands for service to the public, lounges, storage rooms, restaurants and retail sales areas shall be of such structure that they are completely enclosed and can be securely locked complete in every respect at the Concessionnaire's cost and risk;

(c) The Concessionnaire shall have the Concession Facilities open and in operation at any and all events from the time the gates of the King County Stadium are opened until at least one-half hour after each event is held, unless otherwise agreed to by the Stadium Manager, and shall not operate the Concession Facilities at times when no events are being held in the facility except as may be approved by the Stadium Manager;

(d) All foods, drinks, beverages, confectionery, refreshments and the like sold or kept for sale shall be first quality, wholesome and pure and shall conform in all respects to the Federal State and

Municipal food and other laws, ordinances and regulations. No imitation, adulterated or misbranded article shall be sold or kept for sale and all merchandise kept on hand shall be stored and handled with due regard for sanitation;

(e) All non-alcoholic beverages shall be dispensed in paper cups or in such other containers as may be approved by the Stadium Manager. Beer shall be served in paper cups distinct from non-alcoholic beverage cups. Liquor shall be served in plastic cups;

(f) Beer, wine, liquor and other alcoholic beverages shall be sold by the Concessionnaire and consumed by the persons to whom sold only during the time and within the areas specified by the Stadium Manager;

(g) The Concessionnaire agrees to keep on hand at all times a sufficient supply of all merchandise and commodities to adequately serve the public;

(h) Vendors circulating through seating areas shall have leak-proof baskets and containers for carrying merchandise. Vendors are to prevent scattering of bottle caps, wrappers, napkins and other items;

(i) The Concessionnaire shall at all times keep and maintain the equipment, utensils, supplies and all areas used by it or assigned to it, including all other areas within a twenty-five (25) foot radius of same in a clean and sanitary condition in conformance with the requirements of the Seattle-King County Department of Public Health and to the satisfaction of the Stadium Manager. The Concessionnaire shall at all times be responsible to maintain and keep the areas surrounding the Concession Facilities free and clear from trash and other unsightly objects attributable to the concession operation;

(j) Concession Facilities shall be operated by the Concessionnaire personally or by a competent manager and must employ trained attendants and em-

ployees, clean and neat in appearance, who shall be admitted to the premises free of charge, and who must conduct themselves at all times in a proper and respectful manner. If any such manager, employee or attendant shall conduct himself in an improper or uncooperative manner, he shall be dismissed upon the written request of King County or its representatives and not again be employed by the Concessionnaire;

(k) All concession employees shall be attired in approved uniforms and each uniform shall bear a number at least two (2) inches in height by which the employee can be identified. Uniforms shall be complete, clean and neat at all times;

(l) The Concessionnaire and its employees shall not discriminate because of race, religion, color, sex or national origin against any person by refusing to furnish such person any accommodation, facility, service or privilege offered to or enjoyed by the general public;

(m) At least six (6) of the concession serving stations will be devoted to the sale of ethnic, national or regional specialty foods of the Concessionnaire's choice, subject to the approval of the Stadium Manager. The Concessionnaire is encouraged to employ local minority subcontractors in the operation of this portion of the Concession Facilities;

(n) The Concessionnaire will use the subject premises for no purpose other than as specified in this Operations Contract and the business conducted thereunder will be operated in strict compliance with all applicable laws and with all rules and regulations issued pursuant to said laws;

(o) The Concessionnaire shall comply with all lawful directives issued by King County in enforcement of this Operations Contract and shall instruct his employees to cooperate with King County and its representatives. Such directives may require correction of the character of service to the public, the quality of merchandise or the physical location of the premises;

(p) The Concessionnaire shall not permit the Concession Facilities or any part thereof to be used for

any unlawful or immoral purpose or in any manner as to injure persons or property in, on or near said Concession Facilities, nor permit any act to be done which will in any way mar, deface or injure any part of the Concession Facilities, and upon termination of this Operations Contract the Concessionnaire shall deliver up to King County the Concession Facilities in as good condition and repair as the same shall be found at the beginning of the term, subject to normal wear and tear;

(q) King County Ordinance 00198 - Instructions for Affirmative Action Requirements, Public Works Contracts - is by this reference incorporated herein.

Repeated violations of any of the foregoing Operating Conditions shall be grounds for King County to declare a breach of contract.

ARTICLE 27. INDEPENDENT CONTRACTOR. The Concessionnaire is deemed to be an independent contractor and not the agent, employee, partner or joint venturer nor bear any other relationship in law to King County.

ARTICLE 28. INDEMNITY. The Concessionnaire hereby indemnifies and agrees to hold King County and its officers, agents and employees harmless from any and all claims, demands, damages, actions and costs or expenses in connection therewith that may arise out of this Operations Contract, occupancy of the Concession Facilities or liens by mechanics, materialmen or suppliers (which are expressly prohibited) which shall be deemed to include all purchases of expendables, consumables and other merchandise. The Concessionnaire expressly waives any and all claims for compensation and releases and discharges King County and its officers, agents and employees from any and all demands, claims, actions and causes of action arising from any and all loss or damage sustained by reason of any defect, deficiency or impairment of the water supply system, drainage system, heating system, electrical apparatus or wiring furnished for the concession premises which may occur from time to time from any cause or for any loss resulting from water, tornado, civil commotion, riot, windstorm and earthquake.

ARTICLE 29. WORKMEN'S COMPENSATION. The Concessionnaire shall at all times during the term of this Contract subscribe to and comply with the Workmen's Compensation Laws of the State of Washington and pay such premiums as may be required thereunder and to indemnify and hold King County, its officers, agents and employees harmless from any liability arising from or under such act. Prior to any operations being performed in the Concession Facilities and at such other time as may be requested, the Concessionnaire shall furnish a copy of the official certificate of receipt, showing payments in compliance with the Act.

ARTICLE 30. CANCELLATION OF EVENTS. The Concessionnaire understands that King County will reserve the right in its sole and arbitrary discretion to cancel any event or performance upon its premises before or during the performance thereof and to dismiss the audience or cause the same to be dismissed. In the event King County exercises its rights, as set forth in this Article, the Concessionnaire will not take or allow to be taken against King County or its officers, agents and employees, any action for damages to the Concessionnaire or other party arising out of such acts by King County, its officers, agents or employees.

ARTICLE 31. DEFAULT. In the event the Concessionnaire defaults in the performance of any of the terms and conditions of this Operations Contract, King County shall have the following options without any further notice to or authorization from the Concessionnaire and its election as to any option shall not restrict King County's right to elect some other option at a subsequent time:

(a) King County may give the Concessionnaire written notice of such default. If the Concessionnaire does not cure said default within thirty (30) days after it was first discovered, and immediately for a default involving sanitary conditions, or make reasonable progress to cure said default, King County may terminate this Contract, assume the operation and control of the Concession Facilities and exclude the Concessionnaire from the premises;

(b) King County may retain any of the Concessionnaire's funds in its possession and any of the Concessionnaire's property on the

premises and operate the same and apply the same to the payment of any and all claims which may be due King County;

(c) King County may recover at law any and all claims which may be due King County;

(d) King County may perform such work as it deems necessary to cure said default and charge the Concessionnaire for the full cost of labor and materials expended, plus thirty (30%) per cent of said costs for administrative overhead;

(e) King County may recover damages from the Concessionnaire's operations bond.

The acceptance of all or part of a payment by King County for any period after a default shall not be deemed a waiver of any of the foregoing options nor a waiver of the default or any subsequent default nor a waiver of any term, covenant or condition of this Operations Contract.

ARTICLE 32. ARBITRATION. All disputes, claims or questions upon which the parties hereto are unable to reach agreement under this Operations Contract shall be submitted to arbitration in accordance with the provisions then in existence of the American Arbitration Association and this Operations Contract and the award of the arbitrators may be specifically enforced in the State or Federal court having jurisdiction thereof. With regard to all disputes, claims or questions subject to arbitration, the decision of the arbitrators shall be a condition precedent to any right of legal action that either party may have against the other.

Arbitration shall be undertaken only after all other reasonable means have been attempted to resolve the dispute. Notice of the demand for arbitration of a dispute shall be filed in writing with the other party.

The arbitrators, if they deem that the case so requires, are authorized to award to the party whose contention is sustained such sums as they or a majority of them shall deem proper to compensate such party for the time and expense incident to the proceeding and if the arbitration was demanded without reasonable cause they may also award damages. The arbitrators shall fix their own compensation

unless otherwise provided by agreement and shall assess the cost and charges of the proceedings upon either or both parties in accordance with the American Arbitration Association Rules.

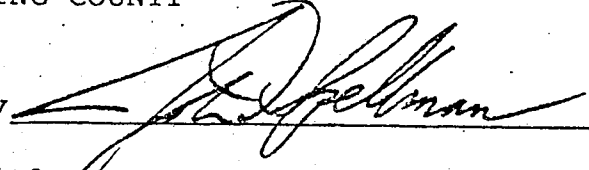
In operating the concessions pursuant to this agreement, the Concessionnaire hereby agrees to comply with the provisions of Ordinance No. 00198 and the Instructions for Affirmative Action Requirements Public Works Contracts in full and that each provision therein is agreed to be applicable to concession operations. Furthermore, with regard to goal compliance practices, Concessionnaire agrees that for every 100 persons employed for concession operations a minimum of 15 shall be minority and that said minority percentage shall be reflective of minority groups residing within the City of Seattle.

IN WITNESS WHEREOF, the parties hereto have executed this Operations Contract effective as of the day and year first above written.

CONCESSIONNAIRE

KING COUNTY

BY Alpine Food Products, Inc.

By 

Clare Mary Burelambau, Pres

Title _____

Raymond L. Olsby, Secretary

BURTCO Company, Inc.

Clare Mary Burelambau,

Raymond L. Olsby, Secretary

R. C. Hedreen Co.

by: Richard C. Hedreen pres.

Leah H. Hiron Asst Sec

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this day personally appeared before me JOHN D. SPELLMAN, to me known to be the individual who executed the foregoing Concession Facilities Operations Contract for King County and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 1975.

Notary Public in and for the State of Washington, residing at _____.

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this _____ day of _____, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____, to me known to be the _____ and _____, respectively, of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington, residing at _____.

STATE OF WASHINGTON)

ss.

COUNTY OF KING)

On this _____ day of _____, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____, to me known to be the _____ and _____, respectively, of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorize to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of
Washington, residing at _____.

STATE OF WASHINGTON)

ss.

COUNTY OF KING)

On this _____ day of _____, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____, to me known to be the _____ and _____, respectively, of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorize to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

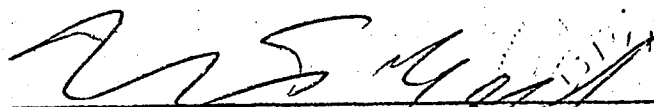
WITNESS my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of
Washington, residing at _____.

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this day personally appeared before me JOHN D. SPELLMAN, to me known to be the individual who executed the foregoing Concession Facilities Operations Contract for King County and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 14th
day of April, 1975.

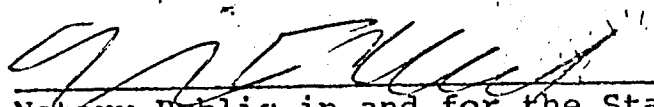


Notary Public in and for the State of
Washington, residing at Seattle.

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this 14th day of April, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared DeVere Jerry Burtenshaw and Roger L. Olsvy, to me known to be the President and Secretary, respectively, of Alpine Food Products, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed
the day and year first above written.



Notary Public in and for the State of
Washington, residing at Seattle.

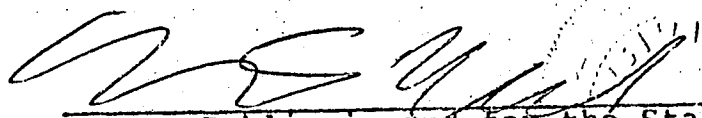
STATE OF WASHINGTON)

ss.

COUNTY OF KING)

On this 14th day of April, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared DeVere Jerry Burtenshaw and Roger L. Olsvy to me known to be the President and Secretary, respectively, of Burtco Co., Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Notary Public in and for the State of Washington, residing at Seattle

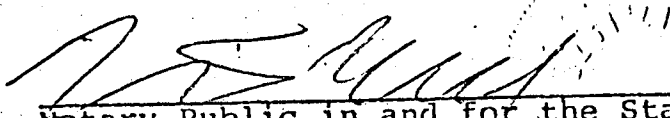
STATE OF WASHINGTON)

ss.

COUNTY OF KING)

On this 14th day of April, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Richard C. Hedreen and Gerald E. Heron to me known to be the President and Assistant Secretary, respectively, of R. C. Hedreen Co., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Notary Public in and for the State of Washington, residing at Seattle

CONCESSION FACILITIES PURCHASE CONTRACT

14th This Purchase Contract, made and entered into this day of APRIL, 1975, by and between the purchaser, King County, a political subdivision of the State of Washington (hereinafter referred to as "King County") and the Seller, Alpine Food Products, Inc./Burtco, Inc. (hereinafter referred to as Concession Contractor");

RCN
JAF
AND R.C. HEEREN Co.
DJB/DJB -

W I T N E S S E T H:

WHEREAS, pursuant to a Contract to Finance, Construct, Sell and Operate, dated as of the _____ day of _____, 1975, the Concession Contractor agreed to finance the construction and to construct certain Concession Facilities in the domed stadium currently under construction by King County, and upon King County's acceptance of substantial completion of such improvements to accept delivery of this Purchase Contract for the sale thereof to King County; and

WHEREAS, title to the Concession Facilities is vested in the Concession Contractor pursuant to the terms of the aforesaid Contract to Finance, Construct, Sell and Operate;

NOW, THEREFORE, the parties hereto in consideration of these presents and the mutual covenants herein contained agree as follows:

ARTICLE 1. The Concession Contractor hereby sells and King County hereby purchases the Concession Facilities which were financed and constructed by the Concession Contractor in accordance with King County Bid No. 575 J-C (hereinafter the "Concessions Bid") and the Contract Documents set forth therein. The Concession Contractor hereby conveys title to King County to the Concession Facilities subject to no encumbrances of any nature whatsoever. The Concession Facilities are more fully described in the Contract Documents, which by this reference are incorporated herein as if set forth in full.

ARTICLE 2. King County shall pay the Concession Contractor a total purchase price of Two Million Four Hundred Eighty-One Thousand Twenty-Five and no/100 Dollars (\$2,481,025.00), together with interest thereon at 6.5% per

annum, tax free. King County shall pay said total purchase price, together with tax-free interest, quarterly in accordance with the fifteen (15) year amortization schedule attached hereto and by this reference incorporated herein until such time as the principal and interest have been paid in full.

Payments to the Concession Contractor shall begin after the first full calendar quarter in which the Stadium is in operation and shall be payable within twenty (20) days following the close of each calendar quarter. The aforesaid payments shall be applied first to interest, and the balance thereof to principal, resulting in complete amortization of the total purchase price in fifteen (15) years. King County reserves the right to make additional payments to principal on each quarterly payment date, without penalty, not to exceed fifty (50%) per cent of the scheduled payment. The first payment by King County will be made not later than July 20, 1976.

*Interest
begins accruing
in 1976*

ARTICLE 3. King County shall pay each and every tax which may be assessed against the Concession Facilities and all charges, general and specific, ordinary and extraordinary, unforeseen as well as foreseen of any kind and nature whatsoever against the Concession Facilities; provided, however, that King County's obligation hereunder shall not arise until such time as this Purchase Contract is delivered between the parties hereto, and provided further, that anything contained in this Article 3 shall not be construed as prohibiting King County from transferring all liability for taxes and otherwise to the Concessionnaire pursuant to the Concession Facilities Operations Contract.

ARTICLE 4. King County shall not be required to pay any franchise, estate, inheritance, succession, capital, levy, or transfer tax of the Concession Contractor, or any income, excess profits or revenue tax, assessment, charge or levy upon the payments made by King County hereunder. King County shall not for the term of this Purchase Contract enact any legislation which will result in any assessment charge or levy of any nature whatsoever against the Contract payments or which will reduce the Contract payments to the Concession Contractor or to the permitted assignees.

ARTICLE 5. The Concession Contractor covenants and warrants that it has not and will not at any time during

the term of this Purchase Contract, suffer any lien or encumbrance to be placed on the Concession Facilities. The Concession Contractor shall not assign, sell, transfer or convey its interest in this Purchase Contract, provided, however, that the Concession Contractor may assign, transfer and convey all of the interest of the Concession Contractor in this Purchase Contract for the sole limited purpose of obtaining sufficient financing, both interim construction and permanent, for the construction of the Concession Facilities. A permitted assignee shall accept said assignment subject to the terms and conditions set forth in this Purchase Contract. Nothing contained in this Article shall, however, be deemed to relieve the Concession Contractor of its warranty and maintenance obligations set forth in the specifications for the Concessions Bid.

ARTICLE 6. It is expressly understood and agreed that cessation of use of the Concession Facilities for any period due to damage or destruction of all or any part thereof or for any other reason shall not cause an abatement of the payments required by Article 2 above or extend the term of this Purchase Contract.

ARTICLE 7. Except as otherwise is specifically provided in the Contract Documents of the Concessions Bid, this Purchase Contract or in the Contract to Finance, Construct, Sell and Operate, King County shall assume sole responsibility for the condition, maintenance, operation repairs and management of the Concession Facilities during the term of this Purchase Contract. As used in this Article 7, the term "repairs" includes repairs of every character, interior and exterior, structural and non-structural, ordinary as well as extraordinary, foreseen as well as unforeseen, alterations, changes, replacements and renewals. Anything contained in this Article 7 shall not be construed to prohibit King County from transferring such obligations and liability to the Concessionnaire under the Concession Facilities Operations Contract.

ARTICLE 8. Nothing contained in this Purchase Contract shall be construed as relieving the Concession Contractor of any of its responsibilities and obligations under the Contract to Finance, Construct, Sell and Operate.

ARTICLE 9. King County shall hold the Concession Contractor harmless and defend it against any liabilities,

obligations, damages, penalties, claims or charges which may be imposed upon or asserted against the Concession Contractor by reason of any of the following delivery of and during the term of this Purchase Contract:

(a) Any work or thing done in, on or about the Concession Facilities, or any part thereof by King County; or

(b) Any negligence on the part of King County.

The foregoing indemnification by King County shall extend to the permitted assignees of the Concession Contractor, and shall include solely for the benefit of any permitted assignees, injury or damages arising out of the construction or defective performance of the Concession Facilities. The foregoing indemnification by King County shall not extend to the Concessionnaire under the Concession Facilities Operations Contract.

If any action, proceeding or claim is brought or made against the indemnitee, the indemnitee shall promptly give King County notice thereof and King County shall at King County's expense resist, defend or otherwise discharge such action, proceeding or claim; provided, however, that nothing contained herein shall be construed as relieving the Concession Contractor of any liability for, or obliging King County to hold harmless the Concession Contractor or defend it against, any action, proceeding or claim arising out of defective performance by the Concession Contractor in the construction of the Concession facilities as required by the Contract to Finance, Construct, Sell, and Operate, or the negligent act or omission of the Concession Contractor, its subcontractors, agents, servants, employees, licensees, concessionaires or invitees.

ARTICLE 10. If King County shall at any time fail to make any payment or perform any other act on its part to be made or performed, the Concession Contractor may, but shall not be obligated to, and without notice or demand, and without waiving or releasing King County from any obligation of King County under this Purchase Contract, make such payment or perform such other act to the extent that the Concession Contractor may deem desirable, and in connection therewith to pay expenses and employ counsel. All sums so paid by the Concession Contractor and all expenses in con-

nection therewith, together with interest thereon at the rate of ten (10%) per cent per annum from the date of such payment, shall be deemed to be an additional payment hereunder and shall be payable to the Concession Contractor on demand and at the time of any installment becoming due, and the Concession Contractor shall have the same rights and remedies for the non-payment thereof as in the case of default in the payments required of King County as set forth herein.

ARTICLE 11. If King County shall at any time fail to make any payment of principal or interest when due, or in the event of default by King County in the performance of any of its obligations as set forth in the Contract to Finance, Construct, Sell, and Operate, and this Purchase Contract, then the entire principal sum and accrued interest shall at once become due and payable at the option of the Concession Contractor or its permitted assignees, with notice to King County, and thereafter the principal sum and accrued interest shall bear interest at the rate of ten (10%) per cent per annum from the date of default until paid. Should King County fail to perform any of its obligations set forth in the Contract to Finance, Construct, Sell, and Operate, and this Purchase Contract, the Concession Contractor and its permitted assignees may in addition to the foregoing peacefully enter upon and take possession of the Concession Facilities.

ARTICLE 12. King County may transfer or convey this Purchase Contract or any right or interest herein without the prior written consent of the Concession Contractor subject to King County remaining primarily liable for the payments and performances required herein.

ARTICLE 13. The terms and provisions of this Purchase Contract shall bind and inure to the benefit of King County's and the Concession Contractor's successors and permitted assignees.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Contract effective as of the day and year first above written.

CONCESSION CONTRACTOR:

KING COUNTY

R.C. Hedreen Co.

By

[Handwritten Signature]

Title

by Richard C. Hedreen
General Home Bldg Bves.
Spring Food Products, Inc.

Dwight Wm Burk Kershaw, Sec. Roger L. Osby, Secretary

Burco Company, Inc.

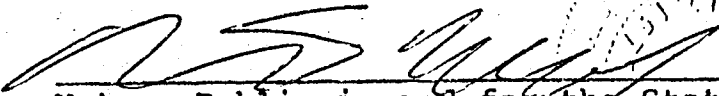
Dwight Wm Burk Kershaw,

Sec. Roger L. Osby, Secretary

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this day personally appeared before me JOHN D. SPELLMAN, to me known to be the individual who executed the foregoing Concession Facilities Operations Contract for King County and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

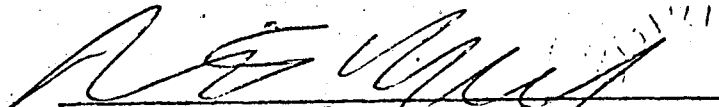
GIVEN under my hand and official seal this 14th
day of April, 1975.


Notary Public in and for the State of
Washington, residing at Seattle.

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this 14th day of April, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared DeVere Jerry Burtenshaw and Roger L. Olsvy, to me known to be the President and Secretary, respectively, of Alpine Food Products, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed
the day and year first above written.


Notary Public in and for the State of
Washington, residing at Seattle.