

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY) 0
--	---

TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Library	DATE: 8/4/2014
---------------------	---	-------------------

SUBJECT: Central Library Cafe: Nine Dragons, Inc. Concession Agreement

PRIMARY CONTACT (NAME, PHONE): Misty Jones,(619) 236-5873	SECONDARY CONTACT (NAME, PHONE): Patti Phillips, (619) 236-6766
--	--

COMPLETE FOR ACCOUNTING PURPOSES

FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	\$0.00	0.00	0.00	0.00	0.00

FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE):

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Environmental Analysis	Financial Management	ORIG DEPT.	Jones, Misty N 09/09/2014
Comptroller	Financial Management	CFO	
Financial Management	Liaison Office	DEPUTY CHIEF	
Financial Management		COO	
Financial Management		CITY ATTORNEY	Fonseca, Jeremy
		COUNCIL PRESIDENTS OFFICE	

PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

1) Approve and award the Library Café Concession Agreement between the City of San Diego, Library Department and Nine Dragons, Inc. dba Kassianna – The Living Room for three (3) years, with the effective date on the agreement to be the date when the Concessionaire begins any Tenant Improvement work on the premises. Nine Dragons Inc. has the right to extend the Concession Agreement for one additional two (2)-year term subject to all original terms and conditions, except for payment of rent.

2) Declare that the Library Cafe - Concession Agreement is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Sections 15301, as it involves the

operation and leasing of an existing public or private facility, with negligible or no expansion of use.
 3) Declare that the Council of the City of San Diego has determined that an exception to the exemption as set forth in CEQA Guidelines Section 15300.2 does not apply to the Library Café - Concession Agreement.

STAFF RECOMMENDATIONS:
 Approve the Agreement.

SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)

COUNCIL DISTRICT(S):	Council District 3
-----------------------------	--------------------

COMMUNITY AREA(S):	The Central Library is located in Council District 3 (Communities: Balboa Park, Bankers Hill/Park West, Downtown, Golden Hill, Hillcrest, Little Italy, Mission Hills, Normal Heights, North Park, Old Town, South Park, University Heights) Impact is citywide, and to any national or international customer.
---------------------------	---

ENVIRONMENTAL IMPACT:	This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Existing Facilities).
------------------------------	--

CITY CLERK INSTRUCTIONS:	None.
---------------------------------	-------

COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 8/4/2014

ORIGINATING DEPARTMENT: Library

SUBJECT: Central Library Cafe: Nine Dragons, Inc. Concession Agreement

COUNCIL DISTRICT(S): Council District 3

CONTACT/PHONE NUMBER: Misty Jones/(619) 236-5873

DESCRIPTIVE SUMMARY OF ITEM:

Approve the Concession Agreement between the City of San Diego (Library Department) and Nine Dragons, Inc. dba Kassiana the Living Room for a three year term and the right to extend for one additional two-year term subject to all original terms and conditions with the City's right to apply a fair market increase to the rent for the ensuing two-year term.

STAFF RECOMMENDATION:

Approve the Agreement.

EXECUTIVE SUMMARY OF ITEM BACKGROUND: The newly constructed San Diego Central Library opened to the public in September 2013. From October 2013 to June 2014, the Central Library has had over 763,400 visitors: Averaging 84,822 per month and 2,827 per day. One of the many features of the Central Library is the Courtyard Garden and Café. In November 2013, the Library Department initiated RFP (Request for Proposal) #10042890-14-G. Five proposals were received in response. The Library's Evaluation Committee completed a comprehensive review of the proposals submitted in accordance with the specified criteria. After the initial review, the Evaluation Committee requested oral presentations from the three highest scoring submissions to clarify their responses and support their scores. From there, the Committee assigned proposers an overall final ranking based on the point values in the RFP. The competitive process resulted in an award to Nine Dragon's Inc. to operate the Central Library café; Contract #4600001977.

Nine Dragons, Inc. has operated both large and small restaurant establishments for 30 years in the San Diego area. Nine Dragons also met the needs of a wide cultural mix at San Diego International Airport (SAN), where they operated six concessions:

- Commuter Cafe
- Commuter Cart
- Kassiana Coffee Cart
- Jamba Juice
- Sees Candies
- PASSPORT Gift Store

Nine Dragons Inc. has licensed The Living Room name to bring a menu of tasty foods and coffee treats to the Library café. The Living Room is an institution in the San Diego area with locations in San Diego County (SDSU, La Jolla, Point Loma and National City), along with a robust catering business. Nine Dragons Inc. President Diana Mar Jip-Chuh and The Living Room owner Beat (pronounced Bay-ought) Wick found common ground to offer high quality coffee

and espresso recipes with a diverse menu featuring rotating special items. Diana and Beat will work together to ensure that the local coffeehouse flavor of The Living Room is faithfully translated into the Library café.

The licensed use of The Living Room name, allows access to all their wholesale food products, as well as the input and sharing of Beat's expertise. Although, the Concession Agreement does not include Beat in the Library café operations, Nine Dragons will operate and manage the Library café to meet the levels of success that each partner has enjoyed in their previous restaurant, concession and café ventures. The Living Room will supply Nine Dragons Inc. with many of their menu items like the baked goods, salads and other mutually agreed upon food items throughout the terms. The menu items at the Library café will be delivered fresh daily from The Living Room kitchen in San Diego. The proposed name of the Library café is "Kassianna the Living Room". Kassianna the Living Room intends to operate in keeping within the Library's desire for a high-end, healthy, high-quality and properly priced menu concept, which will appeal to families and downtown San Diego's demographic.

FISCAL CONSIDERATIONS: The Library Department has agreed to a Concession Agreement with Nine Dragons. Basic terms of the Concession Agreement are as follows:

Term: Three (3) years, with the effective date on the agreement to be the date when the Concessionaire begins any Tenant Improvement work on the premises. Nine Dragons Inc. has the right to extend the Concession Agreement for one additional two (2)-year term subject to all original terms and conditions, except for payment of rent. The City/Library Department has the right to apply a fair market increase to the rent for the ensuing two-year term.

Monthly Rent: Monthly rent shall be the greater of \$500 per month or six percent (6%) of the Concessionaire's gross revenue derived from its use of the concession area.

Projected Revenue: The Fiscal Year 2015 projected revenue is \$20,000; Fund 100000, Cost Center 1713110001, and General Ledger 418027. The initial year's projection was developed and recommended to the Library Department by the Consultant that worked on the Central Library construction project during the planning phase.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: City of San Diego Library Department and its patrons.

Jones, Misty N
Originating Department

Deputy Chief/Chief Operating Officer

CITY OF SAN DIEGO
CONCESSION AGREEMENT

THIS CITY OF SAN DIEGO CONCESSION AGREEMENT ("Agreement") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), and NINE DRAGONS, INCORPORATED, a California Corporation ("CONCESSIONAIRE"), dba Kassiana – the Living Room, to be effective as of _____, 2014 (the "Effective Date"), when signed by the parties and approved by the San Diego City Attorney.

RECITALS

WHEREAS, the CITY issued a request for proposals ("RFP") to seek out proposers to operate a café concession at CITY's Central Library located at 330 Park Blvd., San Diego, CA 92101 ("Library").

WHEREAS, various entities submitted proposals in response to the RFP. After examination of the proposals and presentations given, the CITY determined that CONCESSIONAIRE would provide the best value to the CITY; and

WHEREAS, the determination that CONCESSIONAIRE provided the best value to the CITY under the RFP was in part due to CONCESSIONAIRE's partnering with The Living Room coffeehouses operation of San Diego, and licensing the rights to establish a new "Living Room" for the café concession at the Library. The "Living Room" cafés are successful café and coffee shop operations at multiple San Diego locations; and

WHEREAS, CITY and CONCESSIONAIRE desire to enter into an agreement to memorialize the RFP award and to establish terms and conditions for CONCESSIONAIRE's operation of the Central Library Café (Café) at the Library.

FOR VALUABLE CONSIDERATION, the sufficiency of which is acknowledged, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall be defined as follows:

a. **Concession Locations**. "Concession Locations" shall mean the following spaces, structures, and locations in the Library:

- (1) The structure identified as "Concession Stand" on the attached Exhibit "A," consisting of approximately 163 square feet.
- (2) Possible cart locations at the Library, as may be approved by CITY in CITY's sole discretion; and
- (3) Storage area to be separately identified by CITY.

For purposes of this Agreement, "Concession Area" shall refer to all Concession Locations, individually and collectively, and all portions thereof.

- b. **Monthly Rent.** "Monthly Rent" shall mean:

Monthly Rent shall be the greater of \$500 per month or six percent (6%) of CONCESSIONAIRE's Gross Revenue derived from all use of the Concession Area. "Gross Revenue" shall mean all revenue generated by CONCESSIONAIRE'S use of the Concession Area, less all sales taxes paid by CONCESSIONAIRE directly resulting from CONCESSIONAIRE'S use of the Concession Area.

- c. **Concession Use.** "Concession Use" shall mean operating and maintaining concessions for the sale of refreshments, including food, coffee confectionery, nonalcoholic beverages, and such other items as may be first approved by CITY, and for no other purpose whatsoever.
- d. **"CONCESSIONAIRE's Address for Notices"** shall be:

**Nine Dragons, Inc.
1034 14th Street
San Diego, CA 92101**

- e. **"Term"** shall mean three (3) years, commencing on _____ 1, 2014 and expiring on _____ 31, 2017.

- f. **Right to Extend.** Provided that CONCESSIONAIRE is not default of in payment of monetary or other obligations pursuant to this Agreement, CONCESSIONAIRE, shall be able to extend this Agreement for one (1) additional two-year term, subject to CITY's right to adjust Monthly Rent to a fair market rate as determined by CITY for the ensuing two-year term and otherwise subject to all other terms and conditions of the Agreement. If CONCESSIONAIRE elects to so extend this Agreement, CONCESSIONAIRE shall give CITY written notice at least four (4) months prior to the scheduled expiration date of this Agreement.

2. **Occupancy.** Subject to the terms and conditions of this Agreement, CITY hereby grants permission to CONCESSIONAIRE and its officers, employees, agents, guests, licensees, and contractors to enter upon and occupy the Concession Area solely for the Concession Use.
3. **Use of Concession Area.** CONCESSIONAIRE shall use the Concession Area solely and exclusively for the Concession Use, and for no other purpose whatsoever without CITY's written consent in each instance. CONCESSIONAIRE shall continuously occupy and use the Concession Area throughout the Term, and shall diligently and regularly furnish service to CITY and the public by conducting the Concession Use in a creditable manner in conformity with this Agreement and all applicable rules and regulations of CITY.
4. **Schedule of Operations.** A regular schedule of days and hours of operation for the Concession Use shall be established by CONCESSIONAIRE to best serve the public as set forth in Exhibit "B" Schedule of Days and Hours of Operation, attached hereto

("Schedule"). Any changes in this Schedule shall be subject to the prior written approval of CITY. CONCESSIONAIRE shall comply with said Schedule, and all terms and conditions stated therein.

5. Monthly Rent. CONCESSIONAIRE shall pay the Monthly Rent on or before the last day of the calendar month following the calendar month in which the Gross Revenue was earned. Concurrent with each payment of Monthly Rent, CONCESSIONAIRE shall at the same time provide CITY with an accurate and correct statement, in a form selected by CITY, of all gross receipts derived or resulting from the Concession Use and all Monthly Rent accordingly due for the subject month. The statement shall be signed by CONCESSIONAIRE or its authorized agent attesting and warranting to the accuracy thereof.
6. Place of Payment. All amounts due under this Agreement shall be made payable to "City Treasurer" and delivered to the Office of the City Treasurer, Civic Center Plaza Building, 1200 Third Avenue, First Floor, San Diego, CA 92101, or mailed with an invoice to:

THE CITY OF SAN DIEGO
Office of the City Treasurer
P.O. Box 129030
San Diego, CA 92112-9030

7. Delinquent Payments. If CONCESSIONAIRE fails to pay Monthly Rent when due, CONCESSIONAIRE shall pay, in addition to the unpaid Monthly Rent, five percent (5%) of the delinquent Monthly Rent. If the Monthly Rent is still unpaid after fifteen (15) days past due, CONCESSIONAIRE shall pay an additional five percent (5%) (being a total ten percent (10%)), which is agreed by the parties to be appropriate to compensate CITY for the cost of servicing the delinquent account. In no event shall the charge for late payments of Monthly Rent be less than Twenty-Five Dollars (\$25). After thirty (30) days past due, unpaid amounts due CITY under this Agreement may be referred to the San Diego City Treasurer for collection, and shall be subject to San Diego Municipal Code section 22.1707, as may be amended from time to time. CONCESSIONAIRE shall pay to CITY any collection-referral fee and all other fees and charges plus interest as may then be charged by the San Diego City Treasurer under authority of the San Diego Municipal Code. Acceptance of late charges and any portion of the late payment by CITY shall neither constitute a waiver of CONCESSIONAIRE'S default with respect to late payment nor prevent CITY from exercising any other rights and remedies available at law or in equity. As required by law, CONCESSIONAIRE is hereby notified that a negative credit report may be submitted to a credit reporting agency if amounts due CITY are not paid when due.

8. Default and Remedies

- 8.1 Default. CONCESSIONAIRE shall be in default of this Agreement if any of the following occurs:

- (a) CONCESSIONAIRE fails to make any payment required under this Agreement when due;
- (b) CONCESSIONAIRE breaches any of its obligations under this Agreement, other than those requiring payment to CITY, and fails to correct the breach within thirty (30) days following written notice thereof from CITY, or if not curable within thirty (30) days, fails to commence to correct the breach within thirty (30) days and diligently pursue the cure to completion;
- (c) CONCESSIONAIRE voluntarily files or involuntarily has filed against it any petition under any bankruptcy or insolvency act or law, and such proceeding is not dismissed within sixty (60) days thereafter;
- (d) CONCESSIONAIRE is adjudicated a bankrupt; or
- (e) CONCESSIONAIRE makes a general assignment for the benefit of creditors.

8.2 Remedies. Upon CONCESSIONAIRE default, CITY may, at its option, either terminate this Agreement upon three (3) days prior notice delivered to CONCESSIONAIRE (or any person claiming rights through CONCESSIONAIRE), or deliver to CONCESSIONAIRE (or any person claiming rights through CONCESSIONAIRE) a thirty (30)-day written "Notice of Intent to Terminate" this Agreement. If CITY delivers such a "Notice of Intent to Terminate" and CONCESSIONAIRE (or the persons claiming rights through CONCESSIONAIRE) does not cure the default within the thirty-day period, CITY may, upon three (3) days prior notice delivered to CONCESSIONAIRE (or any person claiming rights through CONCESSIONAIRE) terminate this Agreement and all rights of CONCESSIONAIRE (and/or each person claiming rights through CONCESSIONAIRE) to the Concession Area or to possession of the Concession Area. Upon termination, CITY may enter and take possession of the Concession Area, and may recover from CONCESSIONAIRE the sum of:

- (a) the worth at the time of award of any unpaid rent that was due at the time of termination;
- (b) the worth at the time of award of the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of rental loss, if any, that CONCESSIONAIRE affirmatively proves could have been reasonably avoided;
- (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of rental loss, if any, that CONCESSIONAIRE affirmatively proves could be reasonably avoided;

- (d) any other amount necessary to compensate CITY for all the detriment proximately caused by CONCESSIONAIRE'S breach and default, or that in the ordinary course of things, would be likely to result; and
- (e) all other amounts in addition to or in lieu of those previously stated as may be permitted at law or in equity.

As used in clauses (a) and (b), above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in clause (c), above, the "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus two percent (2%). As used in this section, the term "rent" shall include rent and any and all other amounts payable by CONCESSIONAIRE under this Agreement.

- 8.3 Abandonment by CONCESSIONAIRE. If CONCESSIONAIRE abandons the Concession Area, this Agreement shall continue in effect as long as CITY does not terminate this Agreement, and CITY may enforce all of its rights and remedies under this Agreement, including without limitation the right to recover rent as it becomes due, plus damages.
 - 8.4 Waiver. Any waiver by CITY of a breach or default by CONCESSIONAIRE shall not be a waiver of any other breach or default. No waiver shall be valid and binding unless in writing and executed by CITY. CITY's delay or failure to enforce a right or remedy shall not be a waiver of that or any other right or remedy under this Agreement. The enforcement of a particular right or remedy for a breach or default shall not waive any other right or remedy for the same breach or default, or for any other or later breach or default. CITY's acceptance of any rents shall not be a waiver of any default preceding such payment. CONCESSIONAIRE acknowledges that the Concession Area is a part of publicly-owned property held in trust for the benefit of the citizens of the City of San Diego, and that any failure by CITY to discover a breach or default, or take prompt action to require the cure of any breach or default, shall not result in an equitable estoppel, but CITY shall at all times, have the legal right to require the cure of any breach or default. CITY's acceptance of a partial payment of rent shall not constitute a waiver of the balance of the rent payment due.
9. Unauthorized-Use Charge. CONCESSIONAIRE shall pay CITY one hundred (100%) of the gross receipts from any use of the Concession Area that is not allowed by this Agreement, regardless of any related penalties charged CONCESSIONAIRE by competent governmental authorities. Such unauthorized use charge shall be payable to CITY within thirty (30) days after CONCESSIONAIRE receives such gross receipts. No unauthorized use charges shall satisfy or credit against any other rent obligations of CONCESSIONAIRE under this Agreement. The unauthorized use charge shall otherwise be considered "rent" under this Agreement, and shall be subject to all costs and penalties for delinquent payments hereunder. The existence of such unauthorized use charge and CITY's acceptance thereof shall not constitute authorization for the use in question, and shall not waive any of CITY's rights under this Agreement.

10. Inspection of Records. CONCESSIONAIRE shall keep and maintain complete and accurate accounting records to CITY's satisfaction, showing all income and receipts from CONCESSIONAIRE's and other approved entities' use of the Concession Area. CONCESSIONAIRE shall make all records and accounts available to CITY for inspection at all reasonable times so that CITY can determine CONCESSIONAIRE's compliance with this Agreement. CONCESSIONAIRE shall maintain all such records and accounts for a minimum period of five (5) years after the expiration or termination of this Agreement.
11. Equipment. CITY shall provide eighteen (18) tables and fifty-two (52) chairs for use in the library courtyard, for CONCESSIONAIRE's use exclusively for activities and services authorized under this Agreement. CONCESSIONAIRE shall be solely responsible, at CONCESSIONAIRE's sole cost, for furnishing, maintaining, and cleaning all equipment and other items necessary or desired for operation of the Concession Use, including the tables and chairs provided by CITY.
12. Conduct of Concession.
 - a. CONCESSIONAIRE and its employees shall at all times conduct themselves and the Concession Use in a professional, creditable, and competent manner. CONCESSIONAIRE shall comply with all County of San Diego public health regulations and shall at all times maintain an "A" rating from the County of San Diego for all of CONCESSIONAIRE's activities on the Concession Area. CONCESSIONAIRE shall thoroughly train all employees in their duties, all requirements of this Agreement, and all applicable rules and regulations of CITY.
 - b. Consistent with the concepts and provisions stated in CONCESSIONAIRE's RFP proposal, CONCESSIONAIRE shall do all of the following throughout the entire Term:
 - i. Maintain the Library Café as a properly licensed "Living Room" café coffeehouse, pursuant to all necessary arrangements and licensing with "The Living Room" coffeehouses of San Diego;
 - ii. Faithfully translate and maintain the concept, ambiance, and general "flavor" of The Living Room coffeehouses into the Library Café, in combination with literary and book-themed elements appropriate for the Café's library setting
 - iii. Establish and maintain a diverse menu of high-end, healthy, high-quality and properly-priced items, with menu concept(s) that will appeal to families and downtown San Diego's demographic, to include high-quality coffee and espresso recipes, local and organic fare, and rotating special items. The Living Room will supply CONCESSIONAIRE with many of their menu items delivered fresh daily from the Living Room kitchen in San Diego.

- c. Any modification of any of the above operational or conceptual aspects of the Café concession shall be subject to prior review and written approval of CITY in each instance.
13. Non-Exclusive Agreement and Unauthorized Vending. This Agreement confers no exclusive right to CONCESSIONAIRE for the selling or catering of food, beverages, or concessions within the Library. CITY makes no warranty that the Library shall be free of other food, beverage, and concession vending by third parties.
14. Governmental Approvals. By entering into this Agreement, neither CITY nor CITY's City Council is obligating itself to CONCESSIONAIRE or to any governmental agent, board, commission or agency with regard to any other discretionary action relating to CONCESSIONAIRE's occupancy, use, development, maintenance or restoration of the Concession Area. "Discretionary action" includes without limitation re-zonings, variances, environmental clearances and all other required governmental approvals.
15. CITY's Consent, Discretion. CITY's consent or approval under this Agreement shall mean the written consent or approval of CITY's Mayor, or his or her designee ("Mayor"), unless otherwise expressly provided herein or required by law. CITY's discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided or required by law.
16. No Holdover. If CONCESSIONAIRE continues to occupy the Concession Area after the expiration or earlier termination of this Agreement, such occupancy shall neither constitute a renewal or extension of this Agreement, nor give CONCESSIONAIRE any rights in or to the Concession Area. If CONCESSIONAIRE continues to occupy the Concession Area after the expiration or earlier termination of this Agreement, CITY may demand and receive from CONCESSIONAIRE rent for the Concession Area calculated on a per diem basis using up to two (2) times the fair market rental rate to be determined as of the date of the expiration or termination of this Agreement by an appraisal prepared by a qualified appraiser selected by CITY in its sole discretion. CITY's acceptance of such rent shall neither constitute a renewal or extension of the license, nor give CONCESSIONAIRE any rights in or to the Concession Area.
17. CONCESSIONAIRE's Waiver. CONCESSIONAIRE expressly waives any claim against CITY and its elected officials, officers, employees, representatives and agents for any burden, expense or loss, financial or otherwise, which CONCESSIONAIRE incurs as a result of CITY's revocation or termination of this Agreement.
18. Restoration of Concession Area. Except as otherwise provided in this Agreement, prior to the expiration or as soon as practicable after termination of this Agreement, CONCESSIONAIRE shall restore the Concession Area to its condition on the Effective Date, normal wear and tear excepted. Any restoration work requires CITY review and approval.

19. Superior Interests. This Agreement is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, agreements and licenses, easements and rights-of-way pertaining to the Concession Area, whether or not of record. CONCESSIONAIRE shall obtain all licenses and agreements from such third parties as may be or become necessary or reasonably advisable to allow its use of the Concession Area, relative to any such superior interest. If CONCESSIONAIRE's use of the Concession Area is or becomes inconsistent or incompatible with a preexisting, superior interest, CONCESSIONAIRE shall take such actions and pay all costs and expenses necessary to remove such inconsistency or incompatibility to the satisfaction of the holder of the superior interest.
20. Maintenance of the Concession Area. CONCESSIONAIRE shall, at CONCESSIONAIRE's sole cost and expense and to CITY's satisfaction, maintain the Concession Area in good order and repair and in a safe, healthy and sanitary condition at all times during the Term. CITY shall not be required to make any improvements or repairs to the Concession Area. CONCESSIONAIRE shall keep the Concession Area free and clear of rubbish, debris and litter at all times.
21. Inspection. CITY may at all times enter and inspect the Concession Area.
22. Utilities. CITY shall pay for all utilities and service and installation charges in connection with CONCESSIONAIRE's use of the Concession Area.
23. Improvements/Alterations. CONCESSIONAIRE shall not construct any improvements, structures or installations on the Concession Area, and shall not alter the Concession Area without the express written consent of CITY. Except as required by law, CITY shall not be obligated to make any repair or assume any expense for any improvements or alterations to the Concession Area.
24. Improvements and Personal Property.
 - 24.1 Improvements. Upon expiration or termination of this Agreement, CONCESSIONAIRE shall remove any and all improvements, fixtures, structures and installations or additions to the Concession Area that were solely constructed or installed on the Concession Area by CONCESSIONAIRE ("CONCESSIONAIRE Improvements"). Any restoration work requires CITY review and approval. CONCESSIONAIRE shall, at CONCESSIONAIRE's sole cost and expense, remove all CONCESSIONAIRE Improvements as soon as practicable, but in no event later than sixty (60) days after the expiration or earlier termination of this Agreement. CONCESSIONAIRE, at its sole cost and expense, shall be responsible for the repair of any and all damage resulting from the removal of CONCESSIONAIRE Improvements as required by this Agreement. If CONCESSIONAIRE fails to remove CONCESSIONAIRE Improvements as required, CITY may, at its option, remove them at CONCESSIONAIRE's sole cost and expense. Notwithstanding the foregoing, CITY may, upon notice to CONCESSIONAIRE at termination or at any time prior to the expiration of the

Term, elect to assume ownership of all or any CONCESSIONAIRE Improvements as of the expiration or earlier termination of this Agreement, at no cost to CITY. If CITY elects to assume ownership of all or any CONCESSIONAIRE Improvements, CONCESSIONAIRE shall honor such assumption and execute and deliver all necessary and appropriate documents, materials and other items reasonably needed to effect such transfer of ownership to CITY.

- 24.2 Personal Property. CONCESSIONAIRE shall remove from the Concession Area all CONCESSIONAIRE-owned machines, appliances, equipment, trade fixtures and other items of personal property upon the expiration of the Term, or as soon as practicable after termination, but in no event later than thirty (30) days after the expiration or earlier termination of this Agreement. Any such items which CONCESSIONAIRE fails to so remove shall be deemed abandoned and become CITY's property free of all claims and liens, or CITY may, at its option, remove such items at CONCESSIONAIRE's sole cost and expense. CONCESSIONAIRE, at its sole cost and expense, shall be responsible for the repair of any and all damage resulting from the removal of its personal property from the Concession Area.
- 24.3 Post-Agreement License. CITY grants permission to CONCESSIONAIRE to enter upon and occupy the Concession Area after the expiration or earlier termination of this Agreement solely for the purpose of removing CONCESSIONAIRE Improvements and CONCESSIONAIRE's personal property as provided by this Agreement. This provision shall survive the expiration or earlier termination of this Agreement.
- 24.4 Late Removal. Notwithstanding any provision of this Agreement to the contrary, CONCESSIONAIRE shall pay rent to CITY for any period of time after the expiration or termination of this Agreement needed to remove CONCESSIONAIRE Improvements or personal property as required by this Agreement, whether by CITY or CONCESSIONAIRE. Such rent shall be calculated on a per diem basis using the rental rate in effect just prior to the expiration or termination of this Agreement.
- 24.5 CITY's Right to Acquire Personal Property. If CONCESSIONAIRE wants to dispose of any of its personal property used in its operations on the Concession Area upon expiration or termination of this Agreement, CITY shall have the first right to acquire such personal property.
25. Reservation of CITY Rights. All gas, oil, mineral, and water rights shall remain vested in the CITY throughout the term of the Agreement. The CITY shall have the right to develop said rights and to enter upon the Concession Area to repair, maintain, or establish municipal services and to grant easements for public utilities and services. However, the CITY may not unreasonably interfere with CONCESSIONAIRE'S' rights under this Agreement and must reimburse the CONCESSIONAIRE for any physical damage to the improvements caused by the exercise of the rights reserved by the CITY. CITY shall have

the right to deny access to the Concession Area of any CONCESSIONAIRE employee, agent, or contractor for any conduct offensive to the general public.

26. Insurance. CONCESSIONAIRE shall obtain and maintain throughout the Term, at its sole cost and expense, all insurance required by this Agreement. CONCESSIONAIRE's liabilities under this Agreement, including without limitation CONCESSIONAIRE's indemnity obligations, shall not be deemed limited in any way to the insurance coverage required herein. CONCESSIONAIRE's maintenance of the required insurance coverage is a material consideration for this Agreement. Notwithstanding any provision of this Agreement to the contrary, if CONCESSIONAIRE fails to maintain or renew the insurance coverage required herein, or fails to deliver evidence of same to CITY, CONCESSIONAIRE shall be in default of this Agreement. CONCESSIONAIRE shall not modify any policy or endorsement thereto which increases CITY's exposure to loss. CONCESSIONAIRE shall obtain and deliver to CITY's Real Estate Assets Department a current certificate of insurance and relevant endorsements for (and subject to CITY's written approval of same):

- (1) Commercial General Liability Insurance ("CGL") written on an *ISO Occurrence form CG 00 01 07 98* or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all personal injury, including death, and property damage with limits of at least Two Million Dollars (\$2,000,000) per occurrence, subject to an annual aggregate of at least Four Million Dollars (\$4,000,000). There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy;
- (2) Commercial Automobile Liability Insurance, providing coverage for all bodily injury, including death, and property damage on an *ISO form CA 00 01 12 90* or a later version of such form or an equivalent form providing coverage at least as broad for a combined single limit of at least One Million Dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles) operated in performing any and all work pursuant to this Agreement; and
- (3) Workers' Compensation Insurance, as required by applicable laws, for all of CONCESSIONAIRE's employees who are subject to this Agreement, with employers' liability coverage with a limit of at least One Million Dollars (\$1,000,000), and an endorsement that the insurer waives the right of subrogation against The City of San Diego and its elected officials, officers, employees, representatives and agents.

26.1 Additional Insureds. To the fullest extent allowed by law, including without limitation California Insurance Code section 11580.04, each policy must be endorsed to include as an insured "The City of San Diego and its elected officials, officers, employees, representatives and agents" with respect to liability arising out of: (a) ongoing operations performed by CONCESSIONAIRE or on CONCESSIONAIRE's behalf; (b)

CONCESSIONAIRE's products; (c) CONCESSIONAIRE's work, including without limitation CONCESSIONAIRE's completed operations performed by CONCESSIONAIRE or on CONCESSIONAIRE's behalf; or (d) the Concession Area.

- 26.2 Primary & Non-Contributory. Each policy must be endorsed to provide that the insurance afforded by Commercial General Liability policies is primary to any insurance or self-insurance of The City of San Diego and its elected officials, officers, employees, representatives and agents as respects operations of the named insured. Any insurance maintained by The City of San Diego and its elected officials, officers, employees, representatives and agents shall be in excess of CONCESSIONAIRE's insurance and shall not contribute to it.
- 26.3 Severability of Interest. Each policy must be endorsed to provide that CONCESSIONAIRE's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and shall provide cross-liability coverage.
- 26.4 Qualified Insurer(s). Except for the State Compensation Insurance Fund, all insurance required by this Agreement shall only be carried by insurance companies with a rating of at least "A-, VI" by A.M. Best Company that are authorized by the California Insurance Commissioner to do business in the State of California, and that have been approved by CITY. CITY may accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Eligible Surplus Lines Insurers (i.e., the LESLI list). All policies of insurance carried by non-admitted carriers shall be subject to all of the requirements for policies of insurance provided by admitted carriers described herein. Each insurer shall be subject to CITY's approval in each instance.
- 26.5 Deductibles/Retentions. All deductibles and self-insured retentions on any insurance policy are the sole responsibility of CONCESSIONAIRE and must be disclosed and acceptable to CITY at the time evidence of insurance is provided.
- 26.6 Continuity of Coverage. All policies shall be in effect on or before the first day of the Term, except "course of construction fire insurance" shall be in force on commencement of all authorized construction, and full applicable fire insurance coverage shall be effective upon completion of each insurable improvement. The policies shall be kept in force for the duration of the Term. At least thirty (30) days prior to the expiration of each insurance policy, CONCESSIONAIRE shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the requirements of this Agreement. CONCESSIONAIRE shall provide proof of continuing

insurance at least annually during the Term and otherwise upon CITY's request. If insurance lapses or is discontinued for any reason, CONCESSIONAIRE shall immediately notify CITY and shall immediately obtain replacement insurance as soon as possible.

- 26.7 Modification. To assure protection from and against the kind and extent of risk existing with the Concession Use or the Concession Area, CITY, at its discretion, may require the revision of amounts and coverage at any time during the Term by giving CONCESSIONAIRE thirty (30) days prior written notice. CONCESSIONAIRE shall also obtain any additional insurance required by CITY for new improvements, changed circumstances or CITY's reasonable re-evaluation of risk levels related to the Concession Use or the Concession Area.
- 26.8 Accident Reports. CONCESSIONAIRE shall immediately report to CITY any accident causing property damage or injury to persons on the Concession Area or otherwise related to the Concession Use. Such report shall contain the names and addresses of the involved parties, a statement of the circumstances, the date and hour of the accident, the names and addresses of any witnesses, and other pertinent information.
- 26.9 Causes of Loss - Special Form Property Insurance. CONCESSIONAIRE shall obtain and maintain, at its sole cost, Causes of Loss - Special Form Property Insurance on all of CONCESSIONAIRE's insurable property related to the Concession Use or the Concession Area in an amount to cover 100 percent (100%) of the replacement cost. CONCESSIONAIRE shall deliver to CITY a certificate of such insurance.
27. Indemnification & Hold Harmless. CONCESSIONAIRE shall protect, defend, indemnify and hold CITY and its elected officials, officers, employees, representatives and agents harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to CONCESSIONAIRE's officers, employees, invitees, guests, agents or contractors, which arise out of or are in any manner directly or indirectly connected with this Agreement or CONCESSIONAIRE's occupancy, use, development, maintenance or restoration of the Concession Area, and all expenses of investigating and defending against same, including without limitation attorney fees and costs; provided, however, that CONCESSIONAIRE's duty to indemnify and hold harmless shall not include any established liability arising from the gross negligence or intentional misconduct of CITY and its elected officials, officers, employees, representatives and agents.
28. Compliance with Laws. CONCESSIONAIRE shall at all times in its use, occupancy, and maintenance of the Concession Area comply with all applicable laws, rules and regulations and direction by competent governmental authorities, and all at CONCESSIONAIRE's sole cost and expense. At least annually, CONCESSIONAIRE shall deliver to City copies of all documentary evidence of such compliance received by or otherwise available to

CONCESSIONAIRE (e.g., validation of periodic inspection of CONCESSIONAIRE's fire-suppression equipment in the Concession Area.)

29. California Public Records Act. CITY shall determine, in its sole discretion, whether this Agreement or any information provided by CONCESSIONAIRE pursuant to this Agreement is or is not a public record subject to disclosure under the California Public Records Act. CONCESSIONAIRE shall hold CITY and its elected officials, officers and employees harmless for CITY's disclosure of any such information in response to a request for information under the CPRA.
30. No Discrimination. CONCESSIONAIRE shall not discriminate in any manner against any person on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status or disability in CONCESSIONAIRE's use of the Concession Area, including without limitation the provision of goods, services, facilities, privileges, advantages and accommodations, and the hiring and retention of employees and contractors.
31. Equal Opportunity. CONCESSIONAIRE shall comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375 and 12086; the California Fair Employment Practices Act; and all other related and applicable federal and state laws and regulations. CONCESSIONAIRE shall not discriminate against any employee or applicant for employment based on race, religion, color, ancestry, age, gender, sexual orientation, disability, medical condition or place of birth. CONCESSIONAIRE shall cause the foregoing provisions to be inserted in all of CONCESSIONAIRE's contracts for work related to this Agreement so that such provisions will be binding upon each of CONCESSIONAIRE's contractors. CONCESSIONAIRE shall fully cooperate with any investigation conducted by CITY pursuant to CITY'S Nondiscrimination in Contracting Ordinance (i.e., San Diego Municipal Code sections 22.3501-22.3517, as amended from time to time), and upon CITY's request CONCESSIONAIRE shall submit a current Workforce Report. CONCESSIONAIRE acknowledges that failure to comply with the requirements of this section and/or submitting false information in response to these requirements may result in termination of this Agreement and debarment from participating in CITY contracts for a period of not less than one (1) year.
32. Equal Benefits. CONCESSIONAIRE shall comply with San Diego Municipal Code sections 22.4301-22.4308, which require applicable parties to offer the same employment benefits to employees with spouses and employees with domestic partners. CONCESSIONAIRE shall certify that it will maintain such equal benefits throughout the term of this Agreement. CONCESSIONAIRE's failure to maintain equal benefits shall be a material breach of this Agreement.
33. Disabled Access Compliance. CONCESSIONAIRE shall comply with Title 24 of the California Code of Regulations (i.e., the "California Building Code"); the Americans with Disabilities Act of 1990 ("ADA"); and all other applicable state and federal laws and regulations enacted protecting the rights of people with disabilities. CONCESSIONAIRE's compliance shall include without limitation the following:

37. CONCESSIONAIRE's Risk. CONCESSIONAIRE shall bear all risks and liability arising out of or in any manner directly or indirectly connected with CONCESSIONAIRE's use or occupancy of the Concession Area and any damages to the improvements on, under or in the vicinity of the Concession Area resulting directly or indirectly thereby.
38. No Nuisance. CONCESSIONAIRE shall not use the Concession Area in any manner which creates a nuisance or unreasonably disturbs the quiet enjoyment of persons in and to the surrounding area.
39. Assignment and Sublicense. CONCESSIONAIRE shall not assign or sublicense any rights granted by this Agreement or any interest in this Agreement without CITY's written consent in each instance. Any assignment by operation of law shall automatically terminate this Agreement.
40. Signs. All signs and menu boards of CONCESSIONAIRE must comply with the Library's design standards and other Library rules and regulations. Notwithstanding the foregoing, CONCESSIONAIRE shall not erect or display any banners, pennants, flags, posters, signs, menu boards, decorations, marquees, awnings or similar devices or advertising without CITY's prior written consent. If any such unauthorized item is found on the Concession Area or anywhere within the Library, CONCESSIONAIRE shall remove the item at its expense within twenty-four (24) hours after notice by CITY, or CITY may summarily thereafter remove the item at CONCESSIONAIRE's cost.
41. Encumbrances. CONCESSIONAIRE shall keep the Concession Area and the property of which it is a part (the "Property"), free from all encumbrances and liens of any nature which arise out of or are in any manner directly or indirectly connected with CONCESSIONAIRE'S use or occupancy of the Concession Area. CONCESSIONAIRE shall protect, defend, indemnify and hold CITY harmless from and against any and all such encumbrances and/or liens, and from and against any claim, liability, cost or expense, including without limitation all attorney fees and costs, relating to or charged against the Property, including without limitation CONCESSIONAIRE'S failure or the failure of any contractor or subcontractor hired by CONCESSIONAIRE to pay any person or persons entitled to lien or encumber the Property pursuant to the California Civil Code.
42. Taxes. CONCESSIONAIRE shall pay, before delinquency, all taxes, assessments and fees assessed or levied upon CONCESSIONAIRE or the Concession Area during the Term, including the land and any buildings, structures, machinery, equipment, appliances or other improvements or property of any nature whatsoever erected, installed or maintained by CONCESSIONAIRE, or levied by reason of CONCESSIONAIRE's occupancy, use, development, maintenance or restoration of the Concession Area, including without limitation licensing and Agreement costs and fees. CONCESSIONAIRE acknowledges that this Agreement may create a possessory interest subject to property taxation, and that CONCESSIONAIRE may be subject to the payment of taxes levied on that interest. CONCESSIONAIRE shall pay all such possessory interest taxes. CONCESSIONAIRE's payment for such taxes, fees and assessments shall not reduce any payment due CITY.

43. Hazardous Substances. CONCESSIONAIRE shall not allow the illegal installation, storage, utilization, generation, sale or re of Hazardous Substance or otherwise regulated substances in, on, under or from the Concession Area. CONCESSIONAIRE and CONCESSIONAIRE's agents and contractors shall not install, store, utilize, generate or sell any Hazardous Substance on the Concession Area without CITY's prior written consent. CONCESSIONAIRE shall, prior to initiating any operations, obtain all required agreements from applicable regulatory agencies, including without limitation the San Diego County Department of Environmental Health, local fire agencies, the San Diego County Department of Weights and Measures, the San Diego County Air Pollution Control District, and the San Diego Regional Water Quality Control Board. Installing, utilizing, storing, or any other presence of a Hazardous Substance includes boxes, bags, bottles, drums, cylinders, above or below ground tanks, equipment with tanks, or any other type of container, equipment or device which holds or incorporates a Hazardous Substance or hazardous waste.
- 43.1 Release. For all purposes of this Agreement, a "release" shall include without limitation any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or otherwise disposing of a hazardous substance.
- 43.2 Hazardous Substance. For all purposes of this Agreement, "Hazardous Substance" shall mean any substance listed by the Environmental Protection Agency or the State of California as a hazardous substance, and all types of petroleum-related substances and their chemical constituents.
- 43.3 Remediation. If CONCESSIONAIRE's occupancy, use, development, maintenance or restoration of the Concession Area ("CONCESSIONAIRE's Operations") results in a release of a Hazardous Substance, CONCESSIONAIRE shall pay all costs of remediation and removal to the CITY's satisfaction for unrestricted reuse of the Concession Area, and in accordance with all applicable laws, rules and regulations of governmental authorities.
- 43.4 Removal. If CONCESSIONAIRE or CONCESSIONAIRE's contractor or agent has received approval and agreements to store, utilize, generate or install, or otherwise bring Hazardous Substances to the Concession Area, CONCESSIONAIRE and/or CONCESSIONAIRE's contractor or agent shall remove all Hazardous Substances in any type of container, equipment or device from the Concession Area immediately upon or prior to the expiration or earlier termination of this Agreement. CITY reserves the right to conduct inspections of the Concession Area and/or request documentation demonstrating the legal removal and/or disposal of the hazardous materials, wastes or other containers, equipment or devices from the Concession Area. CONCESSIONAIRE shall be responsible for any and all costs incurred by CITY to remove any container, equipment or device requiring disposal or removal as required by this provision.
- 43.5 Indemnity. CONCESSIONAIRE shall protect, defend, indemnify and hold CITY harmless from any and all claims, costs and expenses related to environmental

liabilities resulting from CONCESSIONAIRE's Operations, including without limitation: (i) costs of environmental assessments; (ii) costs of regulatory remediation oversight; (iii) costs of remediation and removal; (iv) any necessary CITY response costs; (v) all fines, penalties or fees assessed by any regulatory agency; (vi) damages for injury to natural resources, CONCESSIONAIRE's officers, employees, invitees, guests, agents or contractors, or the public; and (vii) all costs of any health assessments or health effect studies.

- 43.6 Notice of Release. If CONCESSIONAIRE knows or has reasonable cause to believe that a Hazardous Substance has been released on, from or beneath the Concession Area, CONCESSIONAIRE shall immediately notify CITY and any appropriate regulatory or reporting agency pursuant to California Code of Regulations Title 19 and any other applicable laws or regulations. CONCESSIONAIRE shall deliver a written report thereof to CITY within three (3) days after receipt of the knowledge or cause for belief and submit any required written reports to regulatory or reporting agencies as required by regulation or law. If CONCESSIONAIRE knows or has reasonable cause to believe that such substance is an imminent release or is an imminent substantial danger to public health and safety, CONCESSIONAIRE shall take all actions necessary to alleviate the danger. CONCESSIONAIRE shall immediately notify CITY in writing of any violation, notice to comply, or notice of violation received or the initiation of environmental actions or private suits related to the Concession Area.
- 43.7 Environmental Assessment. Upon reasonable cause to believe that CONCESSIONAIRE's Operations resulted in any Hazardous Substance being released on, from or beneath the Concession Area, CITY may cause an environmental assessment under regulatory oversight of the suspect area to be performed by a professional environmental consultant registered with the State of California as a Professional Engineer, Certified Engineering Geologist or Registered Civil Engineer. The environmental assessment shall be obtained at CONCESSIONAIRE's sole cost and expense, and shall establish what, if any, Hazardous Substances have more likely than not been caused by CONCESSIONAIRE's Operations on, in, from or under the Concession Area, and in what quantities. If any such Hazardous Substances exist in quantities greater than allowed by city, county, state or federal laws, statutes, ordinances or regulations, or require future restricted re-use of the Concession Area, then the environmental assessment shall include a discussion of such substances with recommendations for remediation and removal necessary to effect unrestricted re-use and in compliance with those laws or statutes, and estimates of the cost of such remediation or removal. CONCESSIONAIRE shall cause, or if CONCESSIONAIRE fails to do so within a reasonable period of time, as determined by CITY in its sole discretion, then CITY may cause, the remediation and/or removal recommended in the environmental assessment such that unrestricted re-use of the Concession Area and compliance with environmental laws and regulations are achieved, and CONCESSIONAIRE shall pay all costs and expenses therefor.

44. Water Quality Assurances. CONCESSIONAIRE shall, at its sole cost and expense, comply with all laws, rules, regulations and direction of competent governmental authority (including the San Diego Regional Water Quality Control Board) relating to water quality assurance and storm water management. CONCESSIONAIRE acknowledges and agrees that such legal requirements may change at any time and from time to time.
- 44.1 NPDES. CONCESSIONAIRE shall comply with all applicable requirements of the National Pollutant Discharge Elimination System ("NPDES") Agreement in force on the Effective Date (i.e., Agreement No. R9-2013-0001), and any and all amendments thereto and all applicable succeeding NPDES Agreements.
- 44.2 Stormwater Management. CONCESSIONAIRE shall comply with all applicable requirements of the San Diego Municipal Code Chapter 4, Article 3, Division 3: Stormwater Management and Discharge Control (the "Stormwater Code"), and employ "Best Management Practices," as that term is defined by the Stormwater Code, and as approved by the City of San Diego, in its governmental capacity, under its Stormwater Management Program.
45. Waiver. The property constituting the Concession Area is publicly owned and held in trust for the benefit of CITY's citizens. CITY's failure to insist upon the strict performance of any of CONCESSIONAIRE's obligations under this Agreement, in one or more instance, shall not be construed as a waiver of any such obligation, and the same shall remain in full force and effect. CITY's waiver of a default shall not be a waiver of any other default. Any waiver of a default must be in a writing executed by CITY to constitute a valid and binding waiver. CITY's delay or failure to exercise a right or seek a remedy shall not be deemed a waiver of that or any other right or remedy under this Agreement, at law, or in equity. The exercise of any particular right or the use of any particular remedy for any default shall not waive the use of any other right or remedy for the same default or for another or later default. CITY's acceptance of any rents shall not be a waiver of any default preceding the rent payment. CITY's failure to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but CITY may at any and all times require the cure of the default.
46. Cumulative Remedies. CITY's rights and remedies under this Agreement are cumulative and shall not limit or otherwise waive or deny any of CITY's rights or remedies at law or in equity.
47. Survival. Any obligation which accrues under this Agreement prior to its expiration or termination shall survive such expiration or termination.
48. Joint and Several Liability. If CONCESSIONAIRE is comprised of more than one person or legal entity, such persons and entities, and each of them, shall be jointly and severally liable for the performance of each and every obligation of CONCESSIONAIRE under this Agreement.
49. No Affiliation. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture or other affiliation between CITY and

CONCESSIONAIRE or between CITY and any other entity or party, or cause CITY to be responsible in any way for the debts or obligations of CONCESSIONAIRE or any other party or entity.

50. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior understandings, representations, warranties and agreements between them pertaining to this Agreement and CONCESSIONAIRE's occupancy, use, development, maintenance and restoration of the Concession Area. Any modification, alteration or amendment of this Agreement shall be in writing and signed by all the parties hereto.
51. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument.
52. Notices. Any notice required or Agreement to be given under this Agreement shall be in writing and may be served personally or delivered by United States mail, postage prepaid, and addressed to CONCESSIONAIRE at CONCESSIONAIRE's Address for Notices, and to CITY as follows:

THE CITY OF SAN DIEGO
Attention: Director, Real Estate Assets Department
1200 Third Avenue, Suite 1700 (MS 51A)
San Diego, California 92101
(619) 236-6020

53. Authority to Contract. Each individual executing this Agreement on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this Agreement on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws or other written rules of conduct or governing agreement, and that this Agreement is binding upon such person or entity in accordance with its terms. Each person executing this Agreement on behalf of another person or legal entity represents and warrants such entity is a valid, qualified corporation, limited liability company, partnership or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.
54. Acceptance of Concession Area. By signing this Agreement, CONCESSIONAIRE represents and warrants that it has independently inspected the Concession Area and made all tests, investigations and observations necessary to satisfy itself as to the condition of the Concession Area and its suitability for the Concession Use. CONCESSIONAIRE further represents and warrants that it is not relying on any representation by CITY as to the condition of the Concession Area or its suitability for the Concession Use, and that CONCESSIONAIRE is relying solely on its own and independent inspections, tests, investigations and observations of the Concession Area in entering into this Agreement. CONCESSIONAIRE accepts the Concession Area in its current condition.

CONCESSIONAIRE acknowledges and agrees that unless set forth in this Agreement, CITY has no obligation to improve, modify, repair, replace, alter, secure, or otherwise develop the Concession Area at any time either prior to, on or after the Effective Date. CONCESSIONAIRE shall not hold CITY responsible for any defects in the Concession Area. CONCESSIONAIRE accepts and assumes all risk of harm to all persons and property, including without limitation CONCESSIONAIRE's employees, from any defects in the Concession Area, and shall be solely responsible therefor.

55. Restriction on Plastic Food Containers

CONCESSIONAIRE shall not provide to its customers any prepared, takeout, or supplied/resale food in polystyrene foam packaging, nor shall CONCESSIONAIRE obtain or keep any such customer food packaging at or on the Concession Area. CONCESSIONAIRE's food packaging for all foods shall be recyclable plastic, and CONCESSIONAIRE shall deliver to CITY, upon request, evidence of such in the form of paid invoices for the purchase of biodegradable containers in amounts sufficient to indicate compliance with this section. Post-consumer recycled plastic is preferred for all customer food packing related to the Concession Use. No biodegradable or compostable packaging is to be used by CONCESSIONAIRE unless with the prior written approval of City's Environmental Services Department. "Prepared food" means all food or beverage prepared on the Concession Area for immediate consumption on the Concession Area. "Takeout food" means all food or beverage to be consumed off of the Concession Area. "Supplied/Resale food" means foods or beverages which are supplied by a third party to the CONCESSIONAIRE for either preparing food or beverages on site or direct sell. "Food packaging" means all bags, sacks, wrapping, containers, bowls, plates, trays, cartons, cups, straws and lids which are not intended for reuse, and on or in which any prepared food or takeout food is provided on or from the Concession Area.

CONCESSIONAIRE should also limit its distribution of plastic bags to its customers.

IN WITNESS WHEREOF, this Agreement is executed to be effective as of the Effective Date.

NINE DRAGONS, INC., a California corporation

BY: Diana Margip - Chuh
Name: Diana Margip - Chuh
Title: President

THE CITY OF SAN DIEGO, a California municipal corporation

BY: _____
Name: _____
Title: _____

Environmental Analysis Section Environmental Clearance:

This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines, Section 15301 (Existing Facilities) Approved by Environmental Analysis Section, Development Services Department.

Date: _____

BY: _____
Name: _____
Title: _____

Approved as to form and legality this _____ day of _____, 20____

JAN I. GOLDSMITH, City Attorney

BY: _____
Name: _____
Title: _____

Café Layout

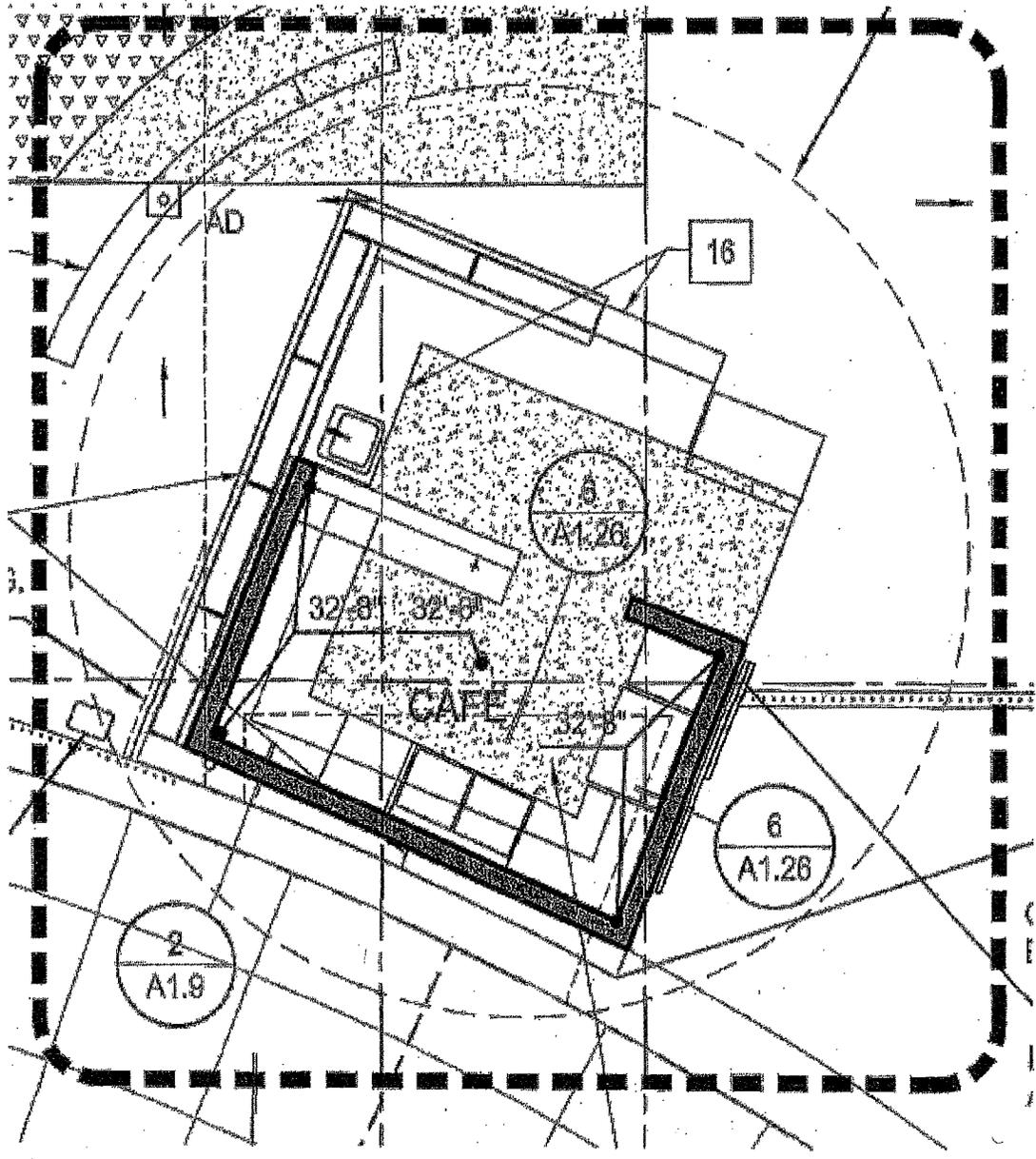


Exhibit "A"

PRO FORMA STATEMENT (YEAR 1 - YEAR 10) Minimum guarantee is \$500 per month

RECEIPTS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Food & Beverage Sales										
Food & Beverage	135,000	148,500	155,925	171,518	180,093	189,098	198,553	208,481	218,905	229,850
Logo Merchandise	1,000	1,100	1,155	1,271	1,334	1,401	1,471	1,544	1,622	1,703
Total Gross Receipts	136,000	149,600	167,080	172,788	181,427	190,499	200,024	210,025	220,526	231,552
OPERATING EXPENSES										
Accounting & Computer	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Advertising & Promotion	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Vehicle & Transportation	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Credit Card Expenses	1,000	1,100	1,155	1,213	1,273	1,337	1,404	1,474	1,548	1,625
Commissions and Bonuses	-	-	-	-	-	-	-	-	-	-
Cost of Goods and Services Sold	32,500	37,400	39,270	43,197	45,357	47,625	50,006	52,506	55,132	57,888
Employee Benefits	11,925	12,283	13,511	14,862	16,348	17,983	19,781	21,760	23,936	26,329
Fees/Permits/Licenses	1,200	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Insurance	4,500	4,725	4,961	5,209	5,470	5,743	6,030	6,332	6,649	6,981
*Leases & Rental Fees	13,600	14,960	15,708	17,279	18,143	19,050	20,002	21,002	22,053	23,155
Misc. Operating Expenses	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Compensation to Officers										
Possessory Interest & Other Taxes	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Postage & Freight	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	1,200	1,500	1,800	2,100	2,400	2,400	2,400	2,400	2,400	2,400
Travel	250	250	250	250	250	250	250	250	250	250
Salaries and Payroll Related	36,493	37,588	38,715	39,877	41,073	42,305	43,575	44,882	46,228	47,615
Supplies	3,600	4,000	4,400	4,800	5,200	5,200	5,200	5,200	5,200	5,200
Telephone	600	600	600	600	600	600	600	600	600	600
Utilities	7,200	7,416	7,638	7,868	8,104	8,347	8,597	8,855	9,121	9,394
Other	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total Operating Expenses	127,868	137,722	143,909	153,155	160,118	166,740	173,746	181,161	189,015	197,338
FIXED EXPENSES										
Depreciation/Amortization*	6,000	6,000	6,000	6,000	6,000					
Total Fixed Expenses	6,000	6,000	6,000	6,000	6,000	-	-	-	-	-
NET INCOME	2,132	5,878	7,171	13,633	15,309	23,759	26,278	28,864	31,511	34,214



Copy 4

THE CITY OF SAN DIEGO
REQUEST FOR PROPOSALS



THE CITY OF SAN DIEGO AND CORPORATE PARTNERSHIP PROGRAM
REQUEST FOR PROPOSALS
FOR THE OPERATION OF THE
SAN DIEGO CENTRAL LIBRARY @ JOAN A IRWIN JACOBS COMMON
LIBRARY CAFÉ
RFP NO. 10042890-14-G

THE CITY OF SAN DIEGO, THROUGH ITS CORPORATE PARTNERSHIP PROGRAM, IS
ISSUING THIS REQUEST FOR PROPOSAL (RFP) TO IDENTIFY COMPANIES
INTERESTED IN OPERATING THE LIBRARY CAFÉ AT THE SAN DIEGO CENTRAL
LIBRARY @ JOAN A IRWIN JACOBS COMMON.

Company: Nine Dragons, Inc. Name: Diana Mar Jip-Chuh
[PRINT OR TYPE]

Federal Tax I.D. No. 3831226

City of San Diego Business License #: NA Signature D. Mar Jip-Chuh

Street Address: 1034 14th Street Title: President

City: San Diego Date November 14, 2013

State: CA Zip Code 92101

Tel. No. 619-231-9108 Fax No. 619-231-9428



November 14, 2013

City of San Diego
Purchasing and Contracting Department
Attn: Beverly Asbill-Gumbs
1200 Third Avenue, Suite 200
San Diego, CA 92101

**RE: RFP NO. 10042890-14-G Operation of the San Diego Central Library @Joan A Erwin
Jacobs Common Library Cafe**

Dear Ms. Asbill-Gumbs,

Nine Dragons, Inc. is pleased to submit our proposal for the above referenced procurement. Nine Dragons has joined with The Living Room coffeehouses to offer unique coffee and tea drinks and a homemade menu, backed by family-based managers with 30 years of restaurant and concessions experience in the San Diego area.

President of Nine Dragons, Inc. Diana Mar Jip-Chuh has partnered with Swiss chef and The Living Room coffeehouses owner/entrepreneur Beat Wick to add a taste of European-style coffee house to the local vibe, drop a few literary references and present the local community, library patrons, and coffee house connoisseurs with a homey yet high quality spot to relax and enjoy the company of friends and good books. ✓
nick

Nine Dragons, Inc. owns and operates The House of Nine Dragons restaurant in Bonita, CA, a community icon due to its 30 years serving fine Chinese food. Nine Dragons, Inc. has previously operated food service concessions at the San Diego International Airport (SAN) for 19 years, where they successfully expanded and grew into new concessions. ✓

The Living Room coffeehouses began in San Diego in 1991 and rode the reputation of Beat Wick's unique concoctions based upon his Swiss heritage and culinary training, which he has cleverly updated for American tastes.

We believe we have crafted an attractive concept that will offer delectable foods and the finest coffee, served with a creative flair and managed to meet or exceed the City's goals. We are excited to join with the City to present our creative Library Cafe concept and to serve the residents and guests of the City of San Diego. Please do not hesitate to contact me for any additional information you may need.

Sincerely,

Diana Mar Jip-Chuh, President
Nine Dragons, Inc.



Table of Contents

Letter

Table of Contents

1. Identification.....	4
2. Operational Proposal.....	6
3. Experience.....	20
4. Rental Offer.....	24
5. Financial Capability.....	26
6. Public Benefits/Product Exclusivity Option.....	27
7. Proposed Improvements.....	28

ATTACHMENTS

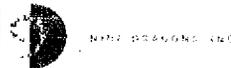
Nine Dragons 2012 Federal Tax Statement

FORMS

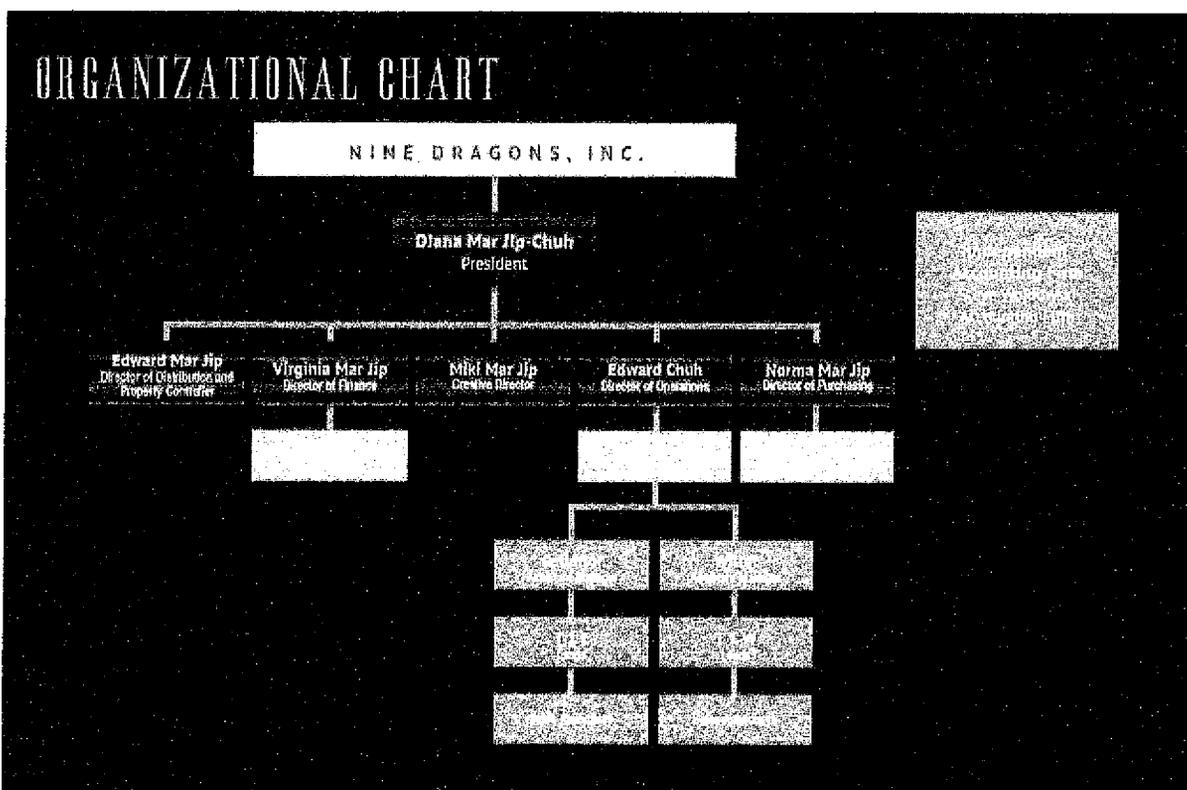
- Exhibit A Living Wage Ordinance
- Exhibit B Equal Benefits Ordinance Certificate of Compliance
- Exhibit C Drug-Free Workplace
- Exhibit D Credit Request and Release
- Exhibit E Credit Information Request
- Exhibit F Americans with Disabilities Act (ADA)
- Exhibit G Work Force Report



1. Identification



Name of the Organization: Nine Dragons, Inc.
Address: 1034 14th Street, San Diego, CA 92101
Daytime Phone Number: 619-231-9108
Employment of the Proposer: Restaurant Management and Service
Social Security Number: 567-21-6636
Federal Tax ID Number: 3831226
Names/Addresses of Principals Responsible for Operation of the Business and Their Position in the Firm



The above Organization Chart lists the Principals and their positions in operating the firm. Below we provide their addresses.



Privately Held Corporation Listing of all Stockholders, their Interest in the Company as related to Percentage of Ownership and Operations of the Entity.

Stockholder Name/Board Position	Address	Percentage
Diana Mar Jip-Chuh President	1521 Country Vistas Lane, Bonita, CA 91902	16.66%
John A. Mar Jip Director	1521 Country Vistas Lane, Bonita, CA 91902	16.66%
Edward C. Mar Jip Director	1961 Geyserville Street, Chula Vista, CA 91913	16.66%
Virginia Mar Jip Secretary/Treasurer	1521 Country Vistas Lane, Bonita, CA 91902	16.66%
Norma Mar Jip Vice-President	2044 Waterbury Circle, Chula Vista, CA 91913	16.66%
Stuart Lum Jr. Director	5425 Los Rios, Yorba Linda, CA 92887	16.66%



2. Operational Proposal: Nine Dragons Invites You into The Living Room

The perfect accompaniment to a good book is a homemade snack and blended cup of coffee to warm you as you chew on the author's words or linger over passages that transport you to another time and place. The perfect accompaniment for Nine Dragons, Inc. a San Diego restaurant and concession operator is The Living Room Coffeehouse. Nine Dragons has licensed The Living Room name to bring a menu of tasty adventures and coffee treats to the Library Cafe, and like a captivating novel, stir your imagination.



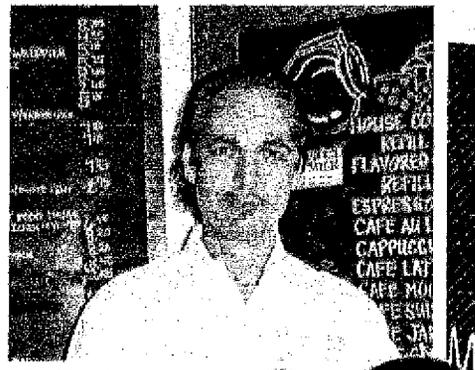
Nine Dragons plus The Living Room equals love in a cup of coffee. It's perfect. And all that other good stuff—homemade, organic, fresh foods and treats—are all yours in a kickback setting at the Library Cafe.

Nine Dragons President Diana Mar Jip-Chuh and The Living Room Owner Beat (pronounced Bay-ought) Wick found common ground(s) to offer high quality coffee and espresso recipes with a diverse menu featuring rotating special items. Diana and Beat will work together to ensure that the local coffeehouse flavor of The Living Room is faithfully translated into the Library Cafe.

Everyone we spoke to suggested the Living Room as their favorite coffee house.

PASSION AND CREATIVITY

Owner Beat Wick named his restaurant The Living Room to encourage guests to linger and feel as comfortable as home. His logo was inspired by two of his regular customers - a punk rocker and an older conservative woman. He asked them to pose together so that he could create a logo based upon them. Beat wanted to create this atmosphere where everyone was welcome. The sight of this unusual pair inspired his unusual logo.





Concept: A Living Room Next to the Library

The Living Room Coffee House: A San Diego Second Home for 22 Years



The Living Room is in the house...of Nine Dragons. Pictured above are the Old Town, La Jolla and Point Loma homey and comfy Living Rooms.

A Coffee House Craze: The Story of The Living Room

In 1991 there were fewer than 10 coffee houses in the San Diego area. Today there are over 1,000. The Living Room owner Beat Wick recognized this trend at its beginning and, drawing on his Swiss roots, developed a plan to bring a comfortable, European style cafe to the area. That same year, Beat opened the first Living Room near San Diego State University (SDSU). It was instant coffee success! Beat's coffeehouses drew a dedicated cult following of college students, and neighborhood and local business people. By 2002 there were five Living Room Cafes at locations in La Jolla, Point Loma, Old Town, SDSU and National City.

A Worldwide Cafe Entrepreneur

Beat Wick trained in hospitality in Lucerne, Switzerland, worked in Bermuda and Chicago and found his true home in San Diego. He opened Chez Beat and Rolf restaurant in Pacific Beach and sold it in 1989 when he saw coffeehouses as an opportunity that he believed was about to go big.

After 22 years, locals of all ages consider The Living Room a second home. All five Living Rooms in the San Diego metro area strive to be like your own living room—a comfortable kickback place to relax with friends, work, read, study and compare notes, surf the Net or pass the time enjoying European-style coffee and espresso, pastries, sandwiches, salads, soups, quiche and daily specials—all homemade fresh in the store. Customers text that they're hanging out in "their Living Room" for the afternoon. SDSU alumni recall it fondly as their study spot and still go there to flip open a laptop and see what scrumptious surprises the menu holds.



The popular National City and SDSU Living Rooms draw a mix of repeat clientele that like to linger. ✓

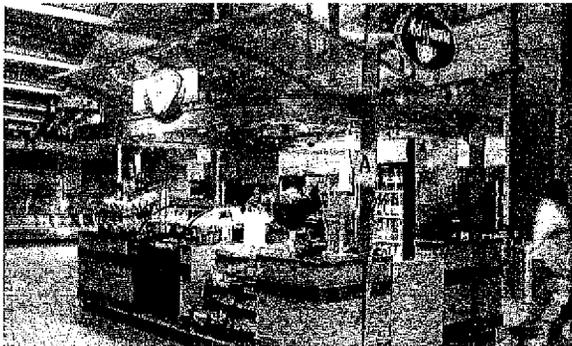


Nine Dragons and The Living Room: The Sweet Smell of Success

The Living Room atmosphere and ambiance attracted Diana Mar Jip-Chuh of Nine Dragons. Diana identified the rich aromas that drew her inside as the sweet smell of success. Diana also recognized that Beat, who has been delighting San Diego locals with his all-natural, organic or locally-sourced ingredients for more than 22 years, could transform the Library Cafe into a cozy corner of the universe combining hot coffee, cool concoctions and the most important ingredient, loyal customers. ✓

For 30 years in the San Diego area restaurant business, Nine Dragons, Inc. has operated both large and small establishments. This has given us a keen insight on the area's customer base and a comprehensive perspective on what works and how best to present it to the public. Nine Dragons has succeeded not only with a full-size, mainstream family restaurant, but also with a series of smaller ventures, including:

- Commuter Cafe
 - Commuter Cart
 - Kassianna Coffee Cart
 - Jamba Juice
- and also
- Sees Candies and PASSPORT gift store.



Nine Dragons combines an attractive presentation with quality food & drinks for customer satisfaction.

Knowing and Understanding the Customer

Nine Dragons serves the public at its restaurant site in Bonita, CA (San Diego suburb) where we are comfortable meeting the needs of neighborhood families and suburban professionals, local youth and community organizations.

✓ We met the needs of a wider cultural mix at San Diego International Airport (SAN), where we operated six concessions. There, we catered to tourists, business travelers, foreign nationals, and specialty consumers whose needs differ from standard reservation-based meal service. At SAN, we understood our customers' on-the-go requirements, hurry-up service needs, alternative selection criteria for carry-on food, and we provided the tasty light travel bite and refreshing beverage or coffee pick-me-up they sought, along with responsive service they needed to meet a busy schedule. ✓



In our many years of catering to the appetites of both local friends and world travelers, we have learned how to satisfy the tastes of all types of diners, in sit down settings and on the run, for full course meals and for coffee and snacks. This is an essential element that we will apply in planning a level of service for the Library Cafe.

The most important aspect of our business is our day-to-day on-site service. Each of our family members learned the restaurant business through hands-on experience, direct contact with the public, meeting people and getting to know their preferences. We anticipate offering the type of familiarity where a regular customer comes in and receives the "usual" order that we know they enjoy. We like to get to know our clientele, to offer a friendly and welcoming place to linger, and that's why The Living Room made such an impression on us. We believe that our partnership will click due to our passion for making people happy and chef Beat Wick's skill for satisfying their appetites.

Wick **The Library Cafe Living Room: Friendly, Hands-on Style**



Nine Dragons and The Living Room have devised a plan to develop, operate and manage The Library Cafe to meet the levels of success that each partner has enjoyed in their previous restaurant, concession and cafe ventures. A literary theme is natural for the Library Cafe, and we may add small touches of literary culture to some of our promotions, mentioning historical and high-profile authors and referring to genres such as romance, adventure, comedy or mystery. Features may include the Chef's

Special or even the Chef's Mystery Special, as well as Chef's Favorites.

*children?
+ menu?*

Nine Dragons management and Living Room owner Beat Wick agree on the vision for the Library Cafe as a casual complement to the Central Library. We also agree that friendly service and daily, hands-on personal care are vital to our success. Chef Beat Wick has a presence that fills the room and the tummy. His appearances at Living Rooms everyday is for a reason: Beat enjoys hearing his customers' wishes for new and exciting menu items, which he then responds to by applying his international training and delicious imagination in conjuring up exciting treats and tastes. Beat has always talked with his customers. After 20 years of these conversations, we feel he's perfected it to bring to the Library Cafe.

What's on the European Inspired Menu?

From our choice of espresso brands (Nespresso of Switzerland) to a Swiss favorite breakfast item, Muesli, to unique and delicious pastries, our coffeehouse will celebrate the best of European cafe culture. Approximately 85% of the menu items at the Library Cafe Living Room will be delivered fresh daily from The Living Room kitchen in San Diego. Our service approach offers a rotating menu of customer favorites, and also something new on each visit--from sandwiches with artisanal bread to salads with fresh, local seasonal ingredients to homemade soups made from fresh Farmer's Market produce.



THE LIVING ROOM'S
COFFEE & SPECIALTY DRINKS
MENU

COFFEE OR TEA-BASED DRINKS

All varieties available iced

Espresso
House Coffee
Flavored Coffee of the Day
Cappuccino
Cafe Latte
Cafe Au Lait
Cafe Mocha
Chai Latte
Hot or Iced Tea (Freshly brewed)
Chai Tea

COLD DRINKS

Blended Coffee
Iced Vietnamese Smoothies

SPECIALTY DRINKS

Some Drinks will be Seasonal

Cafe Svizzera (Mocha w/Raspberry)
Cafe Jaffa (Mocha w/Orange)
Milky Way (mocha w/Caramel)
Cafe Blonde (Espresso w/White Chocolate)
Hot Chocolate
Steamer
Flavored Steamer
Hammerhead



THE LIVING ROOM'S
FOOD MENU

All items from The Living Room are made fresh each day from only the highest quality ingredients, local and organic where possible.

BREAKFAST

Quiche Lorraine: A rich mixture of Bacon, Sauteed Garlic & Onions, Eggs, Cream, Gruyere, Swiss & Parmesan Cheese Baked in a Pie Dough Crust
 Quiche of the Day
 Assorted Toasted Bagels served with Cream Cheese or Butter & Jam
 Traditional Swiss Breakfast Muesli
 Flavored Yogurts

PASTRIES/BREAKFAST ITEMS

Muffins
 Danish
 Banana, Zucchini or Raisin Bread
 Biscotti
Rotating varieties of muffins include Carrot, Bran, Banana-Nut, Blueberry, Cranberry-Orange, Raspberry, Cinnamon/Raisin/Apple, Chocolate-Chip, Bran & Honey, Lemon-Poppy-Seed

SANDWICHES

May be made on French Bread, Croissant or Multigrain depending on day and sandwich variety. Our sandwich selections will rotate each day.
 Grilled Chicken, Tomato & Basil, Tortilla, Roasted Chicken Breast, Lettuce, Tomatoes, Olives & Ranch Dressing
 Turkey, Cheese, Bacon
 Naan or Flatbread Veggie Sandwich
 Pastrami Sandwiches

HEARTY SOUPS WITH MEAT

We will offer over 20 varieties of soups on a rotating basis, including
 Chicken-Rice
 Chicken w/ Tortilla
 Beef Goulash
 Clam Chowder
We will also offer a "Soup of the Day."



SALADS

Mixed Green Salad, Caesar Salad

Our specialty salad selection will rotate each day.

(Examples of salads to be offered)

Chicken, Grapes & Pecans, Chicken Breast in a Light Mixture of Sour Cream, Herbs & Spices, Fresh Grapes & Pecans

Chicken Curry, Chicken Breast in a Light Curry Mixture

Apricots & Pecans

Chicken Breast, Broccoli, Cauliflower, Boiled Eggs & Sun Dried

Tomato Pesto

Spinach, Red Beet, Boiled Eggs, Crispy Bacon w/Tarragon Vinaigrette

DESSERTS

Specialty Bars

Pecan Bars

Florentine Bars w/Almond Raisins & glazed with honey

Brownies/Blondies

Apple Streudel

OTHER TO GO ITEMS

Bottled Soft Drinks

Bottled Water, various sizes, spring & purified

Bottled Teas

Milk

Lemonade

Cereal/Energy Bars

Fresh Fruit

Yogurt Parfait

Cheese and Crackers Pre-pack

Vegetables w/Hummus or Dip



Advertising and Promotions

"Anthology" Combos and "Study Time" Specials

To encourage customers to make multiple-item purchases, we will craft discounted Anthology Combo Deals such as "Buy Two Sandwiches, Get a Free Coffee" or deals to prompt mid-afternoon purchases such as a "Study Time" special from 1:30-4:30pm for "Free Coffee of the Day with the purchase of a pastry or dessert."



Chalk Talk Daily Special

We will feature chalkboard daily specials with price promotions, and feature the Soup of the Day, a new menu item or employee favorites.

To create the ambiance of a local library neighborhood coffee house, we may add a daily or weekly famous quote such as, "Coffee, the favorite drink of the civilized world." — Thomas Jefferson, or "You need some coffee, don't you?" "Yes, I've only had a gallon." — John Grisham, *The Confession*.

We'll feature on-site promotions of special seasonal items and combo packages.

Bounceback "Library" Cards

We value our repeat customers! We will issue "library" rewards cards that tie in to the Library Cafe theme and gift loyal customers their sixth cup of coffee free. We can also develop one for specialty drink lovers who meet a similar purchase threshold for a free specialty drink. Tied into the library theme, we might even call it our "renewal" program.

Promotional Drinks On Us

We will work with our beverage and snack vendors to create promotions. Water companies are often willing to give away free bottles for a limited time in exchange for limited promotional signage or employees wearing a button or t-shirts. Customers appreciate these promotions as a bonus to their purchase.

Tis the Season for Special Promotions

The nature of our rotating menu service lends itself perfectly to seasonal specialties that we will promote within our stores. From Pumpkin Spice Lattes and Turkey Sandwiches with Stuffing and Cranberries in the Fall, to Fresh Squeezed Lemonade and Grilled Vegetable Salad in the Summer, we will always rotate in new menu items, promoting them prominently within the stores.





Master Blends and Exciting New Brands at The Living Room
Esso, Preserving and Serving the Ultimate Espresso

The Living Room Coffee House will work with Nespresso to custom tailor flavors to our customers' desires. Nespresso offers a unique extraction system which has become the preferred way of making espresso by connoisseurs of specialty drinks. Its hermetically pressurized seal preserves the 900 aromas and flavors of freshly ground coffee until it is served.



Actor George Clooney is a well known sponsor for Nespresso.

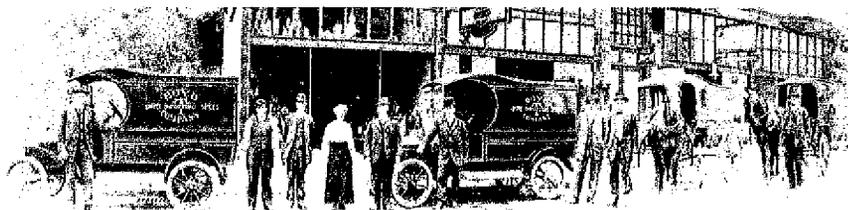
The Nespresso system adds the exact proportion of the freshly roasted and ground coffee to the sealed capsule to protect it from air and light, retaining quality and freshness, and preserving for serving. The subtle flavors and aromas and thick and perfectly textured espresso make exceptional coffee drinks. From production through to tasting, nothing is taken for granted. This is why every cup delivers the Ultimate Coffee Experience.

As a new and exciting brand, Nespresso will likely find The Living Room a great promotional vehicle. We expect to use their beautiful photography and high quality advertising to supplement our own graphics, lending an air of style to our promotions. We will work with them on an ongoing basis to offer special promotions for purchase of their pre-packaged gift boxes of single-serve cups of espresso.

Boyd's Coffee Company

Boyd's Coffee is one of the oldest family-owned coffee companies in the world. Founded in 1900 in Portland, Oregon, Boyd's has a long, storied history of helping restaurants, hotels and convenience stores attract and keep customers by providing them with consistently excellent coffee, tea and other beverages.

Boyd's coffees and espressos tempt the senses with offerings such as Organic Rip City--intense like Portland, Pumpkin Pie Spice, French Vanilla, and Red Wagon Organic--named after their delivery trucks, as well as many more unique and original brews. Their fine line of products includes hot and iced teas, frozen beverages, seasonal products, flavored syrups, beverage



Boyd's began in 1900 and is still brewing strong today.

toppers, creamers, compostible cups and lids, and more. Boyd's also offers marketing and merchandising support to increase beverage sales.



Operations and Management

Executive Management

Busboy, cashier, prep chef, fry & grill chef, part-time dishwasher and now President & CEO, Diana Mar Jip-Chuh is one of nine children (dragons) who grew up in the family's restaurant business. Under her father's guidance, Diana also earned a degree in Communications from the University of California, San Diego, and worked as an International Operations Associate for Dai-ichi Kangyo Bank of Los Angeles, CA. Her hands-on management skills, financial acumen and pursuit of opportunities for growth spurred the company's sales increase from \$500,000 to \$3 million.



Diana Mar Jip-Chuh, President & CEO and Edward Chuh, Director of Operations, lead a family-based team that increased the company's sales from \$500,000 to \$3 million.

On-Site Management

Edward Chuh, Director of Operations since 1997, holds a degree in Economics from Long Beach State University. His budgeting, cost management and team building are essential contributions that have paid off on past Nine Dragons ventures. He served as on-site liaison between Nine Dragons and HMSHost, our prime contractor at SAN, and his presence everyday at Nine Dragons' concession operations displayed the same type of commitment Ed will make to the Library Cafe. He managed a staff of 45 sales associates and supervisors and understands how to motivate personnel by emphasizing family values and personal service to spur performance improvement.

Management's Customer Service "Fillosophy"

Diana Mar Jip-Chuh and Ed Chuh each subscribe to and promote a customer satisfaction approach that emphasizes comfort and family friendliness. Our positive "Fillosophy" says that whether the coffee cup is half-full or half-empty, we fill it up! Pleasing and even pampering customers is low-cost--a complimentary cup of hot joe, a fresh pastry or a substitute sandwich--but high reward, as we earn their respect and patronage. We enjoy making customers happy--a trait learned early in our restaurant business background that goes hand in hand with the old adage, "The Customer Is Always Right." As part of our management oversight, we encourage staff to improve the customer's experience, make them feel valued and let customer relationships grow out of attentive, prompt, courteous and comprehensive service, with a bit of chit-chat, too!

Customer Satisfaction

We know instantly if our customers are satisfied, by listening to them. Purchasing behavior reveals customer satisfaction. We like to see customers excited about new menu items. If a newly ordered sandwich sells out the first day, it's not just a good



gauge of customer satisfaction with that menu item, it's an opportunity to ask directly for customer feedback, for example, "What is the appeal of this new menu item?"

Staff Training

Nine Dragons is a family operation, and we consider our employees extended family. Our high-visibility management presence at all of our locations included active participation in training employees. Our method of one-on-one instruction featured our managers working side-by-side with employees until they had not just learned their jobs, but had acquired a sense of style that reflected Nine Dragons' emphasis on friendliness and quality, two unbeatable attributes for serving the public.

Staffing Plan

We adhere to a formula to optimize staff hours, best serve customers and run a cost-effective operation. At SAN, we used detailed reports from our Point of Sale (POS) system to create staffing plans for our units. Our software tracked sales across different daytime and nighttime trends, highlighting the peaks and valleys that happened as airlines scheduled banks of flights, and we staffed accordingly. We will apply these basic principles to the Library Cafe, and just as we served all SAN customers from first flight to last departure, we will meet the needs of Library Cafe patrons, from those cracking books at the crack of dawn to the very last checkout as the lights go out.

Continuous Improvement

Customer service and suggestive selling are key components of growth and a management focus on the future of Nine Dragons' operations. We are currently investigating and developing incentive programs that will motivate our employees, offering them a chance to excel and be rewarded.

Superior Benefits

For a small business, Nine Dragons superior employee full-time benefits include:

- Health Insurance
- Life Insurance
- Dental and Vision Plans
- Vacation
- Paid Time Off/Sick Days
- Profit Sharing

Dress for Success

At all of our restaurants and concessions, Nine Dragons maintained a corporate image consistent with our quality service. Our employees presented a clean, well-groomed appearance, an absolute must in the food service industry. We establish our employees as professionals and define them as team members by applying a uniform code of dress. At SAN, employees wore a name tag, airport badge and a complete uniform every day. Black or white walking shoes were required. Uniforms were cleaned and pressed and in good condition. We plan for employees at the Living Room Coffee House to wear a black polo shirt, black or khaki pants and a red apron. We will feature The Living Room's unique logo on the main pieces.



Special Needs

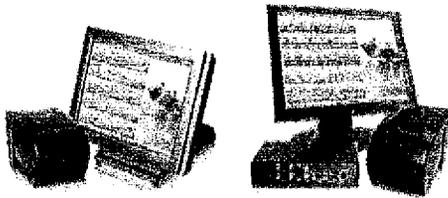
Nine Dragons will ensure ample area for people with disabilities. We will adapt the Library Cafe to be as accessible as possible to people with mobility limitations. We always attempt to exceed ADA guidelines for accommodation, and we train our employees to do everything they reasonably can to assist customers who need or request it. Additionally, we provide menu items that children enjoy, and we are known for hiring bilingual staff members to meet the diverse communications needs of the region.

Tools of the Trade: Comprehensive System for Food Service

For the new Library Cafe, Nine Dragons will use the Aldelo QSR Point-of-Sale (POS) system together with hardware by Partner Tech Touchscreen System SP-1000, designed to handle retail and food service.

The system is of great assistance to our operations team. Features such as easy to use point of sale, integrated payment processing support, financial accountability and extensive reports are all part of the standard capabilities.

Advanced Table Service & Quick Service POS



Aldelo For Restaurants .

- Field Proven*
- Full Featured*
- Cost Effective*
- Super Easy To Use*

As we transition into selling food from the Living Room, we will use this to track our customer's favorite items and to re-order on a daily basis. We rely on this software to ensure that we have the appropriate inventory. It is also the key metric on which we create employee schedules, calculating the peaks created by

daily fluctuations in library hours, events nearby and volume of foot traffic.



Maintenance



Nine Dragons is proud of our "A" health ratings that we strived to maintain by insisting on the highest food, service and cleanliness quality on a daily basis.

As Hemingway suggests, a clean, well-lighted place implies order and clarity, and presents an attractive environment that draws people in and makes them want to stay.

The owners of Nine Dragons grew up in restaurants and learned from an early age the value of scheduled maintenance to instill cleanliness standards. The Nine Dragons team operates a high volume Chinese restaurant that depends upon an immaculate kitchen, and previously served the public at six different concessions at SAN, all requiring regular, thorough maintenance to allow a high level of operating efficiency. We are well versed in all facets of food safety, food storage, food handling and overall employee and facility cleanliness. As pictured above, we are proud of the high marks we always received from the Health Department. Our healthy record owes its high quality ratings to our rigorous attention to a regular maintenance schedule.

Closing Time

Every morning we opened sparkling stores, and surprisingly, it's the way we closed our stores that kept them so pristine. Closing time is the most important part of the day for maintenance. At closing time we thoroughly wash down everything, mop the floors, disassemble equipment and sanitize it, then reassemble it, wipe down bakery cases, shine all stainless steel, check inventory for rotation, and dust off menu boards. Nine Dragons staff performs all day-to-day cleaning, per management direction that includes a checklist so that no element is overlooked.

We propose to apply these same standards of maintenance and cleanliness to the Library Cafe. If we can dare to revise Hemingway's famous words just a tad, it is Nine Dragons' intention to provide a sparkling clean, well-lighted and maintained place.



Additional Maintenance and Repairs

For our current restaurant and previous concessions, more in-depth cleaning is done by outside resources on an as-needed basis. Management follows up on all inspections and any reports of equipment failure. We maintain a service technician that has a 6-hour or less response time for major equipment that breaks or malfunctions. We keep backup equipment for major items like coffee and espresso. *Nine Dragons will never allow discontinuation of service to our customers.* Other maintenance activities we schedule include:

- Our Kassianna Cart's awning was dry mopped every other week with a microfiber mop. The mop cleared the surface of dirt and germs.
- We have never had an incident of pests, but we did have Ecolab come in every other month to ensure that our units were the safest possible for all our traveling public.
- We will always have backup units for Nespresso and regular coffee. Nespresso will perform ongoing assessments of water hardness to ensure optimal performance.

We Feed, You Feedback

No maintenance plan would be complete without feedback from our customers. We have developed a plan to put a statement on all receipts requesting customers who experience any deficiency in our service to please call our corporate office at (619) 231-9108. Nine Dragons has devised follow-up methods to immediately address any concerns.

Secret Formula

When the Jamba Juice franchisor's secret shoppers visited us, Nine Dragons received very high marks on all operational issues. We welcome input from professional consultant organizations such as Secret Shopper and always consider recommendations they might offer to help us improve service and productivity.

Quality Assurance Operations Checklist

Nine Dragons' operations checklist system is a quality assurance tool for managers to evaluate their stores and reminds them that small items can sometimes fall through the cracks when you look at the same store every day. We have used our checklist to good effect. It will be updated to be specific to The Living Room.

Deliveries and Storage

We anticipate receiving a large percentage of our food from The Living Room's catering delivery trucks. Initially we will receive delivery once a day, but as we have a better understanding of the sales flow, we will adjust it as necessary. We also anticipate adding Asian and Chinese specialty foods to the delight of our diverse clientele.



3. Experience

30 Years Serving San Diego

Nine Dragons, Inc. has 30 years of experience in the food service industry, and has developed, operated and managed food service concessions for each of the last five years, including House of Nine Dragons restaurant, Commuter Cafe, Commuter Cart, Kassiana Coffee Cart, Jamba Juice and Sees Candies.



The Mar Jip family founded, staffed, managed and currently operates House of Nine Dragons restaurant in Bonita, CA.

The family developed, operated and managed food service concessions at San Diego International Airport from 1994-2012.

Diana Mar Jip-Chuh is President of Nine Dragons, Inc. The House of Nine Dragons restaurant was founded in San Diego in 1983, based upon family traditions that date back to the Mar Jip family's first restaurant, opened in Tijuana, Mexico in 1950 by Diana's father, Antonio Mar Jip. The entire family grew up in the restaurant business, and by 1994 expanded to a successful association operating concessions at the San Diego International Airport (SAN).

House of Nine Dragons Restaurant

The Mar Jip family originated, developed and currently owns, operates and manages the House of Nine Dragons restaurant in Bonita, CA, a suburb of San Diego. The restaurant is considered a community icon and has developed a loyal following while continuing to grow under the direction of President Diana Mar Jip-Chuh and Director of Operations Ed Chuh.



Throughout the three decades of successful operation, the Mar Jip family has continued to expand, offering new and exciting menu selections while continuing to serve the traditional favorites that built its client base.

Training Days

Growing up, members of the Mar Jip family received a hands-on education in the food service industry from their father, Antonio Mar Jip who left China as a teenager and ultimately opened and operated a successful Tijuana, Mexico restaurant called Mi Kin Low, still fondly remembered for its ambiance and wonderful food featuring recipes from Ghuanzhou, China. Their father's restaurant served as a training ground for each of the Mar Jip children (to boss each other around, as they recall it), and his guidance started



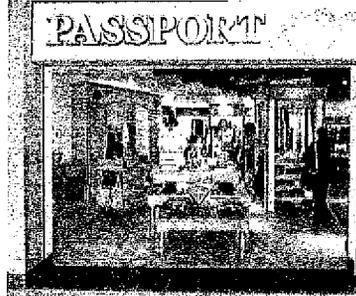
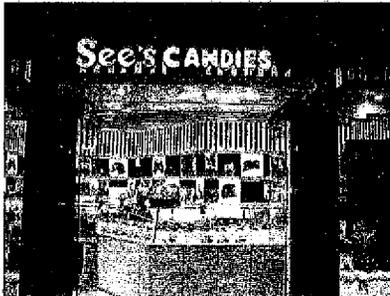
them on a path to becoming not only restaurant owners and operators, but active and involved community participants as well.

Trusted and Proven Vendor for San Diego County Regional Airport Authority (SDCRAA)

Nine Dragons operated six concessions at San Diego International Airport (SAN). Under President Diana Mar Jip-Chuh's direction, Nine Dragons obtained official certification as a Disadvantaged Business Enterprise (DBE), and as a subconsultant entered into a mentoring relationship with an experienced airport operator, HMS Host. The company grew its concession operations at the airport, while learning the most effective methods for attracting, serving and satisfying a wide range of international travelers, including local business people, tourists, students, and families.

We developed professionally with the San Diego County Regional Airport Authority through our ability to:

- Successfully manage food & beverage concessions that serve the traveling public.
- Adapt to changing circumstances and requirements, for example, in 1997 we worked around construction and capital improvement projects at SAN to open two new concessions.
- Make adjustments as needed, as in 2009 when we replaced our SAN Kassiana Coffee cart with a larger, updated version to meet increased public demand.
- Learning how to get the most value from the least space. For example, we have operated concessions in carts of 50 square feet, to cafes of 1,903 square feet, and know how best to catch the public's eye, accommodate customers, display goods and maintain an attractive space.
- Incorporate new menus offering greater selection of food items to increase sales.
- Improve concession design and new build out.

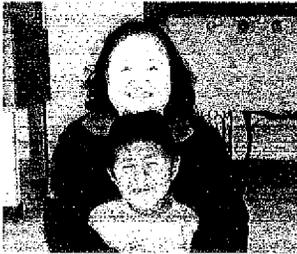


The Mar Jip family operated a Sees Candies concession and the PASSPORT Gift Store, both at SAN.



Community Involvement

Nine Dragons remains grateful for the opportunity to be of service to the San Diego community and donates staff time to important causes. We understand the value of participation. When President of Nine Dragons Diana Mar Jip-Chuh takes her coffee breaks, it's usually to work in community, civic and charitable organizations. Among many other organizations, Diana is most involved in the Union of Pan Asian Communities (UPAC) where she has served as Chairman of the Board, the Rotary 5340/Club 33, and she's on the Board of Directors for Promises2Kids.



Nine Dragons President Diana Mar Jip-Chuh gives back to the community, seen here devoting time to people and charitable causes she supports throughout the greater San Diego community.

Listed below are some of the charities Diana has been involved in, including the ones with which she spends a great deal of her time outside of Nine Dragons:

Union of Pan Asian Communities (www.upacsd.com), 2011 Chairman of the Board

Rotary 5340, Club 33, (www.rotary33.org) member

Promises2Kids (www.promises2kids.org), Board of Directors

San Diego Youth Symphony, Angel's Angel member

Chinese Social Service Center, past Board of Directors

San Diego Chinese Center, past Board President

East-West Optimist Club, past member

Center City Development Corporation, Founding member/past C.A.T. Committee Chair

House of China, past vice-president, presently on Board of Directors

San Diego International Sister Cities Corporation, presently on Board of Directors

Sister Schools of San Diego, past officer & member of the Board of Directors

San Diego-Yantai Friendship Society, President of Board of Directors

Asian Business Association, Founding Board Member & Past Vice-President

Asian Business Association, member of Advisory Board

Junior League of San Diego, present Sustainer member

San Diego Chinese Historical Museum, member of Board of Directors



Current or Past Operations

Below, Nine Dragons, Inc. presents its relevant food service industry experience for the past three years. It is worth noting that, after 18 years of successful service in our locations at San Diego International Airport, all airport operations were closed. This was during a capital improvement and airport renovation program that also ushered in new concessions operators, effectively ending our operations at the airport.

Nine Dragons, Inc. Concessions Operations	COMMUTER CAFE	COMMUTER CART	KASSIANA COFFEE
Sq. Ft.	1,903	50	140
2012 Gross Sales	1,284,662	21,791	279,237
2011 Gross Sales	1,578,044	33,626	350,604
2010 Gross Sales	1,496,402	31,852	433,716
2012 Avg Trans	7.29	Combined with Cafe	3.93
2011 Avg Trans	6.48	Combined with Cafe	3.49
2010 Avg Trans	7.55	Combined with Cafe	4.04
MAG	% of Prime's MAG	% of Prime's MAG	% of Prime's MAG
% Rent	11.5%-19.5%	12.5%	12.5%-16.5%
2012	164,863	2,656	40,846
2011	205,621	4,517	55,562
2010	188,936	4,492	56,223
Term	July 2007- Nov. 2012	July 2007- Nov. 2012	Feb. 2008- Nov. 2012
Capital Investment	\$290,000	\$5,000	\$105,595



4. Rental Offer

On the following page, Nine Dragons, Inc. presents its Rental Offer, including our Proposed Term and Income and Expense projections based upon a 10-year term.



5. Financial Capability

Financial Statement

As a private corporation, Nine Dragons, Inc. presents its 2012 Federal Tax Statement. (Please see Nine Dragons 2102 Federal Tax Statement, attached.)

Despite a downward economic trend nationwide, Nine Dragons, Inc. was able to continue its operations, meet its obligations, donate to deserving causes and maintain the health and employment of its core operations staff. Nine Dragons requests that the Evaluation Committee consider our 30-year continuous and profitable history of successful restaurant and concessions operations in San Diego. We are dedicated to an aggressive approach to continue to build and expand our family business, based upon the total commitment of our tight-knit restaurant and concessions operations managers and personnel. We believe the new partnership, as put forth in this proposal, adds new life to our ongoing and dedicated efforts to duplicate the success we've produced previously in our lifelong occupation, the food service industry.

Bankruptcy

Nine Dragons, Inc. has never filed for bankruptcy.



6. Public Benefits/Product Exclusivity Option

Nine Dragons offers a Product Exclusivity Option for its use of The Living Room coffeehouse's brand. We also offer environmentally conscious public benefits through adherence to environmentally sound methods of product development, sustainability, recycling and reuse, and clean disposal.

License/Authorization Letter

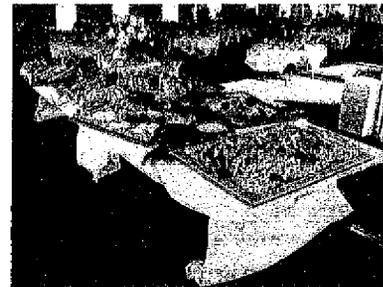
We have included a letter from Beat Wick, owner of The Living Room giving Nine Dragons, Inc. permission to use the name and to offer food from The Living Room. Please see our License/Authorization Letter, at the end of this section.



livingroomusa.com

The Living Room Caters To You

Recently, the creators of The Living Room have launched a new market of fine dining with a production facility to accommodate wholesale services, business catering, parties, and wedding celebrations. The Living Room offers an array of Custom Design Catering and Wholesale Services for special events, party platters, sit-down dinners, corporate events, weddings and birthday parties.



Quality Assurance

The owners of Nine Dragons have worked in restaurants since they were children and are passionate about quality and superior food offerings. Unlike many operators who will use large-scale distributors, nearly all of our items will be packaged for us by the kitchens of The Living Room, so we will have control over the packaging to ensure that we are as eco-friendly as possible. Most of our bakery items, quiches and desserts will be displayed fresh within a bakery case. Items will only be packaged after chosen by a customer, heated and presented. We will give customers the option of a plate (for immediate consumption) or a container. This method cuts down on the inevitable waste of serving every item in an enclosed container.

The Living Room's owner, Beat Wick is passionate about the brand he has spent the last 20 years creating. He will work closely with Nine Dragons to ensure that his brand is well-represented. He is also passionate about the high quality of food that is served. By receiving daily deliveries of his homemade food directly from him, we will always know that we are serving our customers only the best.

Eco Packaging

Corn Plastics/ PLA - Cups for cold beverages and clear containers for the food will be made from corn plastic. Corn plastics are made from PLA (polylactide) which is made from corn. They look and feel like regular plastics, but they are 100% biodegradable and compostable. Corn is a renewable resource.

Bagasse (sugarcane) - The containers for the food items will be made from Bagasse which is made from sugarcane. The throw-away sugarcane stalks are processed into a



pulp and then made into a paper-like substance called bagasse and molded into different shapes. It is considered more environmentally friendly than paper because it is derived from a very renewable resource – sugarcane.

NewCo Paper (24% Post Consumer Recycled Fiber)

Cups for the hot beverages will be served in 24% PCF material (Post Consumer Recycled Fiber). This paper was sent through the recycling stream, and repurposed into FDA approved foodservice-grade paperboard for cups. Post consumer recycled fiber has the added benefit of helping to stimulate demand for recycled paper, thus helping to support the recycling markets here in the United States.

Nespresso: Ecolaboration™ Sourcing Sustainable Highest Quality Coffee

Nespresso is committed to buying coffee of the very highest quality grown in a way that is respectful of the environment and farming communities. For six years, it has been working together with the Rainforest Alliance developing its Nespresso AAA Sustainable Quality™ Coffee Program, and now is committed to sourcing 80% of its coffee from the Program, Rainforest Alliance Certified™, by 2013.

Reducing its Carbon Footprint

By 2013 Nespresso is committed to reducing its carbon footprint per cup by 20% taking into account the whole operation from the farm to cup. Since 2005, Nespresso has been analyzing its carbon footprint by applying a product lifecycle assessment approach, involving partners from the coffee farms to the Nespresso coffee consumers. The aim at all stages of the cycle is to use natural resources efficiently, to favor the use of sustainably managed renewable resources, and to target zero waste.

Nespresso offers on-site training of employees so that our staff will always serve the perfect espresso and specialty drinks.

Boyd's: Continuing a Commitment to Quality

In 1999, Boyd's Coffee was the first American coffee roaster in the United States to import Rainforest Alliance Certified™ coffee. Today, this commitment continues with the addition of the Knockout™ blend containing 40% Rainforest Alliance Certified™ coffee. The medium-dark roasted coffee blend joins five other Boyd's coffee blends using Rainforest Alliance Certified™ coffee beans. The nonprofit organization works to conserve biodiversity and promote the rights and well-being of workers, their families and communities.

Boyd's Coffee is also proud to be the first coffee roaster in the United States committed to purchasing the new Harvested by Women™ Certified Coffee, which gives women in coffee-producing countries more financial investment in the production process from bean to cup.



COFFEE, L.O.L. N'

November 8, 2013

City of San Diego
Purchasing & Contracting Department
1200 Third Avenue Ste. 200
San Diego CA 92101-4195

Attn: Beverly Asbill-Gumbs

To Whom It May Concern:

This letter serves as a notice of our intent to allow Nine Dragons Inc. to use our brand, Living Room, for the Library Café at the New San Diego Library in downtown San Diego.

We are excited about this opportunity to work with Nine Dragons and have Library customers visit the Living Room and sample our great food and drinks.

The Living Room is an institution in the San Diego area with locations in San Diego County (SDSU, La Jolla, Point Loma & National City), along with a robust catering business. We will work with Nine Dragons Inc. to create a branded design that showcases what is best about our unique locations.

We will also supply Nine Dragons Inc. with many of their menu items like the baked goods, salads and other food items as we mutually agree throughout the terms. Please be assured that the wonderful quality for which our customers return day after day will be showcased at the Library's Living Room.

Should you have any questions, feel free to contact me.

Sincerely,


Beat Wick,
Owner

RBR THE LIVING ROOM INC.

P.O. BOX 151497 San Diego CA 92175, 619-818-3431

E-mail: beatwick@sbcglobal.net www.livingroomcafe.net



7. Proposed Improvements

Nine Dragons, Inc. has conceived an exciting new design for The Living Room Library Cafe, melding The Living Room brand with the Library Cafe space to create a colorful, upbeat spot that attracts the eye and that will draw customers in for coffee and espresso, snacks, drinks and stimulating conversation, a chance to meet new friends, or just for a place to chill, pass time, surf the Net or delve into a good book.

Our concept, shown below, adds the San Diego Central Library to The Living Room logo, and depicts the basic look and feel of the new Library Cafe. On the following page, we present our Conceptual Space Plan.

