



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: FEBRUARY 2, 2012
Continued from the December 8, 2011 Hearing

Date: January 26, 2012
Case No.: **2011.0949D**
Project Address: **1737 POST STREET, SUITE 300 (AKA 11 PEACE PLAZA - LOCATED WITHIN THE INTERIOR OF JAPTOWN CENTER KINTETSU MALL)**
Zoning: NC-3 (Moderate-Scale) Neighborhood Commercial District
Japantown Special Use District
50-X Height and Bulk District
Block/Lot: 0700/009
Project Sponsors: Peter Lu / Joan Guo (applicants)
1737 Post Street, Suite 300
San Francisco, CA 94115
Japan Center West Associates, LP – Japan Center Malls (property owners)
1770 Post Street, Box 297
San Francisco, CA 94115
David Goddard / Sheron Chiu (representatives)
3D Investments, LLC
1880 Century Park East, Suite 810
Los Angeles, CA 90067
Staff Contact: Sharon M. Young – (415) 558-6346
sharon.m.young@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

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Planning
Information:
415.558.6377

BACKGROUND

The proposal is the change of use of a vacant commercial space (previously occupied by a retail store) into a small self-service restaurant (d.b.a. KB Café, an Asian fusion style café selling a wide variety of beverages, snacks, and desserts) located within the interior of Japantown Center Kintetsu Mall. The proposed small self-service restaurant, with approximately 490 square feet of floor area, will consist of a sales and service area, kitchen, and storage area. Restaurant seating will be provided within the interior courtyard of the mall. The proposal will involve interior tenant improvements to the ground floor commercial space.

Paul Osaki, Executive Director, on behalf of the Japanese Cultural and Community Center of Northern California (JCCCNC), requested for Discretionary Review of the proposed project. The JCCCNC is concerned that the proposed project is not consistent with the intent of the Japantown Special Use District and will adversely affect the JCCCNC's mission and Japantown community; The JCCCNC states the proposed small self-service restaurant d.b.a. KB Café appears to qualify as a Formula Retail Use affiliated with Kobe Bento-Quickly. The establishment of a Formula Retail Use requires Conditional Use authorization pursuant to Planning Code Sections

249.31(b)(1)(iii) and 703.4 within the Japantown Special Use District. The DR Requestor also states that the proposed small self-service restaurant (specializing in selling beverages, snacks, and desserts) would not help diversify the existing mix of commercial establishments within the Japantown Center Kintetsu West Mall and would contribute to an overconcentration of small “quick” food outlets which currently exist in the mall.

CURRENT PROPOSAL AND REQUIRED COMMISSION ACTION

At the December 8, 2011 hearing, the Planning Commission continued the case to the February 2nd hearing following a failed motion to take Discretionary Review and approve the project with modifications per staff recommendation (+3 - 3 with Commissioners Moore, Sugaya, & Miguel voting against and former Commissioner Olague absent). Please find attached the project sponsors’ proposed business plan and menu for KB Café and the DR Requestors’ supplemental information for consideration at the February 2 hearing.

Attachments:

Business Plan for KB Café

Menu for KB Café

DR Requestors’ supplemental information

BUSINESS PLAN FOR KB CAFE

Mission Statement:

KB Café will be a new generation Asian fusion style restaurant. Due to its small size of 490 square feet, It's a simplified operation with limited but effective menu items. The restaurant will serve multiple purposes for me and my family: Create employment opportunities for my wife and sister in-law who is currently unemployed; establish a stable income for the family; Provide training to my cousins where they are very interested in this type of business; Provide my kids and their friends a hang-around hot spot.

Company vision:

With our experience from a partnership in a similar type of restaurant business involving management, day to day operation and marketing, KB Café will thrive within the Japan Center. My target growth is a 50% increase in sales six month from opening the business, and steady growth in the coming years. Our competitive pricing strategy is affordable for the general public, with the highest item priced below \$5, so the current economy situation will not likely effect our sales due to affordability and a wide variety of choices. The return of our investment in the business is targeted within three years or less.

Business goals and objectives:

KB Café will create a family friendly, welcoming environment and increase patronage to the area, supporting our goals to promote cultural and retail diversity in Japan Center. Supplementing the existing business in the mall, KB Café will help to cultivate the next generation of patrons for Japan Town and the community. With unemployment at a high level, we will also assist students in need of a part time job, at the same time, enhance their business, management and social skills.

Description of Products and Services:

KB Café features variety of well know and popular products in Desserts and Drinks: Dreyer's® ice cream; Hagen Daz® ice cream; Cheese Cake Factory® cheesecakes; Quickly® tapioca drinks, Chinese and Taiwanese specialty Teas, Berkeley Farm® and Foster Farm® Milk; Coca Cola and Pepsi Products. M&M®, Oreo® Cookie and other varieties of milk shakes and smoothies. In food, we carry Tyson® Chicken, assortments of Asian

Snacks such as egg puffs, sesame balls, curry fish balls, mini octopus...etc. Our products are competitive in pricing, with most items below three dollars and the highest priced item at \$4.25.

We will also have seasonal specials, such as Cheesecake milk shakes, watermelon and papaya juices during summer months. Pumpkin Spiced Hot Latte or Mocha during winter months.

We will have limited staff at off-peak hours to save labor cost, and be fully staffed during peak hours such as after school hours, weekends and holidays. Our staffs will be well trained and service will be prompt and efficient. At KB Café, most drinks will be prepared within 2 minutes, and foods are ready to serve within 5 minutes so patrons in need of a fast drink or snack can get on with their business in a timely manner. The design of our KB Café is for efficiency, with ease of access to equipment, supplies, and inventories. It will work well even with a long line of customers waiting for their order.

Organization and Management:

KB Café is owned by Lu and Associates, a corporation, with Peter Lu as the president and chief executive officer with 75% share, Mary Guo as the vice president with 25% share.

I have been living in the San Francisco since the 1980's where I raised my family. Me and my brother, Danny, have worked with my family on two successful print shops and an advertising business in San Francisco Chinatown and SOMA area. I have partnership in Wing's Depot, a successful trucking and logistic company in Oakland, California. I also have share of two small restaurants in San Francisco area, where I am involved in the management and marketing. My wife Joan worked for Wells Fargo Bank for ten years and had been recently laid-off; Her sister in law, Lily Lu, works part time at a small restaurant in Chinatown; Joan and Lily will take over the management positions once KB Café is open for business. Mary Guo, who works for First Republic Bank, will served as a consultant for the business.

Our accountant is Chan and Leung, LLP, 9 Kearny Street, suite #2, tel (415) 546-7718.

Marketing and Sales Strategy

Japan Center mall is a Japanese culture rich mall. Its tenant mix contains general and specialty retailers and a variety of restaurants. KB Café will

target younger consumers and sell non-Japanese "fast food" products which is currently underserved in the mall. In marketing, KB Café will have its own website and utilize the current technology for promotions, with promotion flyers distributing inside the mall outlets. We will have our grand opening specials for ninety days, where a big portion of the menu items will be on sale to attract customers all around to city.

List of key company principals:

Lu Peter, President
Guo Joan, Vice President
Huang Lily, Manager

Financial Management

Estimate of start-up costs.

1. Architect and Regulatory permit fees:	\$25,000
2. Building up Cost	\$90,000
3. Equipment Cost	\$30,000
4. Inventory	\$5,000
Total	\$150,000

Project balance sheet (1 year forward).

Cash	\$80,000
Asset	\$150,000
Common Stock	\$230,000

Project income statement (1 year forward).

Sales	\$100,000
Expenses	\$70,000
Profit	\$30,000

Project cash flow statement (12 months forward).

Cash Flow	\$80,000
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Pudding 布丁豆花

P1	Egg Pudding	雞蛋布丁豆花.....	2.75
P2	Honey Dew Pudding	蜜瓜布丁豆花.....	2.75
P3	Strawberry Pudding	草莓布丁豆花.....	2.75
P4	Taro Pudding	芋香布丁豆花.....	2.75
P5	Chocolate Pudding	巧克力布丁豆花..	2.75
P6	Mango Pudding	芒果布丁豆花.....	2.75
P7	Milk Pudding	牛奶布丁豆花.....	2.75
P8	Four Color Pudding	四色布丁豆花.....	2.99

Jelly Juice 水果晶凍

J1	Cantaloupe Jelly Juice	哈密瓜晶凍....	2.99
J2	Green Apple Jelly Juice	青蘋果晶凍....	2.99
J3	Honey Dew Jelly Juice	蜜瓜晶凍.....	2.99
J4	Kiwi Jelly Juice	奇異果晶凍....	2.99
J5	Litchi Jelly Juice	荔枝晶凍.....	2.99
J6	Mango Jelly Juice	芒果晶凍.....	2.99
J7	Peach Jelly Juice	水蜜桃晶凍....	2.99
J8	Pineapple Jelly Juice	鳳梨晶凍.....	2.99
J9	Strawberry Jelly Juice	草莓晶凍.....	2.99
J10	Honey Grass Jelly	蜂蜜涼粉爽....	3.50
J11	Mango Delight	粒粒芒果爽...	4.25
J12	Watermelon Aloe Delight	西瓜蘆薈爽.....	3.99

Snacks 小吃類

N1	Curry Fish Ball	咖喱魚蛋.....	3.50
N2	Curry Squid Ball	咖喱花枝丸.....	3.50
N3	Crispy Chicken Steak	香酥雞扒.....	3.50
N4	Fried Calamari Ring	酥炸魷魚圈.....	3.50
N5	Fried Lobster Ball	炸龍蝦丸.....	3.99
N6	Fried Mini Octopus	酥炸八爪魚.....	3.99
N7	Fried Chicken Wing	炸雞翼.....	3.50
N8	Fried Cheese Stick	酥炸芝士條.....	2.99
N9	Fried Mushroom	炸蘑菇.....	2.99
N10	Fried Shishamo	日式燒多春魚...	3.99
N11	Fried Onion Ring	炸洋葱圈.....	2.99
N12	Fried Pop Dog	炸迷你熱狗.....	2.99
N13	Fried Pot Sticker	日式炸鍋貼.....	2.99
N14	Fried Sesame Ball	芝麻煎堆仔.....	2.99
N15	Fried Taiwanese Fish Cake	台式炸甜不辣...	3.50
N16	Fried Shrimp	吉列蝦.....	3.99
N17	Soya Chicken Leg	滷雞腿.....	3.99
N18	Soya Chicken Wing	滷雞翼.....	2.99
N19	Soya Egg (4)	滷蛋 (3).....	1.99
N20	Taro Fries	炸芋頭條.....	3.99
N21	French Fries	炸薯條.....	2.99
N22	Ice Cream Waffle	雪糕格子餅.....	2.99

The Traditional Taste and Culinary Art, Always Fresh Cook Per Order



1737 Post Street, Suite 300
 (Japan Center West, Inside Kintetsu Mall)
 San Francisco, CA 94115
 Tel: (415) 000-0123

Milk Tea 奶茶類

T1	Bubble Milk Tea	泡沫奶茶.....2.99
T2	Jasmine Milk Green Tea	茉莉奶綠.....2.99
T3	Almond Milk Tea	杏仁奶茶.....2.99
T4	Thai Milk Tea	泰式奶茶.....2.99
T5	Cantaloupe Milk Tea	哈密瓜奶茶.....2.99
T6	Chocolate Milk Tea	巧克力奶茶.....2.99
T7	Coconut Milk Tea	椰香奶茶.....2.99
T8	Coffee Milk Tea	鴛鴦(咖啡)奶茶3.25
T9	Green Apple Milk Tea	青蘋果奶茶.....2.99
T10	Honey Dew Milk Tea	蜜瓜奶茶.....2.99
T11	Kiwi Milk Tea	奇異果奶茶.....2.99
T12	Taro Milk Tea	芋香奶茶.....2.99
T13	Honey Dew Milk Tea	蜜瓜奶茶.....2.99
T14	Honey Milk Tea	蜂蜜奶茶.....2.99
T15	Kiwi Milk Tea	奇異果奶茶.....2.99
T16	Litchi Milk Tea	荔枝奶茶.....2.99
T17	Longan Milk Tea	龍眼奶茶.....2.99
T18	Mango Milk Tea	芒果奶茶.....2.99
T19	Orange Milk Tea	柳橙奶茶.....2.99
T20	Passion Fruit Milk Tea	百香果奶茶.....2.99
T21	Peach Milk Tea	水蜜桃奶茶.....2.99
T22	Peppermint Milk Tea	薄荷奶茶.....3.25
T23	Earl Grey Milk Tea	伯爵奶茶.....3.25

Rose Tea 花茶類

R1	Bubble Rose Tea	玫瑰花茶.....2.50
R2	Blueberry Rose Tea	藍莓花茶.....2.50
R3	Cantaloupe Rose Tea	哈密瓜花茶...2.50
R4	Green Apple Rose Tea	青蘋果花茶...2.50
R5	Honey Dew Rose Tea	蜜瓜花茶.....2.50
R6	Honey Rose Tea	蜂蜜花茶.....2.50
R7	Kiwi Rose Tea	奇異果花茶...2.50
R8	Litchi Rose Tea	荔枝花茶.....2.50
R9	Mango Rose Tea	芒果花茶.....2.50
R10	Passion Fruit Rose Tea	百香果花茶...2.50
R11	Peach Rose Tea	水蜜桃花茶...2.50
R12	Peppermint Rose Tea	薄荷花茶.....2.50
R13	Strawberry Rose Tea	草莓花茶.....2.50

Icy Slush 沙冰類

I1	Blueberry Slush	藍莓沙冰.....3.25
I2	Coffee Slush	咖啡沙冰.....3.25
I3	Hazelnut Milk Tea Slush	榛果奶茶沙冰...3.25
I4	Passion Fruit Slush	百香果沙冰.....3.25
I5	Red Bean Slush	紅豆沙冰.....3.50
I6	Sesame Slush	芝麻沙冰.....3.25
I7	Mango Slush	芒果沙冰.....3.25
I8	Watermelon Slush	西瓜沙冰.....3.25

Milk Shake 美式奶昔

M1	Butterfinger Milk Shake4.25
M2	Oreo Cookie Shake4.25
M3	Milkway Shake4.25
M4	Twix Caramel Shake4.25
M5	Reeses Peanut Butter Shake4.25
M6	Snickers Chocolate Shake4.25
M6	M & M Chocolate Milk Shake4.25

Flavored Milk 牛奶類

F1	Banana Milk	香蕉鮮奶.....2.99
F2	Black Rice Yi-Ren Milk	黑米薏仁.....2.99
F3	Chocolate Milk	巧克力可可...2.50
F4	Coconut Milk	椰香牛奶.....2.50
F5	Papaya Milk	木瓜鮮奶.....3.75
F6	Sesame Milk	芝麻牛奶.....2.99

Smoothie 美式雪泥

S1	Granola Berry	麥片雪泥.....3.99
S2	Mango Escape	芒果雪泥.....3.99
S3	Peach Dreamer	水蜜桃雪泥.....3.99
S4	Pina Colada	鳳梨雪泥.....3.99
S5	Strawberry Kiwi Blitz	草莓奇異果雪泥3.99
S6	Wild Berry Breeze	漿果雪泥.....3.99



Japanese Cultural and Community Center of Northern California

1840 Sutter Street, San Francisco, CA 94115 • Tel: 415-567-5505 • Fax: 415-567-4222 • www.jcccnc.org

San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Case No. 2011.0949D

1737 Post Street, Suite 300 (Japan Center Kintetsu (West) Mall

Applicant: KB Café/Peter Lu

DR petitioner: Japanese Cultural and Community Center of Northern California

Dear Commissioners:

In further support of its DR application here, petitioner Japanese Cultural and Community Center of Northern California (JCCCNC) submits the following additional information following up on two important issues raised at the December 8, 2011 hearing: (1) Mr. Lu's failure to disclose his formal relationship with Quickly-Kobe Bento; and (2) the public identity between Quickly and Kobe Bento, and by extension here, "KB Café."

Peter Lu's Formal Relationship to Quickly-Kobe Bento

The key issue before this Commission was and is whether Peter Lu's so-called "KB Café" proposed for the Japan Center is an independent business as he claims or is in fact a disguised franchise of Quickly/Kobe Bento. Answering this Commission's direct questions, Mr. Lu repeatedly denied that, except as one of his proposed vendors, he had any relationship with Quickly Corporation or its wholly-owned subsidiary Kobe Bento. Mr. Lu was adamant even though he originally submitted his permit application as "Kobe Bento," and opened his statement to the Commission by stating unequivocally: "Commissioners. This is Peter. I am the future owner of the Kobe Bento" (Dec. 8, 2011 Hearing Record at 4:49:22-25). Mr. Lu's responses to questioning by Commissioner Borden were typical:

Comm'r Borden: So you don't have an agreement with Kobe Bento in any way?

Peter Lu: **No, not with Kobe Bento, and not with Quickly whatsoever.**

Comm'r Borden: You're not... No franchisee or nothing?

Peter Lu: **No. No. Nothing.**

(Dec. 8, 2011 Hearing Record at 5:04:16-26, emphasis added; see also 4:59:58-5:00:34 (*Comm'r Borden:* "So you're an independent applicant who applied for a lease? Not a parent company? You. *Peter Lu:* No. No. *Comm'r Borden:* "What is your relationship with Quickly?" *Lu:* "I'm a printer. Printing company. My family owns a printing company. So we used to do some printing for Quickly. So I get to know a couple of the owners..., you know, the logos, we designed it, but just in general to the tapioca drinks."))



Mr. Lu's representations to this Commission, however, are false. Public records from both the City and the State show that Peter Lu, and his corporation Lu and Associates, has an ongoing formal business relationship with Quickly/Kobe Bento that Mr. Lu never disclosed, despite this Commission's repeated inquiries.

1. City records show that San Francisco's Kobe Bento, located at 901 Kearny Street in Chinatown/North Beach, is owned and operated by Lu and Associates, Inc. (Exh. 1: Fictitious Business Detail–Kobe Bento, http://www.criis.com/webtemp/66.245.21.171/fbn_detail.html.)

2. California Secretary of State records show that Lu and Associates, Inc., the owner-operator of the Chinatown/North Beach Kobe Bento, has its corporate address in the very Japan Center Kintetsu (West) Mall suite at 1737 Post Street No. 300 in which Mr. Lu proposes to install his so-called "KB Café." (See Exh. 2: Sec. of State Records, esp. Statement of Information.) Significantly, these records document that Peter Lu is Lu and Associates' founder, director, officer, and agent for service of process. (*Id.*: Statement of Information, Articles of Incorporation.)¹

These public records confirm that Mr. Lu misrepresented to this Commission that he is an independent business with no structural relationship to Kobe Bento or Quickly. They show that Mr. Lu's initial permit application under the Kobe Bento name was no accident or innocent mistake by an unsophisticated business person. Mr. Lu's intent to deceive the Japantown community and this Commission could hardly be clearer.

The Public Identity of Quickly and Kobe Bento

These same State and City records showing Peter Lu's formal relationship to Quickly and Kobe Bento also reflect the publicly intertwined relationship of Quickly, Kobe Bento and "KB Café." Both Quickly and Kobe Bento publicly identify Kobe Bento as a Quickly enterprise, not an independent chain. (See Exh. 3: Kobe Bento Facebook page at <http://www.facebook.com/kobebento>, which repeatedly identifies itself as "Quickly–Kobe Bento"); see Exh. 4: Quickly Website at www.quicklyusa.com, which at pp. 3-5 includes the San Francisco Kearny Street Kobe Bento as a Quickly store outlet.)

That Kobe Bento, and now "KB Café," is only a Quickly variant is also reflected in their shared business graphics, all of which incorporate the same key visual element –

¹ Peter Lu's relationship to Quickly-Kobe Bento is reflected on the Kobe Bento Facebook page, which not only explicitly references him by name, but contains a May 29, 2011 post announcing job openings at the Chinatown "Quickly-Kobe Bento," which lists Peter Lu's Quickly Corporation email address, peter@quicklyusa.com, as the contact. (See Exh. 3: <http://www.facebook.com/kobebento>.)



Japanese Cultural and Community Center of Northern California

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the circle or half-circle of small tapioca balls – that unambiguously identify all of them to the public as Quickly enterprises. (Compare Exh. 5: “KB Café” image, with Exh. 3 (Kobe Bento) and Exh. 4 (Quickly).) It is inconceivable that Quickly would allow a separate enterprise to use key elements of its carefully cultivated public trademarks if they were not interrelated businesses.²

From the start the Japantown community, represented here by the JCCCNC, has believed that the KB Café application was a disguised formula retail enterprise undermining the Japantown community’s longstanding goal to preserve and sustain Japantown’s authentic heritage, a goal expressly embodied in the stated purposes of the Japantown SUD and of Japantown’s ongoing planning effort. The evidence summarized above shows even more clearly that JCCCNC was right, and establishes the exceptional circumstances justifying discretionary review under the Japantown SUD independent of the formula retail issue.

JCCCNC opposes the degradation of its community presented by the current deceitful application from Mr. Lu and KB Café, supported and apparently facilitated by the Japan Center owners and management. The Peter Lu/KB Café permit application should be denied.

Respectfully yours,

Ryan Kimura
Program Director
JCCCNC

² Not surprisingly, the Planning Department Full Analysis confirms that, as a wholly-owned subsidiary of Quickly, which owns the Kobe Bento trademark, Kobe Bento qualifies as a formula retail use. (See Exh. 6: Full Analysis, p. 6: Paragraph titled “The Proposed Small Self-Service Restaurant.”)

EXHIBIT 1



[CRIIS Home](#) [Contact](#) [AtPac Home](#)

Search Results

Fictitious Business Detail

Business Detail Query Search Results

Criteria: 2011 0336387

File No.	Business Name / Address	Filing Date	Start Date	End Date
2011 0336387-00	KOBE BENTO 901 KEARNY ST SAN FRANCISCO, CA 94133	06/20/2011	12-JUN-11	
Owner	LU AND ASSOCIATES INC. (CA)		12-JUN-11	

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13300 New Airport Rd. Suite 101 Auburn,
CA 95602

ABOUT SSL CERTIFICATES

11-087933

EXHIBIT 2



State of California Secretary of State

S

16

Statement of Information

(Domestic Stock and Agricultural Cooperative Corporations)

FEES (Filing and Disclosure): \$25.00. If amendment, see instructions. IMPORTANT - READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FILED In the office of the Secretary of State of the State of California

MAY 26 2011

This Space for Filing Use Only

1. CORPORATE NAME
3376546
LU AND ASSOCIATES INC
1737 POST STREET, SUITE #300
SAN FRANCISCO, CA 94115

Due Date: May 28, 2011

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 2 and 3 cannot be P.O. Boxes.)

Table with 4 rows and 4 columns: Item number, Address, City, State, ZIP CODE. Rows include Principal Executive Office, Principal Business in California, and Mailing Address.

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

Table with 5 rows and 5 columns: Item number, Officer Title, Address, City, State, ZIP CODE. Rows include Chief Executive Officer, Secretary, and Chief Financial Officer.

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)

Table with 4 rows and 5 columns: Item number, Name, Address, City, State, ZIP CODE. Rows include Director PETER LU and two blank rows.

11. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

Agent for Service of Process (If the agent is an individual, the agent must reside in California and Item 13 must be completed with a California street address (a P.O. Box is not acceptable). If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 13 must be left blank.)

12. NAME OF AGENT FOR SERVICE OF PROCESS
PETER LU

Table with 4 rows and 4 columns: Item number, Address, City, State, ZIP CODE. Row includes Agent for Service of Process address.

Type of Business

14. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
FOOD AND BEVERBAGE

15. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

05/17/2011 PETER LU PRESIDENT
DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE SIGNATURE

3376546

ARTICLES OF INCORPORATION OF
LU AND ASSOCIATES INC.

FILED
in the office of the Secretary of State
of the State of California

FEB 28 2011

I. NAME

The name of the corporation is LU AND ASSOCIATES INC.

II. PURPOSE

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III. DIRECTORS

The number of Directors of the Corporation are TWO.
The name and address of the person appointed as initial directors are:

Name	Address
<u>PETER J. LU</u>	<u>1737 POST STREET, SUITE #300</u> <u>SAN FRANCISCO, CA 94115</u>
<u>MARY Z. GUO</u>	<u>1737 POST STREET, SUITE #300</u> <u>SAN FRANCISCO, CA 94115</u>

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

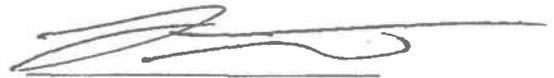
IV. AGENT FOR SERVICE OF PROCESS

The name and address in the state of California of the corporation's initial agent for service of process is:

PETER J. LU
1737 POST STREET, SUITE #300
SAN FRANCISCO, CA 94115

The corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue is 1,000,000.

The undersigned, who are the initial directors of the above named corporation, have executed the Articles of Incorporation on MARCH 1, 2011.



PETER J. LU



MARY Z. GUO

The undersigned, being all of the persons named above as the initial directors, declare that they are the persons who executed the foregoing Articles of Incorporation, which execution is their act and deed.



PETER J. LU



MARY Z. GUO



SAN FRANCISCO PLANNING DEPARTMENT

EXHIBIT 6

Discretionary Review Full Analysis

HEARING DATE: DECEMBER 8, 2011
(Continued from the November 10th Planning Commission hearing)

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
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Planning
Information:
415.558.6377

Date: December 1, 2011

Case No.: 2011.0949D

Project Address: 1737 POST STREET, SUITE 300 (AKA 11 PEACE PLAZA - LOCATED WITHIN THE INTERIOR OF JAPANTOWN CENTER KINTETSU MALL)

Zoning: NC-3 (Moderate-Scale) Neighborhood Commercial District
Japantown Special Use District
50-X Height and Bulk District

Block/Lot: 0700/009

Project Sponsors: Peter Lu / Joan Guo (applicants)
1737 Post Street, Suite 300
San Francisco, CA 94115
Japan Center West Associates, LP – Japan Center Malls (property owners)
1770 Post Street, Box 297
San Francisco, CA 94115
David Goddard / Sheron Chiu (representatives)
3D Investments, LLC
1880 Century Park East, Suite 810
Los Angeles, CA 90067

Staff Contact: Sharon M. Young – (415) 558-6346
sharon.m.young@sfgov.org

Recommendation: **Take Discretionary Review and approve the project with conditions**

PROJECT DESCRIPTION

The proposal will involve the change of use of a vacant commercial space (previously occupied by a retail store) into a small self-service restaurant (dba KB Café, an Asian fusion style café selling a wide variety of beverages, snacks, and desserts) located within the interior of Japantown Center Kintetsu Mall. The proposed small self-service restaurant, with approximately 490 square feet of floor area, will consist of a sales and service area, kitchen, and storage area. Restaurant seating will be provided within the interior courtyard of the mall. The proposal will involve interior tenant improvements to the ground floor commercial space.

SITE DESCRIPTION AND PRESENT USE

The Project Site at 1737 Post Street (Suite 300) is on the south side of Post Street between Webster and Buchanan Streets; Assessor's Block 0700; Lot 009. The irregular 'U-shaped' subject lot is 45,275 square-feet in size and is occupied by Japantown Center Kintetsu West Mall within the NC-3 Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District. The proposed small self-service restaurant (d.b.a. KB Café) will be located within the interior of the mall on the ground floor.

proposed project would be located in a “prime” location along Post Street and flanking Peace Plaza which envisions the prime space to be tenanted with high-traffic shops and restaurants only. In addition, the draft plan indicates that zoning controls should permit a variety of retail use sizes, with emphasis on maintaining a significant number of smaller spaces to help local businesses stay competitive. The draft plan further states that maintaining the strength and character of the retail base of Japantown requires filling vacancies with culturally appropriate businesses.

The Proposed Small Self-Service Restaurant D.B.A. KB Café

The proposed small self-service restaurant is a principally permitted use on the 1st (ground) story under Planning Code Section 712.44. Section 703.3 of the Planning Code defines a Formula Retail Use as a type of retail sales activity or retail sales establishment which has eleven or more retail establishments located in the United States and maintains two or more of the following features: a standardized array of merchandise, a standardized facade, a standardized décor and color scheme, a uniform apparel, standardized signage, and a trademark or service mark. The Planning Department has identified the “Quickly” corporation as qualifying as a Formula Retail Use under the Planning Code. Its subsidiary, “Kobe Bento” also appears (based on a preliminary review from a web search from Trademarkia) to qualify as a Formula Retail Use under the Planning Code since “Kobe Bento” is a trademark of the “Quickly” Corporation. With regard to the D.R. Requestors concerns, each item will be addressed according to the numbers referenced above under the D.R. Requestors’ concerns:

Issue #1: Formula Retail Use. The Formula Retail Affidavit indicates that if the Planning Department determines that an application or permit is for a Formula Retail Use, the permit applicant or holder bears the burden of proving to the Planning Department that the proposed or existing use is not a Formula Retail Use. Any permit approved for a use that is determined by the Planning Department to be for a Formula Retail Use that did not identify the use as such is subject to revocation at any time. The project sponsor, Peter Lu, completed the Planning Department’s Formula Retail Affidavit which indicated that the proposed small self-service restaurant d.b.a. KB Café does not qualify as a Formula Retail Establishment. Upon review of the project sponsor’s building permit application, the business name of the proposed small-self service restaurant was “Kobe Bento”. Planning Department informed the project sponsor that “Kobe Bento” appears to qualify as a Formula Retail Use under the Planning Code because of its trademark affiliation with “Quickly”, identified by the Planning Department as qualifying as a Formula Retail Use under the Planning Code. [‘Quickly’ is an Asian fusion style café franchise selling a wide variety of beverages (tapioca tea drinks), snacks, and desserts.] In response, the project sponsor indicated that the proposed small self-service restaurant will be independently owned and operated with a modified business name of KB Café, which was altered on the plan drawings filed with the building permit application. In addition, the project sponsor provided supplemental information to his Formula Retail affidavit disclosing the proposed products, service, merchandise, facade, décor and color scheme of the commercial space, apparel for employees, and business signage. Prior to the mailing of Section 312 neighborhood notification of the proposed project, Planning Department staff reviewed this supplemental information with the Zoning Administrator who determined that there was not substantive evidence that the proposed small self-service restaurant d.b.a. KB Café qualifies as a Formula Retail Use.

Issue #2: Conditional Use Criteria. Based on the project sponsor’s completed formula retail affidavit and supplemental information, Planning Department staff determined that the proposed project would not require Conditional Use authorization for the establishment of a formula retail use pursuant to

EXHIBIT 4



Quickly 快可立

Northern California and Nevada
Franchise Hotline: 800.961.8839

QuicklyUSA.com

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- Store Menu
- Store Locations
- Licensing Opportunity
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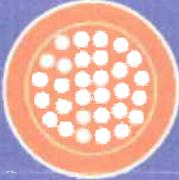


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Quickly
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Northern California and Nevada
Franchise Hotline: 800.961.8839

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[Fremont AutoMall, CA](#)



[Fremont Time Square, CA](#)



[Gilroy, CA](#)



[Hayward, CA](#)



SF Kearny - CCSF, CA



SF Mission, CA



SF Nob Hill, CA



SF Ocean, CA



SF Portola, CA



SF Taraval, CA



SF Tenderloin, CA



San Jose (SJSU), CA



San Leandro, CA



San Mateo Downtown, CA



Santa Clara, CA



South S. F., CA



Sunnyvale North, CA



Sunnyvale South, CA



Tracy, CA



Union City, CA



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- Job Opportunity
- U6 Community
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- AsianTickets.com



SF Kearny – CCSF, CA

Kobe Bento Featuring Quickly

901 Kearny Street (Cross Jackson Street)
Across from the City College of San Francisco Chinatown Campus

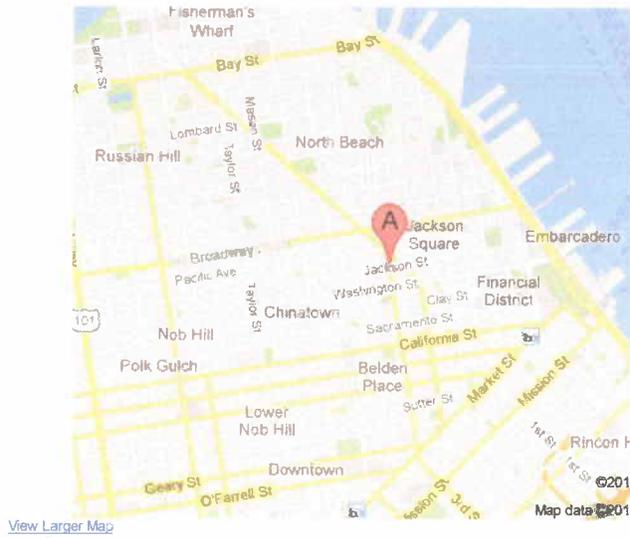
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Kobe Bento is the largest Traditional & Innovative Japanese Bento Chain in the World. Quickly proudly team up with Kobe Bento as their beverage partner. This is the first Kobe Bento store in the United States under this New Business Formula.

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Quickly is a leading brand in the fast-food industry, offering a variety of fresh and delicious food items. We are currently seeking qualified franchisees for our new business formula. The franchisee will be responsible for the day-to-day operations of the store, including hiring, training, and marketing. The investment required is \$100,000 - \$150,000. For more information, please contact us at 800.961.8839.





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EXHIBIT 5

Exhibition C:
Trademark or Service Mark





SAN FRANCISCO PLANNING DEPARTMENT

Discretionary Review Full Analysis

HEARING DATE: DECEMBER 8, 2011

(Continued from the November 10th Planning Commission hearing)

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

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Planning
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Date: December 1, 2011

Case No.: **2011.0949D**

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Staff Contact: Sharon M. Young – (415) 558-6346
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SURROUNDING PROPERTIES AND NEIGHBORHOOD

The Project Site is located within the Western Addition Neighborhood and the southwest corner of the Japantown Special Use District. The Project Site is bounded by Kinokuniya Mall and Kabuki/Sundance Theater to the west and Peace Plaza, Miyako Mall and Miyako Hotel (Hotel Kabuki) to the east, JPOP Center to the north, and Geary Boulevard to the south. The site south of Geary Boulevard is zoned RM-3 (Residential, Mixed, Medium Density) and east of Laguna Street is zoned RM-4 (Residential, Mixed, High Density). Some of the existing commercial establishments adjacent to the proposed small self-service restaurant within the Japantown Center Kintetsu West Mall include Yume Boutique, Miseki Jewelry, Japan Video, Auto Freak, Sanrio, Moyo Tutti Frutti, Murata Café, Isobune Sushi, Kaikoku Antiques, and Sakura Sakura Apparel.

BUILDING PERMIT APPLICATION NOTIFICATION

TYPE	REQUIRED PERIOD	NOTIFICATION DATES	DR FILE DATE	DR HEARING DATE	FILING TO HEARING TIME
312 Notice	30 days	July 28, 2011 – August 26, 2011	August 26, 2011	December 8, 2011	104 days

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Posted Notice	10 days	October 31, 2011	October 31, 2011	38 days
Mailed Notice	10 days	October 31, 2011	October 28, 2011	13 days

PUBLIC COMMENT

	SUPPORT	OPPOSED	NO POSITION
Adjacent neighbor(s)	--	--	--
Other neighbors on the block or directly across the street, and within the neighborhood	1	--	--
Neighborhood groups	--	1	--

The neighborhood group, Japanese Cultural and Community Center of Northern California, the DR Requestor, is opposed to the proposed project because of the concerns indicated below. The Planning Department has not received any public comment from adjacent neighbors or other neighbors on the subject or opposite blocks in support of or in opposition to the proposed project. The Planning Department received one letter in support of the project from a member of the Greater Divisadero Merchants Association.

DR REQUESTOR

Japanese Cultural and Community Center of Northern California, neighborhood organization located at 1840 Sutter Street (Assessor's Block 0676 Lot 011), located two blocks north of the subject property. The D.R. Requestor's property is a two-story commercial building.

DR REQUESTORS' CONCERNS AND PROPOSED ALTERNATIVES

Paul Osaki, Executive Director, on behalf of the Japanese Cultural and Community Center of Northern California (JCCCNC), applied for the request for Discretionary Review of the proposed project. The JCCCNC is a community-based nonprofit organization dedicated to the preservation and enhancement of the historical and cultural heritage of the San Francisco Japantown community. The JCCCNC is concerned that the proposed project is not consistent with the intent of the Japantown Special Use District and will adversely affect the JCCCNC's mission and Japantown community; The JCCCNC states the proposed small self-service restaurant d.b.a. KB Café appears to qualify as a Formula Retail Use affiliated with Kobe Bento-Quickly requiring Conditional Use authorization pursuant to Planning Code Sections 249.31(b)(1)(iii) and 703.4 within the Japantown Special Use District, and the proposed small self-service restaurant (specializing in selling beverages, snacks, and desserts) would not help diversify the existing mix of commercial establishments within the Japantown Center Kintetsu West Mall and would contribute to an overconcentration of small "quick" food outlets which currently exist in the mall. The D.R. Requestors' concerns are further summarized below:

Issue #1: Formula Retail Use. KB Café appears to be a formula retail business prohibited by the Japantown Special Use District unless Conditional Use authorization is granted by the Planning Commission. KB Café originally applied for a use permit under the name of Kobe Bento, which is self-identified as a subsidiary of Quickly Corp, which has thousands of franchise outlets across the United States and internationally featuring standardized merchandise, a standardized décor and color scheme, standardized uniforms, and standardized signage, trade and service marks. The building permit application was changed by scratching out the name "Kobe Bento" and handwriting the name "KB Café" instead. (The project sponsor also provided the Planning Department with revised plan reductions which were used for the Section 312 neighborhood notification, changing any references from "Kobe Bento" to "KB Café" on their plans.) In addition, "KB Café's" trade/service mark and colors are similar to those used by Quickly and its subsidiary Kobe Bento. Furthermore, the Japantown Center's agent admitted in email correspondence with community members that KB Café would be selling Quickly products. Subsequent to filing their D.R. Application, the D.R. requestors also indicated to Planning Department staff that TW Designers, the firm which prepared the plans for this application, is the architectural design firm that typically prepares the architectural plans for the Quickly franchise outlets.

Issue #2: Conditional Use Criteria. KB Café does not meet the criteria for Conditional Use authorization under the Japantown Special Use District and related Covenants. The Japantown Special Use District was enacted in 2006 following Kintetsu Enterprises' sale of the Japan Center and related to 3D Investments in order to address the perceived threat to the preservation of one of San Francisco's most unique communities. The stated purpose of the Japantown Special Use District is to "maintain the cultural and historic integrity and neighborhood character" of the Japantown community. In addition, as a condition of the sale of the Japantown Center, 3D Investments entered into Covenants for the benefit of the City and County of San Francisco to recognize Japantown's unique character as a local and regional hub of the

Japanese American community, the significant contribution Japantown makes to the City, and the important role the Japan Center plays in preserving Japantown's cultural heritage. The Covenants provide that the owner follow leasing policies that would further the preservation of Japantown's unique character.

Issue #3: Oversaturation of Small "Quick" Food Outlets and Undermining of Existing Locally-Owned Independent Food Businesses within the Japantown Center Kintetsu West Mall. The Japantown Center is saturated with small "quick" food outlets offering quite similar items and serving the same purposes as KB Café, including Café Hana, MoYo's Frozen Yogurt, May's Coffee Shop, Belly Good Café and Crepes, Osakaya Restaurant, Anderson Bakery, and Nijiya Market. In addition, KB Café would undermine Japantown's existing locally owned independent food businesses. As a formula retail business, KB Café will have unfair economic advantages over community businesses, not consonant with the community preservation purposes, particularly but not necessarily limited to its ability to engage in predatory pricing. KB Café will provide services and merchandise that are duplicative of existing independent, locally-owned small businesses in the [Japantown Center Kintetsu] building.

The D.R. Requestors have indicated that without changing what KB Café is, therefore, it is difficult to envision what alternatives or changes could be implemented.

(See attached *Request for Discretionary Review application* for further details on the DR Requestors' concerns and proposed alternative.)

PROJECT SPONSOR'S RESPONSE

The Project Sponsors have provided the following response to the DR requestor's concerns and proposed alternative as summarized below:

Response to Issue #1: Formula Retail Use. The project sponsors have indicated that the proposed small self-service restaurant d.b.a. KB Café appears to be a Formula Retail Use because of its perceived relationship to Kobe Bento and Quickly Corporation. The applicants, Peter Lu and Joan Guo have indicated that there have been no signed agreements with either the Kobe Bento or Quickly Corporation and the proposed project does not fulfill the criteria of a Formula Retail Use. In addition, Kobe Bento does not meet the definition of a Formula Retail Use since there is only one store in the United States. In addition, the proposed small self-service restaurant will only feature 10% of Quickly products and only featuring the products of a single distributor bearing uniform markings does not meet the definition of formula retail based on KB Café's proposed product mix.

Response to Issue #2: Conditional Use Criteria. The project sponsors have indicated that the proposed project does not have to meet the criteria for Conditional Use authorization under the Japantown Special Use District and related Covenants with the City of San Francisco since it is not required to do so. Furthermore, the Japan Center mall owner has complied with the provisions of the Japantown Special Use District by maintaining its ownership of the mall, maintaining a Japanese theme by redecorating the mall in a Japanese motif, maintaining a leasing policy for the mall with the objective of attracting tenants that offer goods and services that reflect the culture and heritage of Japan or Japanese Americans to the extent that it is commercially feasible, provided for Japanese language capability, and worked with the

Japantown community and various community associations. The project sponsors have also indicated that the proposed project will have no more or less impact than the yogurt and cupcake stores established in 2010 located within commercial spaces of similar size to the proposed project within the mall.

Response to Issue #3: Oversaturation of Small “Quick” Food Outlets and Undermining of Existing Locally-Owned Independent Food Businesses within the Japantown Center Kintetsu West Mall. The project sponsors have indicated that there is not an oversaturation of small “quick” food outlets within the Japantown Center West Mall since it only has one other ‘grill’ that prepares true fast food, which is May’s Café, a direct competitor of KB Café. All the other small “quick” food outlets cited by the D.R. Requestors offer treats, desserts, and prepared foods. The owner believes the proposed KB Café will appeal to children, which market segment is currently underserved by the existing restaurants. The product mix and small size of the proposed use will not undermine the existing businesses within the mall.

(See attached *Response to Discretionary Review* for the Project Sponsors detailed response.)

PROJECT ANALYSIS

The Project Site at 1737 Post Street Suite 300 is located within the interior of the Japantown Center Kintetsu West Mall within the NC-3 Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District.

Intent of the NC-3 Zoning District and the Japantown Special Use District

The NC-3 District controls are intended to provide the opportunity for a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods. NC-3 Districts are linear districts located along heavily trafficked thoroughfares which also serve as major transit routes. In 2006, the Japantown Special Use District was established to maintain the cultural and historic integrity and neighborhood of Japantown with purposes of: (1) Preserve and develop Japantown as a viable neighborhood by revitalizing its commercial, recreational, cultural, and spiritual identity as a local, regional, statewide, national, and international resource; (2) Enhance the distinctive image and unique character of Japantown to passing motorists, transit riders, and pedestrians through architectural design, streetscape enhancements, signage, and other elements of the built environment; (3) Strengthen and support Japantown's identity through recognition of its planning subdistricts including the Geary Boulevard corridor; Japantown Center; Post Street commercial core; Sutter Street community/cultural core; Buchanan Mall; Fillmore Street corridor; and surrounding residential districts; and (4) Encourage the representational expression of Japanese architectural design and aesthetic for commercial, cultural, and institutional uses.

The Japantown Better Neighborhoods Plan

Currently being developed is the Japantown Better Neighborhood Plan, which is a neighborhood plan to guide the use and character of the neighborhood within the Japantown Special Use District, which includes a framework for developing properties within the Japan Center. The draft Japantown Better Neighborhoods Plan identifies community requirements for the Japan Center Malls which include a future vision centered on a significant presence of Japanese-oriented retail. Under the draft plan, the

proposed project would be located in a “prime” location along Post Street and flanking Peace Plaza which envisions the prime space to be tenanted with high-traffic shops and restaurants only. In addition, the draft plan indicates that zoning controls should permit a variety of retail use sizes, with emphasis on maintaining a significant number of smaller spaces to help local businesses stay competitive. The draft plan further states that maintaining the strength and character of the retail base of Japantown requires filling vacancies with culturally appropriate businesses.

The Proposed Small Self-Service Restaurant D.B.A. KB Café

The proposed small self-service restaurant is a principally permitted use on the 1st (ground) story under Planning Code Section 712.44. Section 703.3 of the Planning Code defines a Formula Retail Use as a type of retail sales activity or retail sales establishment which has eleven or more retail establishments located in the United States and maintains two or more of the following features: a standardized array of merchandise, a standardized facade, a standardized décor and color scheme, a uniform apparel, standardized signage, and a trademark or service mark. The Planning Department has identified the “Quickly” corporation as qualifying as a Formula Retail Use under the Planning Code. Its subsidiary, “Kobe Bento” also appears (based on a preliminary review from a web search from Trademarkia) to qualify as a Formula Retail Use under the Planning Code since “Kobe Bento” is a trademark of the “Quickly” Corporation. With regard to the D.R. Requestors concerns, each item will be addressed according to the numbers referenced above under the D.R. Requestors’ concerns:

Issue #1: Formula Retail Use. The Formula Retail Affidavit indicates that if the Planning Department determines that an application or permit is for a Formula Retail Use, the permit applicant or holder bears the burden of proving to the Planning Department that the proposed or existing use is not a Formula Retail Use. Any permit approved for a use that is determined by the Planning Department to be for a Formula Retail Use that did not identify the use as such is subject to revocation at any time. The project sponsor, Peter Lu, completed the Planning Department’s Formula Retail Affidavit which indicated that the proposed small self-service restaurant d.b.a. KB Café does not qualify as a Formula Retail Establishment. Upon review of the project sponsor’s building permit application, the business name of the proposed small-self service restaurant was “Kobe Bento”. Planning Department informed the project sponsor that “Kobe Bento” appears to qualify as a Formula Retail Use under the Planning Code because of its trademark affiliation with “Quickly”, identified by the Planning Department as qualifying as a Formula Retail Use under the Planning Code. [‘Quickly’ is an Asian fusion style café franchise selling a wide variety of beverages (tapioca tea drinks), snacks, and desserts.] In response, the project sponsor indicated that the proposed small self-service restaurant will be independently owned and operated with a modified business name of KB Café, which was altered on the plan drawings filed with the building permit application. In addition, the project sponsor provided supplemental information to his Formula Retail affidavit disclosing the proposed products, service, merchandise, facade, décor and color scheme of the commercial space, apparel for employees, and business signage. Prior to the mailing of Section 312 neighborhood notification of the proposed project, Planning Department staff reviewed this supplemental information with the Zoning Administrator who determined that there was not substantive evidence that the proposed small self-service restaurant d.b.a. KB Café qualifies as a Formula Retail Use.

Issue #2: Conditional Use Criteria. Based on the project sponsor’s completed formula retail affidavit and supplemental information, Planning Department staff determined that the proposed project would not require Conditional Use authorization for the establishment of a formula retail use pursuant to

Planning Code Sections 703.4 and 249.31(b)(1)(iii). However, pursuant to Planning Code Section 249.31(b), for any use subject to conditional use authorization and for any activity that the Planning Commission considers under its discretionary review power, the Planning Commission shall make the findings that the use is not incompatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District pursuant to Planning Code Section 249.31(b)(2)(i), and the use does not support one or more purposes for establishing the Japantown Special Use District pursuant to Planning Code Section 249.31(b)(2)(ii).

Planning Code Section 249.31(b)(2)(i) - The use is not incompatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District; and

The proposed project will support one of the purposes for establishing the Japantown Special Use District by revitalizing the economic diversity of the neighborhood by occupying a vacant commercial tenant space. The proposed project's design preserves the neighborhood since it will not involve an expansion of the existing building envelope or significant modifications to the Japanese-themed mall's (Japan Center Kintetsu West Mall) existing detailing or materiality since the proposal will involve interior tenant improvements and a change in business signage. In addition, the proposed small self-service restaurant will occupy a smaller commercial tenant space. Based on the project sponsor's mall occupancy report, the smaller commercial tenant spaces in the mall have a range between over 200 to under 1,000 square feet of floor area and the larger commercial tenant spaces range over 1,000 to under 9,000 square feet of floor area. Because the proposed 490 square-foot small self-service restaurant use will occupy a smaller vacant commercial tenant space within the interior of the mall, it will not significantly affect the existing cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District.

Planning Code Section 249.31(b)(2)(ii) - The use supports one or more of the purposes for establishing the Japantown Special Use District.

The proposed project will support one of the purposes for establishing the Japantown Special Use District to revitalize the economic diversity of the neighborhood- by occupying a vacant commercial tenant space with a new business.

Issue #3: Oversaturation of Small "Quick" Food Outlets and Undermining of Existing Locally-Owned Independent Food Businesses within the Japantown Center Kintetsu West Mall. Under the draft Japantown Better Neighborhoods Plan, the proposed project would be consistent with the development framework vision for prime space to be tenanted with high-traffic shops and restaurants and consistent with maintaining a significant number of small spaces with its small retail use size of 490 square feet. Currently, under the draft Japantown Better Neighborhood Plan and Japantown Special Use District Planning Code controls do not include development objectives or requirements regarding the concentration and mix of commercial establishments within the Japantown Special Use District and Japan Center Malls.

ENVIRONMENTAL REVIEW

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

RESIDENTIAL DESIGN TEAM REVIEW

Because the request for Discretionary Review pertains to the change of use rather than the design of the proposed project, the proposed project did not require review by the Department's Residential Design Team (RDT). As such, a Design Review Checklist is not included with this analysis.

BASIS FOR RECOMMENDATION

The Department believes the proposed project is not exceptional or extraordinary for the following reasons:

1. Based on substantive evidence on the project sponsors' building permit application, revised plan drawings, completed Formula Retail affidavit (including supplemental information), the proposed small self-service restaurant does not qualify as a Formula Retail Use under the Planning Code. The Planning Department is recommending that the proposed project be approved with the following conditions:

- a) **"SMALL SELF-SERVICE RESTAURANT USE" AND NOT A "FORMULA RETAIL USE".**

The subject building permit application shall be approved for the change of use of a vacant commercial tenant space to a small-self service restaurant use which is not also a Formula Retail Use under the Planning Code. Section 703.3 of the Planning Code defines a Formula Retail Use as a type of retail sales activity or retail sales establishment which has eleven or more retail establishments located in the United States and maintains two or more of the following features: a standardized array of merchandise, a standardized facade, a standardized décor and color scheme, a uniform apparel, standardized signage, and a trademark or service mark.

- b) **ENFORCEMENT.**

Violation of any of the conditions of approval attached to this building permit application or of any other provisions of the Planning Code applicable to this proposed project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176. The Planning Department may also refer complaints to other City departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

- c) **MONITORING.**

The proposed project requires monitoring of the conditions of approval attached to this building permit application. The Project Sponsor or the subsequent responsible parties for the project shall pay fees as established under Planning Code Section 351(e)(1) and work with the Planning Department for information about compliance.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

d) **RECORDATION OF CONDITIONS OF APPROVAL.**

Prior to the issuance of the building permit or commencement of use for the proposed project, the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on XXXXXX under Planning Commission Action - No. DRA -- XXXX.

e) **PRINTING OF CONDITIONS OF APPROVAL ON PLANS.**

The conditions of approval under Planning Commission Action - No. DRA -- XXXX shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the proposed project. The Index Sheet of the construction plans shall also reference any subsequent amendments or modifications.

RECOMMENDATION: Take Discretionary Review and approve the project with conditions

Attachments:

Block Book Map

Sanborn Map

Zoning Map

Aerial Photographs

Context Photos

Section 312 Notice

DR Application (including supplemental information)

Response to DR Application dated September 6, 2011 (including supplemental information)

Reduced Plans

Public Comment Letter

APPLICATION FOR Discretionary Review

1. Owner/Applicant Information

DR APPLICANT'S NAME: Japanese Cultural and Community Center of Northern California		
DR APPLICANT'S ADDRESS: 1840 Sutter Street, San Francisco, CA	ZIP CODE: 94115	TELEPHONE: (415)567-5505

PROPERTY OWNER WHO IS DOING THE PROJECT ON WHICH YOU ARE REQUESTING DISCRETIONARY REVIEW NAME: Peter Lu		
ADDRESS: 1737 Post Street, Suite #300, San Francisco, CA	ZIP CODE: 94115	TELEPHONE: ()

CONTACT FOR DR APPLICATION: Same as Above <input type="checkbox"/> Paul Osaki		
ADDRESS: 1840 Sutter Street, San Francisco, CA	ZIP CODE: 94115	TELEPHONE: (415) 567-5505
E-MAIL ADDRESS: POsaki@jcccnc.org		

2. Location and Classification

STREET ADDRESS OF PROJECT: 1737 Post Street Suite #300, San Francisco, CA		ZIP CODE: 94115
CROSS STREETS: Buchanan Street and Webster Street		

ASSESSORS BLOCK/LOT:	LOT DIMENSIONS:	LOT AREA (SQ FT):	ZONING DISTRICT:	HEIGHT/BULK DISTRICT:
0700 /009		490 sq ft	NC-3 & Japantown SUD	50-x

3. Project Description

Please check all that apply

Change of Use Change of Hours New Construction Alterations Demolition Other

Additions to Building: Rear Front Height Side Yard
Retail Jewelry Store

Present or Previous Use:

Proposed Use: Small Self Service Restaurant

Building Permit Application No. 2011.06.01.7183

Date Filed: 06/02/2011

RECEIVED

AUG 26 2011

CITY & COUNTY OF S.F.
PLANNING DEPARTMENT
PIC

4. Actions Prior to a Discretionary Review Request

Prior Action	YES	NO
Have you discussed this project with the permit applicant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you discuss the project with the Planning Department permit review planner?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you participate in outside mediation on this case?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

5. Changes Made to the Project as a Result of Mediation

If you have discussed the project with the applicant, planning staff or gone through mediation, please summarize the result, including any changes there were made to the proposed project.

N/A

Discretionary Review Request

In the space below and on separate paper, if necessary, please present facts sufficient to answer each question.

1. What are the reasons for requesting Discretionary Review? The project meets the minimum standards of the Planning Code. What are the exceptional and extraordinary circumstances that justify Discretionary Review of the project? How does the project conflict with the City's General Plan or the Planning Code's Priority Policies or Residential Design Guidelines? Please be specific and site specific sections of the Residential Design Guidelines.

Please See Attachment

2. The Residential Design Guidelines assume some impacts to be reasonable and expected as part of construction. Please explain how this project would cause unreasonable impacts. If you believe your property, the property of others or the neighborhood would be adversely affected, please state who would be affected, and how:

Please See Attachment

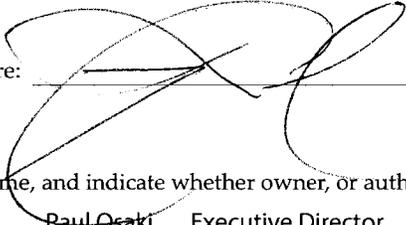
3. What alternatives or changes to the proposed project, beyond the changes (if any) already made would respond to the exceptional and extraordinary circumstances and reduce the adverse effects noted above in question #1?

Please See Attachment

Applicant's Affidavit

Under penalty of perjury the following declarations are made:

- a: The undersigned is the owner or authorized agent of the owner of this property.
- b: The information presented is true and correct to the best of my knowledge.
- c: The other information or applications may be required.

Signature:  _____

Date: 8/26/11 _____

Print name, and indicate whether owner, or authorized agent:

Paul Osaki Executive Director

Owner / Authorized Agent (circle one)

**Attachment to Application for Discretionary Review
Japanese Cultural Community Center of Northern California (JCCCNC)**

Re KB Café Application No. 2011.06.01.7183

The Japanese Cultural Community Center of Northern California (JCCCNC) requests under the provisions of the San Francisco Japantown Special Use District (Planning Code §249.31) that the Planning Commission conduct a Discretionary Review of Application No. 2011-06-01-7183 submitted on June 2, 2011 by KB Café for a permit to operate a fast food and beverage facility in the Japan Center, located at 1737 Post Street, No. 300, San Francisco, California 94115. Specifically, JCCCNC requests that the Planning Commission deny the application or, alternatively, require that it proceed as a conditional use application.

Interest of JCCCNC

JCCCNC is a community-based nonprofit organization dedicated to the preservation and enhancement of the unique historical and cultural heritage of the San Francisco Japantown community. Both directly and indirectly through other Japantown neighborhood groups and artists, JCCCNC provides numerous culturally relevant programs to the entirety of Japantown's community, including its children, in furtherance of this mission. Additionally, through its Executive Director and staff, and the provision of its facilities and resources, JCCCNC has been actively participating in the ongoing San Francisco Japantown BNP planning process. JCCCNC is located at 1840 Sutter Street, approximately one block from the West (formerly Kintetsu) Mall of the Japan Center, within which the applicant proposes to locate its business.

The San Francisco Japantown Special Use District was enacted in order to "maintain the cultural and historic integrity and neighborhood character of Japantown..." (Planning Code §249.131(a).) This legislative purpose is congruent with JCCCNC's mission. Violation of the SUD provisions by KB Café's proposed use both undermines the public purposes embodied in the SUD, and adversely impacts both the Japantown community and JCCCNC's mission. JCCCNC submits this request for Discretionary Review of KB Café's Application No. 2011-06-01-7183 in order to address and remedy these violations.

Standards for Discretionary Review

Under the Japantown SUD, the Planning Commission may grant discretionary review upon a timely request for review. (§241.49(b)(2) and (b)(3), 312(d)(3) and (e).) This request is timely because it is submitted within 30 days of the posting of the notice of SB Café's application on July 28, 2011. The grounds for review discussed below present the "exceptional and extraordinary circumstances" justifying the Commission's discretionary review.

1. Reasons for Discretionary Review

A. Formula Retail Use. KB Café appears to be a formula retail business prohibited by the Japantown SUD unless conditional use permission is granted. (§249.31(b)(1)(iii).) KB Café has failed to apply for any such conditional use authorization.

The Japantown SUD explicitly subjects any proposed formula retail business to conditional use review. (§249.31(b)(1)(iii).) By reference, formula retail is defined as “a type of retail sales activity or retail sales establishment which, along with eleven or more other retail sales establishments located in the United States, maintains two or more of the following features: a standardized array of merchandise, a standardized facade, a standardized decor and color scheme, a uniform apparel, standardized signage, a trademark or a servicemark.” (§703.3(b).)

Here, KB Café originally applied for a use permit under the name of Kobe Bento, which is self-identified as a subsidiary of Quickly Corp., which has thousands of franchise outlets across the United States and internationally featuring standardized merchandise, a standardized décor and color scheme, standardized uniforms, and standardized signage, trade and service marks. Kobe Bento’s application was changed only by scratching out the name “Kobe Bento” and handwriting the name “KB Café” in its stead (see Exhibit A.1). Nonetheless, as its application and supporting documentation make clear, “KB Café’s” trade/service mark and colors are quite similar to those used by Quickly and its subsidiary Kobe Bento, and the Japan Center’s owner’s agent admitted in email correspondence with community members that “KB Café” would be selling Quickly products. (See www.facebook.com/kobebento?sk=wall&filter=2; www.facebook.com/kobebento?v=info#info_edit_sections; www.quicklyusa.com; see attached Exhibits A.2, B.1, B.2 (copies of excerpts from KB Café’s permit application).)

In short, contrary to its current assertion, it appears that KB Café is a formula retail business maintaining ties to both Quickly and Kobe Bento, which should require conditional use authorization to operate within the Japantown SUD.

B. Conditional Use Criteria. KB Café does not meet the criteria for conditional use authorization under the Japantown SUD and related Covenants.

The Japantown SUD was enacted in 2006 following Kintesu Enterprises’ sale of the Japan Center and related properties to 3D Investments in order to address the perceived threat to the preservation of one of San Francisco’s most unique ethnic communities. The stated purpose of the Japantown SUD is to “maintain the cultural and historic integrity and neighborhood character” of the Japantown community. (§249.31(a).) In addition, as a condition of the sale of the Japan Center, 3D Investments entered into Covenants for the benefit of the City and County of San Francisco that recognize Japantown’s unique character as a local and regional hub of the Japanese American community, the significant contribution Japantown makes to the City, and the important role the Japan Center plays in preserving Japantown’s cultural heritage. (See attached Covenants, p. 1.) Among other things, the Covenants provide that the owner would follow leasing policies that would further the preservation of Japantown’s unique character. (Covenants, p. 2.)

As a consequence, the Japantown SUD provides that any conditional use must “support one or more of the purposes for establishing the Japantown Special Use District,” and must be “compatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Special Use District.” (§249.31(b)(2).)

Here, KB Café proposed business is not necessary or desirable in light of the basic purposes of the SUD and Covenants. First, preservation of the community’s authentic cultural heritage depends on maintaining an independently owned, small business base. Although it tries to mask its true nature, KB Café is a formula retail business consistent with the Quickly/Kobe Bento franchise model. By its nature, KB Café would not be “compatible with [Japantown’s] cultural and historic integrity [and] neighborhood character.” (§249.31(b)(2).)

Second, the Japan Center generally, and the West (Kintetsu) Mall in particular, is saturated with small “quick” food outlets offering quite similar items and serving the same purposes as KB Café, including (a) Café Hana, a longstanding, independent, locally-owned business only a few feet away from KB Café’s proposed location; (b) MoYo’s Frozen Yogurt, located next to Café Hana, a counter service selling frozen yogurt with toppings; (c) May’s Coffee Shop, also a longstanding, independent, locally owned business just around the corner from KB Café’s proposed location; (d) Belly Good Café and Crepes, an independent, locally-owned small business service located next to May’s that serves tapioca drinks, and crepes; (e) Osakaya Restaurant, also a longstanding, independent, locally owned business, which offers both sit-down meals and pre-prepared window take-out Japanese *bento* (lunch) boxes; (f) Anderson Bakery, a Japanese bakery offering pastries, breads, coffee and sandwiches; and (g) Nijiya Market, which also offers pre-prepared take-out Japanese *sushi* and *bento* (lunch) boxes. KB Café does not offer any new service, let alone one furthering Japantown’s authentic “cultural and historical integrity, and neighborhood character,” as the SUD requires (see attached photos).

Third, KB Café is not desirable because it would also undermine Japantown’s existing locally owned independent food businesses. The Japan Center businesses that will be most affected will not challenge KB Café’s application because they fear the possibility of retaliation from the Center owners. Nonetheless, as a formula retail business, KB Café will have unfair economic advantages over community businesses, not consonant with the community preservation purposes, particularly but not necessarily limited to its ability to engage in predatory pricing. (See §703.3(a)(5), (a)(6).) Additionally, our community meetings have shown that the community values the integrity of its cultural heritage and surveys conducted during the course of community BNP review process have shown that visitors are attracted to Japantown because they respond to the community’s cultural authenticity, including that of its retail attractions. (§703.3(a)(7) and (a)(9).) Adding what is essentially a franchise operation in direct competition with existing businesses both threatens their economic viability and undermines the desired integrity of the community character.

2. Unreasonable Impacts.

The adverse impacts on the community of permitting KB Café as a conditional use are not based on the impacts from construction or design guidelines, but, consistent with the Japantown SUD's stated purposes, on the integrity of Japantown's cultural heritage and character, and the viability of Japantown's existing independent, locally owned businesses discussed above.

3. Alternatives or Changes

By its nature KB Café is not a unique and independent business that contributes to the preservation or enhancement of the integrity of Japantown's cultural heritage. Its services and merchandise are duplicative of existing independent, locally-owned small businesses in the building. Without changing what KB Café is, therefore, it is difficult to envision what alternatives or changes could be implemented that would avoid these adverse impacts.

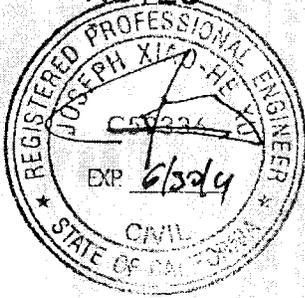
PAGES
12/11

PROJECT TITLE:

KB CAFE
~~KOBE BENTO~~ → 2/6 Nov

1737 POST ST, UNIT 300,
SAN FRANCISCO, CA 94115

SITE MAP
SCOPE OF WORK
SHEET INDEX
NOTES



Designed by: T.W

Date: 5-10-11

Scale: AS SHOWN

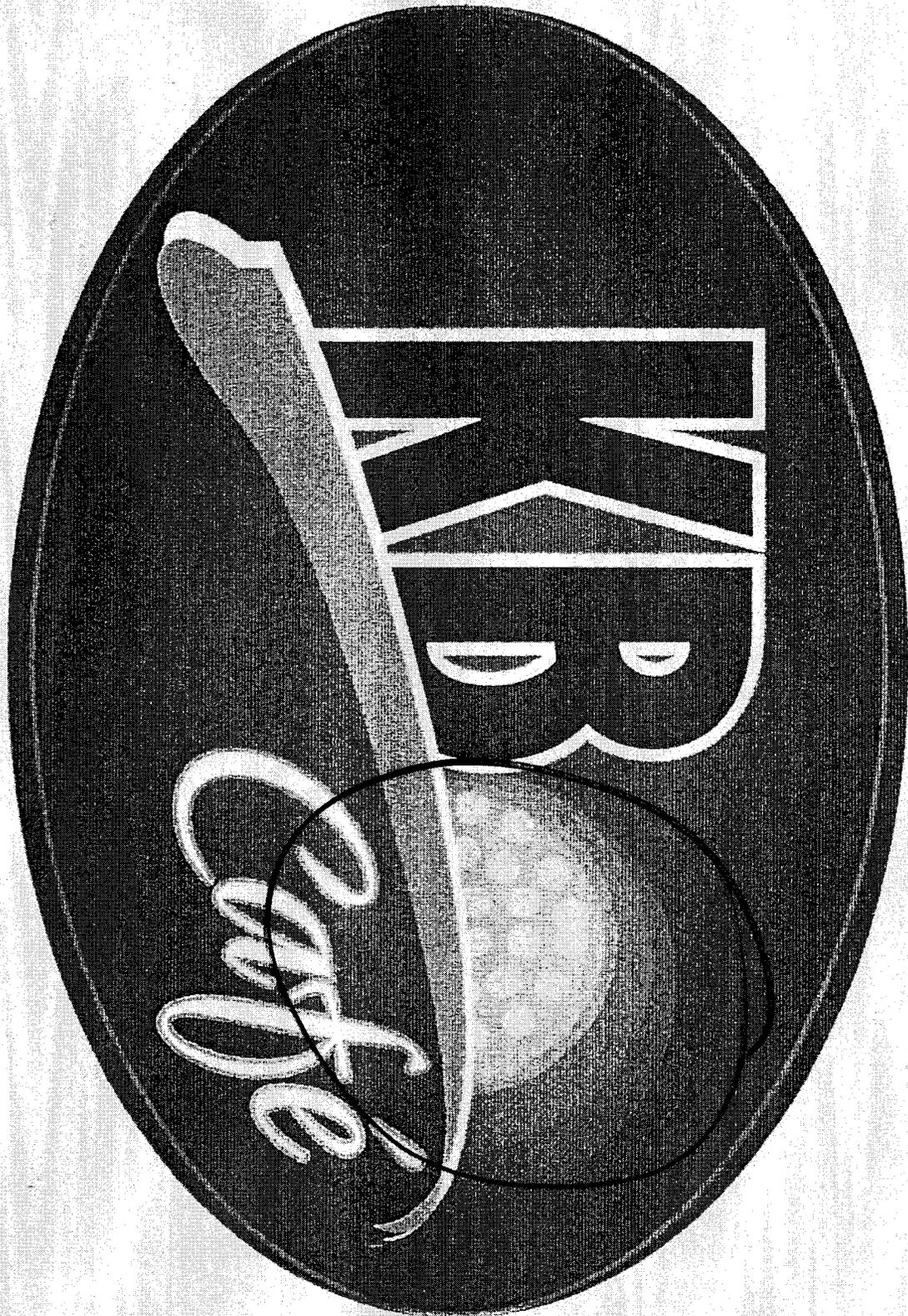
Drawn: P.W.

2011-06

11.09490

EXHIBIT A.1

EXHIBIT A.2



APPLICATION NUMBER
2011-06-01-7183

OSHA APPROVAL RECORD
APPROVAL NUMBER:

APPROVED FOR ISSUANCE

N/V

**APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS**

**CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION**

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF BUILDING INSPECTION OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HERewith AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

FORM 3 OTHER AGENCIES REVIEW REQUIRED
FORM 8 OVER-THE COUNTER ISSUANCE
2 NUMBER OF PLAN SETS

DO NOT WRITE ABOVE THIS LINE

DATE FILED JUN 02 2011	FILING FEE RECEIPT NO. 11063395	(1) STREET ADDRESS OF JOB 1737 Post #200	BLOCK & LOT 0700/009
PERMIT NO.	ISSUED	(2A) ESTIMATED COST OF JOB \$25,000	(2B) REVISED COST: DATE:

DCP FEE

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

LEGAL DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR. CONCRETE	(5A) NO. OF STORIES OF OCCUPANCY 2	(6A) NO. OF BASEMENTS AND CELLARS 1	(7A) PRESENT USE RETAIL	(8A) OCCUP. CLASS M	(9A) NO. OF DWELLING UNITS 0
----------------------------------	---------------------------------------	--	----------------------------	------------------------	---------------------------------

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR. CONCRETE	(5) NO. OF STORIES OF OCCUPANCY 2	(6) NO. OF BASEMENTS AND CELLARS 1	(7) PROPOSED USE (LEGAL USE) RESTAURANT	(8) OCCUP. CLASS B	(9) NO. OF DWELLING UNITS 0
---------------------------------	--------------------------------------	---------------------------------------	--	-----------------------	--------------------------------

(10) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(12) ELECTRICAL WORK TO BE PERFORMED? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(13) PLUMBING WORK TO BE PERFORMED? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
--	--	--	--

(14) GENERAL CONTRACTOR	ADDRESS	PHONE	CALIF. LIC. NO.	EXPIRATION DATE
-------------------------	---------	-------	-----------------	-----------------

(15) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS	ZIP	STRC#	PHONE (FOR CONTACT BY DEPT.)
-------------------------------------	---------	-----	-------	------------------------------

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT)
 NEW PLUMBING & ELECTRICAL LINES TO BE INSTALLED NEW E. & G. F.
 CHANGE OF USE - Not Formula Retail
 NEW RESTAURANT EQUIP

ADDITIONAL INFORMATION

(17) DOES THIS ALTERATION CREATE ADDITIONAL HEIGHT OR STORY TO BUILDING? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT FT.	(19) DOES THIS ALTERATION CREATE DECK OR HORIZ. EXTENSION TO BUILDING? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA SQ. FT.
(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(23) ANY OTHER EXISTING BLDG. ON LOT? (IF YES, SHOW ON PLOT PLAN) YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>

(25) ARCHITECT OR ENGINEER (DESIGN <input type="checkbox"/> CONSTRUCTION <input type="checkbox"/>	ADDRESS
---	---------

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN")	ADDRESS
--	---------

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.
 No portion of building or structure or scaffolding used during construction, to be closer than 60" to any wire containing more than 750 volts See Sec 385, California Penal Code.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE. The permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claim, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands or actions.
 In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the



Northern California and Nevada
Franchise Hotline: 800.961.8839

QUICKLYUSA.COM

EXHIBIT B.1



- Wall
- Info
- Friend Activity
- Photos

About

Official Page of Kobe Bento The World's Largest Traditional & Innovative...

More

118 check-ins

122 like this

Likes



Quickly



Quickly Froyo

Kobe Bento



Food/Beverages · San Francisco, California

Information



Description

Kobe Bento - A Subsidiary of Quickly Corporation in United States.

Kobe Bento first started in Japan in January of 1986 and starting it's worldwide franchise in '2000, Quickly Corporation officially introduce Kobe Bento to the United States in '2011.

Address

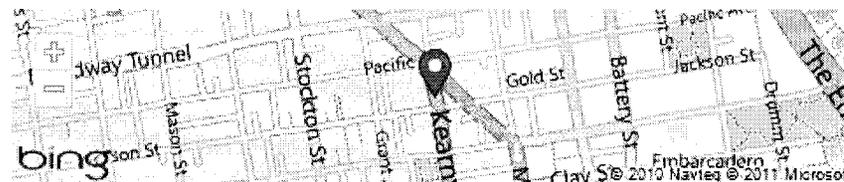
901 Kearny Street, San Francisco, CA 94133 · [Get Directions](#)

Phone

Add Telephone Number

Website

<http://www.KobeBento.com>



Founded

1986

About

Official Page of Kobe Bento The World's Largest Traditional & Innovative Japanese Bento Chain

Mission

Establish Kobe Bento as the premier purveyor of the finest Japanese fast food and drinks in the world while maintaining our uncompromising principles as we grow.

Awards

- Best Bento Box of Japan 2004
- Best Japanese Bento in Italy 2006
- Best Japanese Fast Food in England 2009

Products

- Traditional & Innovative Japanese:
- Bento Box
- Rice Bowl
- Snacks
- Drinks

Email

info@kobebento.com

Recommend This Place



Help your friends discover great places to visit by recommending **Kobe Bento**.

Write a recommendation...

People You May Know

See All



Justin Best

1 mutual friend

[Add Friend](#)



Rosalyn M Tonai

6 mutual friends

[Add Friend](#)

Sponsored

Create an Ad

Learn to Play in 5 Days

playgolfamerica.com



Learn the fundamentals and get on course at Boundary Oaks in 5 easy lessons with Get Golf Ready! 5 Days will bring FUN for a lifetime.

Best WAR Game on Facebook



Play Now!

Richard W. Matsuno played this.

EXHIBIT B.2

SECOND AMENDED AND FULLY RESTATED
POST CLOSING AGREEMENT — KINTETSU MALL

This Second Amended and Fully Restated Post Closing Agreement (the "Agreement") is made and entered into as of May 16, 2006 (the "Effective Date") by and between Kintetsu Enterprises Company of America, a California corporation ("Seller"), and Japan Center West Associates, L.P., a California limited partnership ("Buyer"), and supersedes all prior versions of same.

RECITALS

This Agreement is premised on the following understandings of the parties:

- A. Pursuant to a Purchase and Sale Agreement dated March 14, 2006, as amended by the First Amendment, effective April 11, 2006, and by the Second Amendment, effective April 27, 2006 (collectively, the "PSA"), Seller agreed to sell to Buyer, and Buyer agreed to purchase from Seller, the real property and improvements in the City and County of San Francisco, State of California, commonly known as the Kintetsu Mall, 11 Peace Plaza, San Francisco, California 94115 (the "Mall").
- B. The Mall constitutes a prominent feature of the Japan Center, a commercial center for Japanese goods and services, located in the heart of San Francisco's Japanese community ("Japantown"). Japantown plays an important local and regional role to many Japanese Americans as a place to visit for cultural, educational, commercial, social and entertainment reasons and an important local, regional, national, and international role for residents of San Francisco and the Bay Area and tourists seeking Japanese goods and services and the unique cultural experiences and opportunities that Japantown provides. The Japan Center is commonly recognized as the economic engine that supports Japantown, one of three remaining Japantowns in the United States.
- C. Buyer and Seller acknowledge the important role played by the Mall in preserving the character of Japantown by reflecting the culture, heritage, tradition and arts of Japan through its design elements, signage, graphics, décor and the nature of the goods and services offered by the tenants of the Mall and in sustaining the economic vitality of Japantown by attracting local residents and tourists to shop and dine in Japantown.
- D. Buyer and Seller acknowledge the importance of Japantown to the City and County of San Francisco (the "City") as a vital element of the cultural diversity within the City and as making a significant economic contribution to the welfare of the City and, accordingly, further acknowledge the City as an intended third party beneficiary of this Agreement.
- E. Buyer and Seller desire to assure the continued role of the Mall in supporting the preservation of Japantown by the reflection of a Japan theme in their physical features and leasing practices and by the continuing availability of the Mall as a venue for Japantown

community activities. As a material inducement to Seller to sell the Mall to the Buyer, Buyer agrees to comply with the requirements, restrictions and remedies as set forth in this Agreement, effective upon the Closing Date, as such term is defined in the PSA.

ARTICLE I

POST CLOSING COVENANTS APPLICABLE TO THE MALL

Buyer covenants that on and after the Closing Date, and throughout its ownership of the Mall, it and they shall:

(1) retain ownership of the Mall for a period of not less than fifteen (15) years from the Effective Date (a change in the persons or entities who control the equity or voting interest in the Buyer shall be deemed a transfer in violation of this provision; provided, however, that changes in such control of Buyer among members of the Daneshgar family, transfers to an entity in which members of the Daneshgar family control the equity and the voting interest, and transfers to a trust for estate planning purposes so long as members of the Daneshgar family are the trustees shall not be deemed a transfer in violation of this provision);

(2) maintain a Japan theme in the Mall by the treatment of its design features, graphics, signage and décor in a manner that reflects the culture, heritage, tradition and/or arts of Japan;

(3) maintain a leasing policy for the Mall with the objective of attracting tenants that offer goods or services that reflect the culture, heritage, tradition or arts of Japan or of Japanese Americans, that is consistent with the preservation of the Japan theme of the Mall and to the extent that it is commercially feasible. The mix of tenants in the Mall as of the Effective Date satisfies the foregoing objective. For the purpose of this Section (3), such goods need not be manufactured in Japan and such services need not be provided by persons of Japanese ancestry.

✓ (4) provide for Japanese language capability by the management of the Mall;

(5) allow nonprofit, tax-exempt organizations associated with the Japantown community ("Community Organizations") the use of common areas of the Mall, at designated locations and during hours of business as determined by the management of the Mall in its reasonable commercial judgment, during Japantown community events including, but not limited to the Cherry Blossom Festival and the Nihonmachi Street Fair, and from time-to-time for their fundraising, charitable or cultural activities, provided that in all cases such use shall be consistent with the then existing rules and regulations as adopted by the management of the Mall;

✓ (6) ensure that the management of the Mall will meet periodically, but not more than quarterly, with the Japantown Merchants Association and with an advisory group comprised of individuals from a cross-section of the Japantown community for the purpose of furthering the synergism between the Japantown community and the manager of the Mall;

✓ (7) make cash contributions, at least consistent with Seller's current practice, to support activities conducted by Community Organizations at times and in amounts that Buyer reasonably determines;

(8) engage the services of real estate broker(s) to solicit companies from Japan as prospective tenants of the Mall at times and to the extent that Buyer deems commercially reasonable;

(9) place on the Mall property, at reasonable locations and sizes and subject to reasonable design approval by Buyer's architect, interpretive historical signage that inform visitors of the history of Japantown (in cooperation with the Japanese Cultural and Community Center of Northern California pursuant to the "Japanese American History Walk Project").

ARTICLE II

BUYER'S DEFAULTS: SELLER'S REMEDIES

2.1 Buyer's Default. Buyer shall be in default under this Agreement if Buyer fails to perform in any material respect any of the covenants set forth in Article I within the time and in the manner required by this Article II.

2.2 Seller's Remedies.

(a) Japan Theme Dispute. In the event of a dispute, claim or controversy between the parties and asserted by Seller relating to the performance or default by Buyer of the covenants described in Article I, Section (2) (a "Japan Theme Dispute"), the parties agree to hold a meeting to attempt in good faith to negotiate a resolution of the Japan Theme Dispute prior to pursuing any other available remedy. If, within thirty (30) days after such meeting, the parties have not succeeded in negotiating a resolution of the Japan Theme Dispute, the Japan Theme Dispute shall be resolved through a final and binding arbitration at the request of either party, by the delivery of a written notice (the "Arbitration Notice") to the other party, in accordance with the following procedures.

(i) Within thirty (30) days after the delivery of the Arbitration Notice, each party shall deliver to the other party a reasonably detailed written statement of the party's proposed resolution of the dispute (a "Japan Theme Resolution Proposal") which shall have sufficient particularity to make a reasoned estimate of the cost of implementing the Japan Theme Resolution Proposal. Within sixty (60) days after the delivery of the Arbitration Notice, each party shall designate an architect with at least ten (10) years experience in Japanese design (who shall be independent as to all parties) and deliver written notice of such designation to the other party. A copy of each Japan Theme Resolution Proposal shall be delivered to each architect. If one party fails to deliver notice of the designation of an architect within the time required, the Japan Theme Resolution Proposal of the party who timely submitted the designation of an architect shall be binding on both parties and shall be implemented.

(ii) Each architect designated under this Section 2.2(a) shall submit a written report on whether the Mall meets the requirement of Article I, Section (2), and a written evaluation of both Japan Theme Resolution Proposals in light of such requirement, indicating which Japan Theme Resolution Proposal should be adopted, considering all relevant factors, including cost ("Decision"). Neither architect shall have the power to propose any other or different resolution. Each Decision shall be submitted to both parties within sixty (60) days after the date of designation.

(iii) If the Decisions submitted by the two architects select the same Japan Theme Resolution Proposal, then Buyer shall implement that Japan Theme Resolution Proposal.

(iv) If the two Decisions do not select the same Japan Theme Resolution Proposal, the two architects shall appoint a third architect meeting the same professional qualifications to render a Decision pursuant to Section 2.2(a)(ii) determining which of the two Japan Theme Resolution Proposals shall be implemented. The third architect shall have no power to propose any other or different resolution. The third architect shall be independent as to all parties. The fees of the third architect shall be advanced in equal parts by both parties, subject to the provisions of Section 3.7.

(v) The Decision by the third architect shall be completed and a copy of the report shall be delivered to both parties within sixty (60) days after the date the third architect is selected. The Decision of the third architect shall be binding on the parties and shall establish the work of improvement required of the Buyer, if any, on the Mall. Such work shall be completed within six (6) months following the receipt by Buyer of any applicable building permits required for the completion of such improvements.

(b) Operations Disputes. In the event of a dispute, claim or controversy between the parties and asserted by Seller relating to the performance or default by Buyer of the covenants described in Article I, Section (1) and Sections (3) through (9) ("Operations Dispute"), the parties agree to hold a meeting to attempt in good faith to negotiate a resolution of the Operations Dispute prior to pursuing any other available remedy. In connection with such negotiation, each party shall submit to the other a reasonably detailed written statement of the party's proposed resolution of the dispute ("Operations Resolution Proposal"). During the negotiation process and thereafter the parties may modify their Operations Resolution Proposals.

If, within seven (7) days after such meeting, the parties have not succeeded in negotiating a resolution of the Operations Dispute, the Operations Dispute shall be settled by arbitration before a single arbitrator pursuant to the American Arbitration Association ("AAA") Commercial Arbitration Rules. Either party may initiate the arbitration of the Operations Dispute by the delivery of a written notice to the other party setting forth a description of the claim and by taking such other actions as required by the AAA rules to commence the arbitration. The arbitrator may award only specific performance or permanent injunctive relief, and not monetary damages. Notwithstanding the foregoing, a party may apply to a court of competent jurisdiction for relief in the form of a temporary restraining order or preliminary

injunction, or other provisional remedy pending final determination of a claim through arbitration in accordance with this section. If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear.

(c) Arbitral Awards. Any governing Decision or award rendered in accordance with the provisions of Sections 2.2 (a) or (b) may be enforced by a court of competent jurisdiction upon proper petition as an arbitral award.

(d) Enforcement By City. The City shall have the right and standing, but not the obligation, as an intended third party beneficiary of this Agreement, to assert, initiate and participate in the actions and procedures described in Article II, Section 2.2, with the authority and discretion to negotiate, settle, arbitrate and/or litigate the resolution of disputes with the Buyer. Such rights are in addition to, and not in place of, the rights of the Seller.

ARTICLE III

MISCELLANEOUS

3.1 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing (by a party or by such party's attorney), and shall be sent by (i) delivery by a recognized overnight courier, (ii) United States mail, postage prepaid, registered or certified mail, or (iii) facsimile, with proof of transmission, addressed as follows:

If to Seller: Kintetsu Enterprises Company of America
328 E. First Street
Los Angeles, CA 90012
Attention: Takenori Kakutani, President
Fax: (213) 687-4452

With a Copy to: Minami Lew & Tamaki, LLP
360 Post Street, 8th Floor
San Francisco, CA 94108
Attention: Roy H. Ikeda
Fax: (415) 398-3887

If to Buyer: Japan Center West Associates, L.P.
433 N. Camden Drive, Suite 900
Beverly Hills, CA 90210
Attention: Faraz Daneshgar
Fax: (310) 276-1590

With a Copy to: Foster Tepper, Esq.
9454 Wilshire Blvd., Suite 600
Beverly Hills, CA 90212
Fax: (310) 859-9751

A copy of all notices shall be sent to:

Mayor's Office of Economic and Workforce Development
City and County of San Francisco
1 Dr. Carlton B. Goodlett Pl.
City Hall, Rm. 448
San Francisco, CA 94102
Attention: Director
Fax: (415) 554-6018

and

The Clerk of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Pl.
City Hall, Room 244
San Francisco, CA 94102
Fax: (415) 554-5163

Notice by overnight courier shall be effective upon receipt and notice by mail shall be effective upon deposit in the United States mail in the manner above described, and notice by facsimile shall be effective upon transmission, as evidenced by a receipt confirmation generated by the facsimile machine that transmitted the notice. Any of the foregoing addresses may, at any time by giving ten (10) days' prior written notice to the other addressees, designate any other address in substitution of the foregoing address.

3.2 Governing Law. This Agreement is being executed and delivered, and is intended to be performed, in the State of California and the laws of the State of California shall govern the validity, construction, enforcement, and interpretation of this Agreement. This Agreement is performed in, and the exclusive venue for any action brought with respect hereto, shall lie in the City and County of San Francisco, California.

3.3 Entirety and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof, and may be amended, earlier terminated, or supplemented only by an instrument in writing executed by the City and by the party against whom enforcement is sought.

3.4 Parties Bound. This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective heirs, personal representatives, successors and permitted assigns, but shall not inure to the benefit of any other party except for the City as an intended third party beneficiary.

3.5 Saturday, Sunday or Legal Holiday. If any date set forth in this Agreement for the performance of any obligation by Buyer or Seller or for the delivery of any instrument or notice falls on a Saturday, Sunday or a legal holiday under the laws of the State of California, the

compliance with such obligations or delivery shall be deemed acceptable on the next following day that is not a Saturday, Sunday or such legal holiday.

3.6 Time of the Essence. It is expressly agreed by Seller and Buyer that time is of the essence with respect to this Agreement.

3.7 Attorney's Fees. The prevailing party in any action brought pursuant to this Agreement, including any party whose Resolution Proposal is adopted as the governing Decision,, shall recover from the party not prevailing the attorney's fees and costs, including any fees of any designated architect or broker, it incurred in prosecuting or defending such action or arbitration, whichever may be the case. In the event the City exercises its rights as an intended third party beneficiary, the City will be deemed a party for the purpose of this provision. The fees of attorneys in the Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

3.8 Non-Disclosure. Neither party shall make any public announcement or press release with respect to this transaction without first consulting with the other party and giving such party an opportunity to review and comment thereon. This provision shall not apply to public announcements or press releases made by the City.

3.9 Multiple Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and either of the parties hereto may execute this Agreement by signing any such counterpart.

3.10 Severability. If any provision of this Agreement shall, for any reason, be held violative of any applicable law, and so much of this Agreement is held to be unenforceable, then the invalidity of such specific provision shall not be held to invalidate any other provision of this Agreement which shall remain in full force and effect.

3.11 Assignment. Neither party may assign or transfer this Agreement or any rights or obligations under this Agreement without the prior written consent of the other party.

3.12 Memorandum. A memorandum of this agreement, substantially in the form attached as Exhibit A, shall be recorded with the Recorder's Office of the City and County of San Francisco on the Closing Date, which memorandum shall make reference to the prohibition against the sale of other transfer of the Mall for a period of fifteen (15) years and to the requirements and restrictions applicable to the Mall.

3.13 Subordination. This Agreement shall be subject and subordinate to the lien of all mortgages and deeds of trust, and all amendments thereto, which now or hereafter affect the Mall, all without the necessity of the execution by Seller of further instruments to effect such subordination. If requested, Seller and the City shall execute and deliver to Buyer documentation that may reasonably be required to further effect the provisions of this Section 3.13.

EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: Katt
Name: Takenori Kakutani
Title: President

EXECUTED by Buyer on the ____ day of _____, 2006.

BUYER:

Japan Center West Associates, L.P.

By Japan Center Community Associates, Inc.,
Its General partner

By _____
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the ____ day of _____, 2006.

City and County of San Francisco

By: _____
GAVIN NEWSOM, Mayor

3.13 Subordination. This Agreement shall be subject and subordinate to the lien of all mortgages and deeds of trust, and all amendments thereto, which now or hereafter affect the Mall, all without the necessity of the execution by Seller of further instruments to effect such subordination. If requested, Seller and the City shall execute and deliver to Buyer documentation that may reasonably be required to further effect the provisions of this Section 3.13.

EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: _____
Name: Takenori Kakutani
Title: President

EXECUTED by Buyer on the 27 day of April, 2006.

BUYER:

Japan Center West Associates, L.P.

By Japan Center Community Associates, Inc.,
Its General partner

By 
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the ____ day of _____, 2006.

City and County of San Francisco

By: _____
GAVIN NEWSOM, Mayor

3.13 Subordination. This Agreement shall be subject and subordinate to the lien of all mortgages and deeds of trust, and all amendments thereto, which now or hereafter affect the Mall, all without the necessity of the execution by Seller of further instruments to effect such subordination. If requested, Seller and the City shall execute and deliver to Buyer documentation that may reasonably be required to further effect the provisions of this Section 3.13.

EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: _____

Name: Takenori Kakutani

Title: President

EXECUTED by Buyer on the ____ day of _____, 2006.

BUYER:

Japan Center West Associates, L.P.

By Japan Center Community Associates, Inc.,
Its General partner

By _____
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the ____ day of _____, 2006.

City and County of San Francisco

By: _____
GAMIN NEWSOM, Mayor

Exhibit A
Form of Memorandum of Agreement

Recording Requested By
And When Recorded Mail To:

Minami, Lew & Tamaki, LLP
360 Post St.,
San Francisco, CA 94108

MEMORANDUM OF POST CLOSING AGREEMENT

This MEMORANDUM OF POST CLOSING AGREEMENT (the "Memorandum") is made and entered into by and between Kintetsu Enterprises Company of America, a California corporation ("KEA"), and Japan Center West Associates, L.P., a California limited partnership ("JCWA").

The rights and obligations of KEA and JCWA, as the seller and the buyer, respectively, and of the City and County of San Francisco, as the intended third party beneficiary, are described in the Second Amended and Fully Restated Post Closing Agreement, dated May __, 2006 (the "Post Closing Agreement"), which sets forth, among other things, a prohibition against the sale or other transfer of the real property and improvements commonly known as the Kintetsu Mall, 11 Peace Plaza, San Francisco, CA (the "Mall"), for a period of fifteen (15) years from the date hereof, as well as restrictions and requirements relating to the operation of the Mall.

KEA and JCWA desire to record this Memorandum as a memorandum of that certain unrecorded Post Closing Agreement affecting the Mall, all the terms and conditions of which are hereby made a part hereof with the same force and effect as though fully set forth herein.

DATED: _____, 2006

Kintetsu Enterprises Company of America
a California corporation

By: _____
Name: Takenori Kakutani
Title: President

Japan Center West Associates, L.P., a California limited
partnership

By Japan Center Community Associates, Inc.,
Its General partner

By _____
Joseph Daneshgar, President

SECOND AMENDED AND FULLY RESTATED
POST CLOSING AGREEMENT — MIYAKO MALL

This Second Amended and Fully Restated Post Closing Agreement (the "Agreement") is made and entered into as of May 16, 2006 (the "Effective Date") by and between Kintetsu Enterprises Company of America, a California corporation and Miyako Mall, Inc., a California corporation (collectively, the "Seller"), and Japan Center East Associates, L.P., a California limited partnership ("Buyer"), and supersedes all prior versions of same.

RECITALS

This Agreement is premised on the following understandings of the parties:

- A. Pursuant to a Purchase and Sale Agreement dated March 14, 2006, as amended by the First Amendment, effective April 11, 2006, and by the Second Amendment, effective April 27, 2006 (collectively, the "PSA"), Seller agreed to sell to Buyer, and Buyer agreed to purchase from Seller, the real property and improvements in the City and County of San Francisco, State of California, commonly known as the Miyako Mall, 22 Peace Plaza, San Francisco, California 94115 (the "Mall").
- B. The Mall constitutes the prominent feature of the Japan Center, a commercial center for Japanese goods and services, located in the heart of San Francisco's Japanese community ("Japantown"). Japantown plays an important local and regional role to many Japanese Americans as a place to visit for cultural, educational, commercial, social and entertainment reasons and an important local, regional, national, and international role for residents of San Francisco and the Bay Area and tourists seeking Japanese goods and services and the unique cultural experiences and opportunities that Japantown provides. The Japan Center is commonly recognized as the economic engine that supports Japantown, one of three remaining Japantowns in the United States.
- C. Buyer and Seller acknowledge the important role played by the Mall in preserving the character of Japantown by reflecting the culture, heritage, tradition and arts of Japan through its design elements, signage, graphics, décor and the nature of the goods and services offered by the tenants of the Mall and in sustaining the economic vitality of Japantown by attracting local residents and tourists to shop and dine in Japantown.
- D. Buyer and Seller acknowledge the importance of Japantown to the City and County of San Francisco (the "City") as a vital element of the cultural diversity within the City and as making a significant economic contribution to the welfare of the City and, accordingly, further acknowledge the City as an intended third party beneficiary of this Agreement.
- E. Buyer and Seller desire to assure the continued role of the Mall in supporting the preservation of Japantown by the reflection of a Japan theme in their physical features and leasing practices and by the continuing availability of the Mall as venues for Japantown

community activities. As a material inducement to Seller to sell the Mall to the Buyer, Buyer agrees to comply with the requirements, restrictions and remedies as set forth in this Agreement, effective upon the Closing Date, as such term is defined in the PSA.

ARTICLE I

POST CLOSING COVENANTS APPLICABLE TO THE MALL

Buyer covenants that on and after the Closing Date, and throughout its ownership of the Mall, it shall:

(1) retain ownership of the Mall for a period of not less than fifteen (15) years from the Effective Date (a change in the persons or entities who control the equity or voting interest in the Buyer shall be deemed a transfer in violation of this provision; provided, however, that changes in such control of Buyer among members of the Daneshgar family, transfers to an entity in which members of the Daneshgar family control the equity and the voting interest, and transfers to a trust for estate planning purposes so long as members of the Daneshgar family are the trustees shall not be deemed a transfer in violation of this provision);

(2) maintain a Japan theme in the Mall by the treatment of its design features, graphics, signage and décor in a manner that reflects the culture, heritage, tradition and/or arts of Japan;

(3) maintain a leasing policy for the Mall with the objective of attracting tenants that offer goods or services that reflect the culture, heritage, tradition or arts of Japan or of Japanese Americans, that is consistent with the preservation of the Japan theme of the Mall and to the extent that it is commercially feasible. The mix of tenants in the Mall as of the Effective Date satisfies the foregoing objective. For the purpose of this Section (3), such goods need not be manufactured in Japan and such services need not be provided by persons of Japanese ancestry.

(4) provide for Japanese language capability by the management of the Mall;

(5) allow nonprofit, tax-exempt organizations associated with the Japantown community ("Community Organizations") the use of common areas of the Mall, at designated locations and during hours of business as determined by the management of the Mall in its reasonable commercial judgment, during Japantown community events including, but not limited to the Cherry Blossom Festival and the Nihonmachi Street Fair, and from time-to-time for their fundraising, charitable or cultural activities, provided that in all cases such use shall be consistent with the then existing rules and regulations as adopted by the management of the Mall;

(6) ensure that the management of the Mall will meet periodically, but not more than quarterly, with the Japantown Merchants Association and with an advisory group comprised of individuals from a cross-section of the Japantown community for the purpose of furthering the synergism between the Japantown community and the manager of the Mall;

(7) make cash contributions, at least consistent with Seller's current practice, to support activities conducted by Community Organizations at times and in amounts that Buyer reasonably determines;

(8) engage the services of real estate broker(s) to solicit companies from Japan as prospective tenants of the Mall at times and to the extent that Buyer deems commercially reasonable;

(9) place on the Mall property, at reasonable locations and sizes and subject to reasonable design approval by Buyer's architect, interpretive historical signage that inform visitors of the history of Japantown (in cooperation with the Japanese Cultural and Community Center of Northern California pursuant to the "Japanese American History Walk Project").

ARTICLE II

BUYER'S DEFAULTS: SELLER'S REMEDIES

2.1 Buyer's Default. Buyer shall be in default under this Agreement if Buyer fails to perform in any material respect any of the covenants set forth in Article I within the time and in the manner required by this Article II.

2.2 Seller's Remedies.

(a) Japan Theme Dispute. In the event of a dispute, claim or controversy between the parties and asserted by Seller relating to the performance or default by Buyer of the covenants described in Article I, Section (2) (a "Japan Theme Dispute"), the parties agree to hold a meeting to attempt in good faith to negotiate a resolution of the Japan Theme Dispute prior to pursuing any other available remedy. If, within thirty (30) days after such meeting, the parties have not succeeded in negotiating a resolution of the Japan Theme Dispute, the Japan Theme Dispute shall be resolved through a final and binding arbitration at the request of either party, by the delivery of a written notice (the "Arbitration Notice") to the other party, in accordance with the following procedures.

(i) Within thirty (30) days after the delivery of the Arbitration Notice, each party shall deliver to the other party a reasonably detailed written statement of the party's proposed resolution of the dispute (a "Japan Theme Resolution Proposal") which shall have sufficient particularity to make a reasoned estimate of the cost of implementing the Japan Theme Resolution Proposal. Within sixty (60) days after the delivery of the Arbitration Notice, each party shall designate an architect with at least ten (10) years experience in Japanese design (who shall be independent as to all parties) and deliver written notice of such designation to the other party. A copy of each Japan Theme Resolution Proposal shall be delivered to each architect. If one party fails to deliver notice of the designation of an architect within the time required, the Japan Theme Resolution Proposal of the party who timely submitted the designation of an architect shall be binding on both parties and shall be implemented.

(ii) Each architect designated under this Section 2.2(a) shall submit a written report on whether the Mall in question meets the requirement of Article I, Section (2), and a written evaluation of both Japan Theme Resolution Proposals in light of such requirement, indicating which Japan Theme Resolution Proposal should be adopted, considering all relevant factors, including cost ("Decision"). Neither architect shall have the power to propose any other or different resolution. Each Decision shall be submitted to both parties within sixty (60) days after the date of designation.

(iii) If the Decisions submitted by the two architects select the same Japan Theme Resolution Proposal, then Buyer shall implement that Japan Theme Resolution Proposal.

(iv) If the two Decisions do not select the same Japan Theme Resolution Proposal, the two architects shall appoint a third architect meeting the same professional qualifications to render a Decision pursuant to Section 2.2(a)(ii) determining which of the two Japan Theme Resolution Proposals shall be implemented. The third architect shall have no power to propose any other or different resolution. The third architect shall be independent as to all parties. The fees of the third architect shall be advanced in equal parts by both parties, subject to the provisions of Section 3.7.

(v) The Decision by the third architect shall be completed and a copy of the report shall be delivered to both parties within sixty (60) days after the date the third architect is selected. The Decision of the third architect shall be binding on the parties and shall establish the work of improvement required of the Buyer, if any, on the Mall in question. Such work shall be completed within six (6) months following the receipt by Buyer of any applicable building permits required for the completion of such improvements.

(b) Operations Disputes. In the event of a dispute, claim or controversy between the parties and asserted by Seller relating to the performance or default by Buyer of the covenants described in Article I, Section (1) and Sections (3) through (9) ("Operations Dispute"), the parties agree to hold a meeting to attempt in good faith to negotiate a resolution of the Operations Dispute prior to pursuing any other available remedy. In connection with such negotiation, each party shall submit to the other a reasonably detailed written statement of the party's proposed resolution of the dispute ("Operations Resolution Proposal"). During the negotiation process and thereafter the parties may modify their Operations Resolution Proposals.

If, within seven (7) days after such meeting, the parties have not succeeded in negotiating a resolution of the Operations Dispute, the Operations Dispute shall be settled by arbitration before a single arbitrator pursuant to the American Arbitration Association ("AAA") Commercial Arbitration Rules. Either party may initiate the arbitration of the Operations Dispute by the delivery of a written notice to the other party setting forth a description of the claim and by taking such other actions as required by the AAA rules to commence the arbitration. The arbitrator may award only specific performance or permanent injunctive relief, and not monetary damages. Notwithstanding the foregoing, a party may apply to a court of

competent jurisdiction for relief in the form of a temporary restraining order or preliminary injunction, or other provisional remedy pending final determination of a claim through arbitration in accordance with this section. If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear.

(c) Arbitral Awards. Any governing Decision or award rendered in accordance with the provisions of Sections 2.2 (a) or (b) may be enforced by a court of competent jurisdiction upon proper petition as an arbitral award.

(d) Enforcement By City. The City shall have the right and standing, but not the obligation, as an intended third party beneficiary of this Agreement, to assert, initiate and participate in the actions and procedures described in Article II, Section 2.2, with the authority and discretion to negotiate, settle, arbitrate and/or litigate the resolution of disputes with the Buyer. Such rights are in addition to, and not in place of, the rights of the Seller.

ARTICLE III

MISCELLANEOUS

3.1 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing (by a party or by such party's attorney), and shall be sent by (i) delivery by a recognized overnight courier, (ii) United States mail, postage prepaid, registered or certified mail, or (iii) facsimile, with proof of transmission, addressed as follows:

If to Seller: Kintetsu Enterprises Company of America
Miyako Mall, Inc.
328 E. First Street
Los Angeles, CA 90012
Attention: Takenori Kakutani, President
Fax: (213) 687-4452

With a Copy to: Minami Lew & Tamaki, LLP
360 Post Street, 8th Floor
San Francisco, CA 94108
Attention: Roy H. Ikeda
Fax: (415) 398-3887

If to Buyer: Japan Center East Associates, L.P.
433 N. Camden Drive, Suite 900
Beverly Hills, CA 90210
Attention: Faraz Daneshgar
Fax: (310) 276-1590

With a Copy to: Foster Tepper, Esq.
9454 Wilshire Blvd., Suite 600
Beverly Hills, CA 90212
Fax: (310) 859-9751

A copy of all notices shall be sent to:

Mayor's Office of Economic and Workforce Development
City and County of San Francisco
1 Dr. Carlton B. Goodlett Pl.
City Hall, Rm. 448
San Francisco, CA 94102
Attention: Director
Fax: (415) 554-6018

and

The Clerk of the Board of Supervisors
City and County of San Francisco
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City Hall, Room 244
San Francisco, CA 94102
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Notice by overnight courier shall be effective upon receipt and notice by mail shall be effective upon deposit in the United States mail in the manner above described, and notice by facsimile shall be effective upon transmission, as evidenced by a receipt confirmation generated by the facsimile machine that transmitted the notice. Any of the foregoing addresses may, at any time by giving ten (10) days' prior written notice to the other addressees, designate any other address in substitution of the foregoing address.

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3.4 Parties Bound. This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective heirs, personal representatives, successors and permitted

assigns, but shall not inure to the benefit of any other party except for the City as an intended third party beneficiary.

3.5 Saturday, Sunday or Legal Holiday. If any date set forth in this Agreement for the performance of any obligation by Buyer or Seller or for the delivery of any instrument or notice falls on a Saturday, Sunday or a legal holiday under the laws of the State of California, the compliance with such obligations or delivery shall be deemed acceptable on the next following day that is not a Saturday, Sunday or such legal holiday.

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3.7 Attorney's Fees. The prevailing party in any action brought pursuant to this Agreement, including any party whose Resolution Proposal is adopted as the governing Decision, shall recover from the party not prevailing the attorney's fees and costs, including any fees of any designated architect or broker, it incurred in prosecuting or defending such action or arbitration, whichever may be the case. In the event the City exercises its rights as an intended third party beneficiary, the City will be deemed a party for the purpose of this provision. The fees of attorneys in the Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

3.8 Non-Disclosure. Neither party shall make any public announcement or press release with respect to this transaction without first consulting with the other party and giving such party an opportunity to review and comment thereon. This provision shall not apply to public announcements or press releases made by the City.

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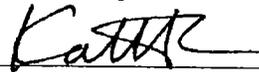
3.12 Memorandum. A memorandum of this agreement, substantially in the form attached as Exhibit A, shall be recorded with the Recorder's Office of the City and County of San Francisco on the Closing Date, which memorandum shall make reference to the prohibition against the sale of other transfer of the Mall for a period of fifteen (15) years and to the requirements and restrictions applicable to the Mall.

3.13 Subordination. This Agreement shall be subject and subordinate to the lien of all mortgages and deeds of trust, and all amendments thereto, which now or hereafter affect the Mall, all without the necessity of the execution by Seller of further instruments to effect such subordination. If requested, Seller and the City shall execute and deliver to Buyer documentation that may reasonably be required to further effect the provisions of this Section 3.13.

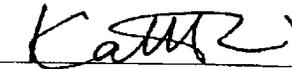
EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: 
Takenori Kakutani, President

Miyako Mall, Inc., a California corporation

By: 
Takenori Kakutani, President

EXECUTED by Buyer on the ____ day of _____, 2006.

BUYER:

Japan Center East Associates, L.P.

By Japan Center Community Associates, Inc.,
Its General partner

By: _____
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the ____ day of _____, 2006.

City and County of San Francisco

By: _____
GAVIN NEWSOM, Mayor

3.13 Subordination. This Agreement shall be subject and subordinate to the lien of all mortgages and deeds of trust, and all amendments thereto, which now or hereafter affect the Mall, all without the necessity of the execution by Seller of further instruments to effect such subordination. If requested, Seller and the City shall execute and deliver to Buyer documentation that may reasonably be required to further effect the provisions of this Section 3.13.

EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: _____
Takenori Kakutani, President

Miyako Mall, Inc., a California corporation

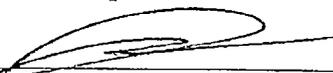
By _____
Takenori Kakutani, President

EXECUTED by Buyer on the 27 day of April, 2006.

BUYER:

Japan Center East Associates, L.P.

By Japan Center Community Associates, Inc.,
Its General partner

By  _____
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the ____ day of _____, 2006.

City and County of San Francisco

By: _____
GAVIN NEWSOM, Mayor

3.13 Subordination. This Agreement shall be subject and subordinate to the lien of all mortgages and deeds of trust, and all amendments thereto, which now or hereafter affect the Mall, all without the necessity of the execution by Seller of further instruments to effect such subordination. If requested, Seller and the City shall execute and deliver to Buyer documentation that may reasonably be required to further effect the provisions of this Section 3.13.

EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: _____
Takenori Kakutani, President

Miyako Mall, Inc., a California corporation

By _____
Takenori Kakutani, President

EXECUTED by Buyer on the ____ day of _____, 2006.

BUYER:

Japan Center East Associates, L.P.

By Japan Center Community Associates, Inc.,
Its General partner

By _____
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the ____ day of _____, 2006.

City and County of San Francisco

By: _____
GAMIN NEWSOM, Mayor

Exhibit A
Form of Memorandum of Agreement

Recording Requested By
And When Recorded Mail To:

Minami, Lew & Tamaki, LLP
360 Post St.,
San Francisco, CA 94108

MEMORANDUM OF POST CLOSING AGREEMENT

This MEMORANDUM OF POST CLOSING AGREEMENT (the "Memorandum") is made and entered into by and between Kintetsu Enterprises Company of America, a California corporation, and Miyako Mall, Inc., a California corporation (collectively, the "Seller"), and Japan Center East Associates, L.P., a California limited partnership ("JCEA").

The rights and obligations of Seller and JCEA, as the seller and the buyer, respectively, and of the City and County of San Francisco, as the intended third party beneficiary, are described in the Second Amended and Fully Restated Post Closing Agreement, dated May __, 2006 (the "Post Closing Agreement"), which sets forth, among other things, a prohibition against the sale or other transfer of the real property and improvements commonly known as the Miyako Mall, 22 Peace Plaza, San Francisco, CA (the "Mall"), for a period of fifteen (15) years from the date hereof, as well as restrictions and requirements relating to the operation of the Mall.

Seller and JCEA desire to record this Memorandum as a memorandum of that certain unrecorded Post Closing Agreement affecting the Mall, all the terms and conditions of which are hereby made a part hereof with the same force and effect as though fully set forth herein.

DATED: _____, 2006

Kintetsu Enterprises Company of America
a California corporation

By: _____
Takenori Kakutani, President

Miyako Mall, Inc., a California corporation

By _____
Takenori Kakutani, President

Japan Center East Associates, L.P., a California limited
partnership

By Japan Center Community Associates, Inc.,
Its General partner

By _____
Joseph Daneshgar, President

SECOND AMENDED AND FULLY RESTATED

POST CLOSING AGREEMENT — HOTEL

This Second Amended and Fully Restated Post Closing Agreement (the "Agreement") is made and entered into as of May 1, 2006 (the "Effective Date") by and between Kintetsu Enterprises Company of America, a California corporation ("Seller"), and Japan Center Hotel Associates, L.P., a California limited partnership, ("Buyer"), and supersedes all prior versions of same.

RECITALS

This Agreement is premised on the following understandings of the parties:

- A. Pursuant to a Purchase and Sale Agreement dated March 1, 2006, as amended by the First Amendment, effective April 11, 2006, and by the Second Amendment, effective April 27, 2006 (collectively, the "PSA"), Seller agreed to sell to Buyer, and Buyer agreed to purchase from Seller, the real property and improvements in the City and County of San Francisco, State of California, commonly known as the Radisson Miyako Hotel, 1625 Post Street, San Francisco, California 94115 (the "Hotel").
- B. The Hotel is a prominent feature of the Japan Center, a commercial center for Japanese goods and services, located in the heart of San Francisco's Japanese community ("Japantown"). Japantown plays an important local and regional role to many Japanese Americans as a place to visit for cultural, educational, commercial, social and entertainment reasons and an important local, regional, national, and international role for residents of San Francisco and the Bay Area and tourists seeking Japanese goods and services and the unique cultural experiences and opportunities that Japantown provides. The Japan Center is commonly recognized as the economic engine that supports Japantown, one of three remaining Japantowns in the United States.
- C. Buyer and Seller acknowledge the important role played by the Hotel in preserving the character of Japantown by reflecting the culture, heritage, tradition and arts of Japan through its design elements, signage, graphics and décor and in supporting the economic vitality of Japantown by providing transient hotel services in Japantown.
- D. Buyer and Seller acknowledge the importance of Japantown to the City and County of San Francisco (the "City") as a vital element of the cultural diversity within the City and as making a significant economic contribution to the welfare of the City and, accordingly, further acknowledge the City as an intended third party beneficiary of this Agreement.
- E. Buyer and Seller desire to assure the continued role of the Hotel in supporting the preservation of Japantown by the reflection of a Japan theme in its physical features and by the continuing availability of the Hotel as a venue for Japantown community activities. As a material inducement to Seller to sell the Hotel to the Buyer, Buyer agrees to comply

with the requirements, restrictions and remedies as set forth in this Agreement, effective upon the Closing Date, as such term is defined in the PSA.

ARTICLE I

POST CLOSING COVENANTS APPLICABLE TO THE HOTEL

Buyer covenants that on and after the Closing Date and throughout its ownership of the Hotel, it shall:

(1) maintain the lobby of the Hotel in a manner that complements the Japan theme of the Malls, as reflected in design features, graphics, signage and décor, at least consistent with the manner in which the lobby is decorated as of the Effective Date;

✓ (2) provide to nonprofit, tax-exempt organizations associated with the Japantown community (the "Community Organizations") the use of then existing meeting rooms and banquet rooms at discounted rates consistent with the highest level of discount provided by the Hotel to other nonprofit, tax-exempt organizations, in connection with Japantown community events including, but not limited to, the Cherry Blossom Festival and the Nihonmachi Street Fair;

(3) honor reservations made by Community Organizations prior to the Closing Date for guest rooms, meeting rooms and banquet rooms/catering services including, but not limited to, the Centennial Celebration banquet scheduled for September, 2006;

(4) retain the word "Miyako" or use another Japanese or Japantown-related word in the name of the Hotel; and

(5) join the Japantown Merchants Association and support Japantown activities conducted by Community Organizations.

ARTICLE II

BUYER'S DEFAULTS: SELLER'S REMEDIES

2.1 Buyer's Default. Buyer shall be in default under this Agreement if Buyer fails to perform in any material respect any of the covenants set forth in Article I within the time and in the manner required by this Article II.

2.2 Seller's Remedies.

(a) Japan Theme Dispute. In the event of a dispute, claim or controversy between the parties and asserted by Seller relating to the performance or default by Buyer of the covenants described in Article I, Section (1) (a "Japan Theme Dispute"), the parties agree to hold a meeting to attempt in good faith to negotiate a resolution of the Japan Theme Dispute prior to pursuing any other available remedy. If, within thirty (30) days after such meeting, the parties have not succeeded in negotiating a resolution of the Japan Theme Dispute, the Japan Theme

Dispute shall be resolved through a final and binding arbitration at the request of either party, by the delivery of a written notice (the "Arbitration Notice") to the other party, in accordance with the following procedures.

(i) Within thirty (30) days after the delivery of the Arbitration Notice, each party shall deliver to the other party a reasonably detailed written statement of the party's proposed resolution of the dispute (a "Japan Theme Resolution Proposal") which shall have sufficient particularity to make a reasoned estimate of the cost of implementing the Japan Theme Resolution Proposal. Within sixty (60) days after the delivery of the Arbitration Notice, each party shall designate an architect with at least ten (10) years experience in Japanese design (who shall be independent as to all parties) and deliver written notice of such designation to the other party. A copy of each Japan Theme Resolution Proposal shall be delivered to each architect. If one party fails to deliver notice of the designation of an architect within the time required, the Japan Theme Resolution Proposal of the party who timely submitted the designation of an architect shall be binding on both parties and shall be implemented.

(ii) Each architect designated under this Section 2.2(a) shall submit a written report on whether the Hotel meets the requirement of Article I, Section (1), and a written evaluation of both Japan Theme Resolution Proposals in light of such requirement, indicating which Japan Theme Resolution Proposal should be adopted, considering all relevant factors, including cost ("Decision"). Neither architect shall have the power to propose any other or different resolution. Each Decision shall be submitted to both parties within sixty (60) days after the date of designation.

(iii) If the Decisions submitted by the two architects select the same Japan Theme Resolution Proposal, then Buyer shall implement that Japan Theme Resolution Proposal.

(iv) If the two Decisions do not select the same Japan Theme Resolution Proposal, the two architects shall appoint a third architect meeting the same professional qualifications to render a Decision pursuant to Section 2.2(a)(ii) determining which of the two Japan Theme Resolution Proposals shall be implemented. The third architect shall have no power to propose any other or different resolution. The third architect shall be independent as to all parties. The fees of the third architect shall be advanced in equal parts by both parties, subject to the provisions of Section 3.7.

(v) The Decision by the third architect shall be completed and a copy of the report shall be delivered to both parties within sixty (60) days after the date the third architect is selected. The Decision of the third architect shall be binding on the parties and shall establish the work of improvement required of the Buyer, if any, on the Hotel. Such work shall be completed within six (6) months following the receipt by Buyer of any applicable building permits required for the completion of such improvements.

(b) Operations Disputes. In the event of a dispute, claim or controversy between the parties and asserted by Seller relating to the performance or default by Buyer of the

covenants described in Article I, Sections (2) through (5) ("Operations Dispute"), the parties agree to hold a meeting to attempt in good faith to negotiate a resolution of the Operations Dispute prior to pursuing any other available remedy. In connection with such negotiation, each party shall submit to the other a reasonably detailed written statement of the party's proposed resolution of the dispute ("Operations Resolution Proposal"). During the negotiation process and thereafter the parties may modify their Operations Resolution Proposals.

If, within seven (7) days after such meeting, the parties have not succeeded in negotiating a resolution of the Operations Dispute, the Operations Dispute shall be settled by arbitration before a single arbitrator pursuant to the American Arbitration Association ("AAA") Commercial Arbitration Rules. Either party may initiate the arbitration of the Operations Dispute by the delivery of a written notice to the other party setting forth a description of the claim and by taking such other actions as required by the AAA rules to commence the arbitration. The arbitrator may award only specific performance or permanent injunctive relief, and not monetary damages. Notwithstanding the foregoing, a party may apply to a court of competent jurisdiction for relief in the form of a temporary restraining order or preliminary injunction, or other provisional remedy pending final determination of a claim through arbitration in accordance with this section. If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear.

(c) Arbitral Awards. Any governing Decision or award rendered in accordance with the provisions of Sections 2.2 (a) or (b) may be enforced by a court of competent jurisdiction upon proper petition as an arbitral award.

(d) Enforcement By City. The City shall have the right and standing, but not the obligation, as an intended third party beneficiary of this Agreement, to assert, initiate and participate in the actions and procedures described in Article II, Sections 2.2(a), (b) and (c), with the authority and discretion to negotiate, settle, arbitrate and/or litigate the resolution of disputes with the Buyer. Such rights are in addition to, and not in place of, the rights of the Seller.

ARTICLE III

MISCELLANEOUS

3.1 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing (by a party or by such party's attorney), and shall be sent by (i) delivery by a recognized overnight courier, (ii) United States mail, postage prepaid, registered or certified mail, or (iii) facsimile, with proof of transmission, addressed as follows:

If to Seller: Kintetsu Enterprises Company of America
 328 E. First Street
 Los Angeles, CA 90012
 Attention: Takenori Kakutani, President
 Fax: (213) 687-4452

With a Copy to: Minami Lew & Tamaki, LLP
360 Post Street, 8th Floor
San Francisco, CA 94108
Attention: Roy H. Ikeda
Fax: (415) 398-3887

If to Buyer: Japan Center Hotel Associates, L.P.
433 N. Camden Drive, Suite 900
Beverly Hills, CA 90210
Attention: Faraz Daneshgar
Fax: (310) 276-1590

With a Copy to: Foster Tepper, Esq.
9454 Wilshire Blvd., Suite 600
Beverly Hills, CA 90212
Fax: (310) 859-9751

A copy of all notices shall be sent to:

Mayor's Office of Economic and Workforce Development
City and County of San Francisco
1 Dr. Carlton B. Goodlett Pl.
City Hall, Rm. 448
San Francisco, CA 94102
Attention: Director
Fax: (415) 554-6018

and

The Clerk of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Pl.
City Hall, Room 244
San Francisco, CA 94102
Fax: (415) 554-5163

Notice by overnight courier shall be effective upon receipt and notice by mail shall be effective upon deposit in the United States mail in the manner above described, and notice by facsimile shall be effective upon transmission, as evidenced by a receipt confirmation generated by the facsimile machine that transmitted the notice. Any of the foregoing addresses may, at any time by giving ten (10) days' prior written notice to the other addressees, designate any other address in substitution of the foregoing address.

3.2 Governing Law. This Agreement is being executed and delivered, and is intended to be performed, in the State of California and the laws of the State of California shall

govern the validity, construction, enforcement, and interpretation of this Agreement. This Agreement is performed in, and the exclusive venue for any action brought with respect hereto, shall lie in the City and County of San Francisco, California.

3.3 Entirety and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof, and may be amended, earlier terminated, or supplemented only by an instrument in writing executed by the City and by the party against whom enforcement is sought.

3.4 Parties Bound. This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective heirs, personal representatives, successors and permitted assigns, but shall not inure to the benefit of any other party except for the City as an intended third party beneficiary.

3.5 Saturday, Sunday or Legal Holiday. If any date set forth in this Agreement for the performance of any obligation by Buyer or Seller or for the delivery of any instrument or notice falls on a Saturday, Sunday or a legal holiday under the laws of the State of California, the compliance with such obligations or delivery shall be deemed acceptable on the next following day that is not a Saturday, Sunday or such legal holiday.

3.6 Time of the Essence. It is expressly agreed by Seller and Buyer that time is of the essence with respect to this Agreement.

3.7 Attorney's Fees. The prevailing party in any action brought pursuant to this Agreement, including any party whose Resolution Proposal is adopted as the governing Decision, shall recover from the party not prevailing the attorney's fees and costs, including any fees of any designated architect or broker, it incurred in prosecuting or defending such action or arbitration, whichever may be the case. In the event the City exercises its rights as an intended third party beneficiary, the City will be deemed a party for the purpose of this provision. The fees of attorneys in the Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

3.8 Non-Disclosure. Neither party shall make any public announcement or press release with respect to this transaction without first consulting with the other party and giving such party an opportunity to review and comment thereon. This provision shall not apply to public announcements or press releases made by the City.

3.9 Multiple Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and either of the parties hereto may execute this Agreement by signing any such counterpart.

3.10 Severability. If any provision of this Agreement shall, for any reason, be held violative of any applicable law, and so much of this Agreement is held to be unenforceable, then

the invalidity of such specific provision shall not be held to invalidate any other provision of this Agreement which shall remain in full force and effect.

3.11 Assignment. Neither party may assign or transfer this Agreement or any rights or obligations under this Agreement without the prior written consent of the other party.

3.12 Memorandum. A memorandum of this Agreement, substantially in the form set forth in Exhibit A, shall be recorded with the Recorder's Office of the City and County of San Francisco on the Closing Date, which memorandum shall make reference to the requirements and restrictions applicable to the Hotel as covenants running with the land for a period of fifteen (15) years from the date of recordation of such memorandum.

Remainder of page intentionally left blank.

3.13 Subordination. This Agreement shall be subject and subordinate to the lien of all mortgages and deeds of trust, and all amendments thereto, which now or hereafter affect the Hotel, all without the necessity of the execution by Seller of further instruments to effect such subordination. If requested, Seller and the City shall execute and deliver to Buyer documentation that may reasonably be required to further effect the provisions of this Section 3.13.

EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: Kakutani
Name: Takenori Kakutani
Title: President

EXECUTED by Buyer on the ____ day of _____, 2006.

BUYER:

Japan Center Hotel Associates, L.P.,
a California limited partnership

By: Japan Center Community Associates, Inc., its
General Partner

By _____
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the ____ day of _____, 2006.

City and County of San Francisco

By: _____
GAVIN NEWSOM, Mayor

3.13 Subordination. This Agreement shall be subject and subordinate to the lien of all mortgages and deeds of trust, and all amendments thereto, which now or hereafter affect the Hotel, all without the necessity of the execution by Seller of further instruments to effect such subordination. If requested, Seller and the City shall execute and deliver to Buyer documentation that may reasonably be required to further effect the provisions of this Section 3.13.

EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: _____

Name: Takenori Kakutani

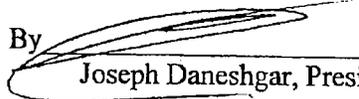
Title: President

EXECUTED by Buyer on the ____ day of _____, 2006.

BUYER:

Japan Center Hotel Associates, L.P.,
a California limited partnership

By: Japan Center Community Associates, Inc., its
General Partner

By  _____
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the ____ day of _____, 2006.

City and County of San Francisco

By: _____

GAVIN NEWSOM, Mayor

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EXECUTED by Seller on the ____ day of _____, 2006.

SELLER:

Kintetsu Enterprises Company of America
a California corporation

By: _____
Name: Takenori Kakutani
Title: President

EXECUTED by Buyer on the ____ day of _____, 2006.

BUYER:

Japan Center Hotel Associates, L.P.,
a California limited partnership

By: Japan Center Community Associates, Inc., its
General Partner

By _____
Joseph Daneshgar, President

ACKNOWLEDGED AS THIRD PARTY BENEFICIARY by City on the 27 day of
April, 2006.

City and County of San Francisco

By: _____
GAVIN NEWSOM, Mayor

Exhibit A
Form of Memorandum of Agreement

Recording Requested By
And When Recorded Mail To:

Minami, Lew & Tamaki, LLP
360 Post St.,
San Francisco, CA 94108

MEMORANDUM OF POST CLOSING AGREEMENT

This MEMORANDUM OF POST CLOSING AGREEMENT (the "Memorandum") is made and entered into by and between Kintetsu Enterprises Company of America, a California corporation ("KEA"), and Japan Center Hotel Associates, L.P., a California limited partnership ("JCHA").

The rights and obligations of KEA and JCHA, as the seller and the buyer, respectively, and of the City and County of San Francisco, as an intended third party beneficiary, are described in the Second Amended and Fully Restated Post Closing Agreement, dated May 1, 2006 (the "Post Closing Agreement"), which sets forth restrictions and requirements relating to the operation of the real property and improvements commonly known as the Radisson Miyako Hotel, 1625 Post Street, San Francisco, CA 94115 (the "Hotel") during a period of fifteen (15) years from the date hereof.

KEA and JCHA desire to record this Memorandum as a memorandum of that certain unrecorded Post Closing Agreement affecting the Hotel, all the terms and conditions of which are hereby made a part hereof with the same force and effect as though fully set forth herein, as covenants running with the land for a period of fifteen (15) years from the date hereof.

DATED: May 1, 2006

Kintetsu Enterprises Company of America
a California corporation

By: _____
Name: Takenori Kakutani
Title: President

Japan Center Hotel Associates, L.P.,
a California limited partnership

By: Japan Center Community Associates, Inc., its General
Partner

By _____
Joseph Daneshgar, President

- In the West Mall
- the subject site is on right of this picture.
- This picture was taken from inside of West Mall, next to Café Hana, and looking to main entrance of West Mall
- looking east

11.0949D

Jensens 02152 < 08/16/11



- the subject site is on left of this picture.
- this was taken from in front of Café Hana.
- looking east

11.0949D

Jensens 02152 < 08/16/11



11.0949D

Helirems 02152 <> 08/16/11

Belly Good Cafe & Crepes
1737 Post Street #393
San Francisco, CA 94115
(in the West Mall)
-looking north



Helirems 02152 <> 08/16/11

11.0949D



11.0949D

Waldemars 02152 ◊ 08/16/11

Sophie's Crepes

1581 Webster Street #275

San Francisco, CA 94115

(in the Kinokuniya Mall)

-looking south

-2nd floor of Kinokuniya Mall



11.0949D

Waldemars 02152 ◊ 08/16/11

Café Hana

17317 Post Street #368

San Francisco, CA 94115

(in the West Mall)

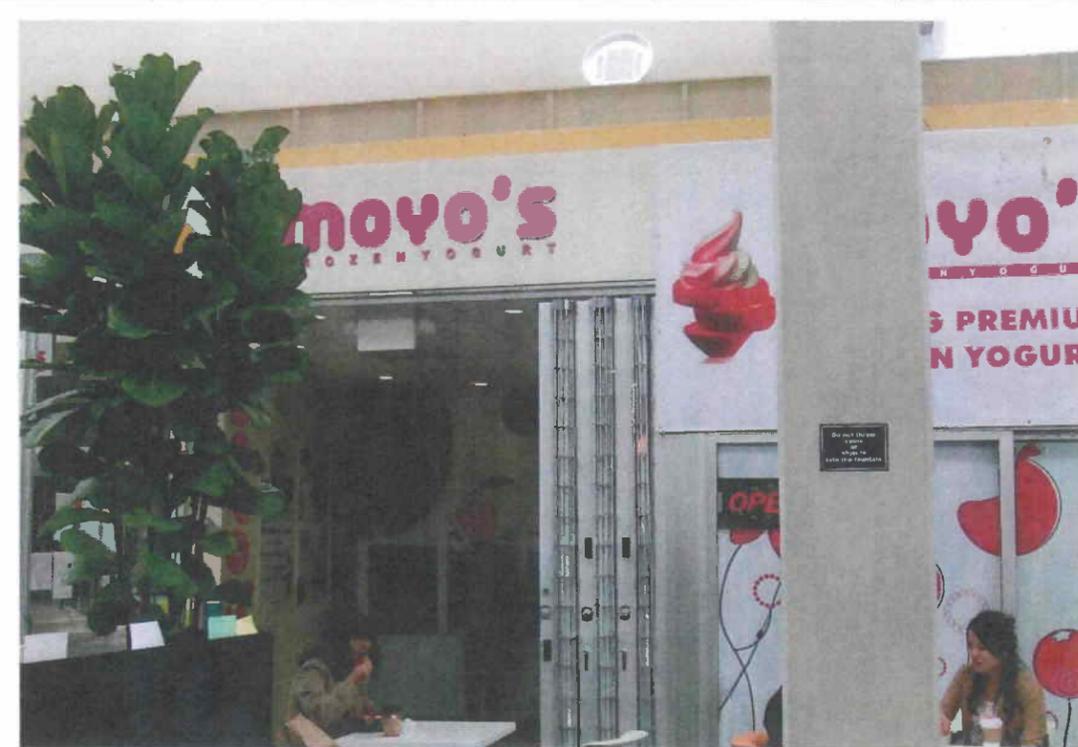
-looking west



11.09490

Val Series: 02152 © 08/16/11

Mo Yo's Froyo
1737 Post Street #1393
San Francisco, CA 94115
(in the West Mall)
-looking west



11.09490

NEW PEOPLE Cafe

Val Series: 02152 © 08/16/11

1302 Post Street
San Francisco, CA 94115
(1st Floor)

-Inside of NEW PEOPLE cafe



Yakini Q Cafe
1640 Post Street
San Francisco, CA 94115

11/91/11 08/16/11 0215Z

~~This picture was inside of Yakini Q~~
- Inside of Yakini Q Cafe

11.0949D



Yakini Q Cafe
1640 Post Street
San Francisco, CA 94115

11/91/11 08/16/11 0215Z

- This picture was taken on Post Street.
- Frontage of Yakini Q Cafe.
- looking north

11.0949D



11.0949D

Waterrens 02152 ◊ 08/16/11

May's Coffee Shop
1737 Post Street #13
San Francisco, CA 94115
(in the West Mall)

-looking west



Kissako Tea

1581 Webster Street #195
San Francisco, CA 94115
(in the Kinokuniya Mall)

-looking west

-1st floor of Kinokuniya Mall

Waterrens 02152 ◊ 08/16/11



11.0949D

Malareens 02152 08/16/11

Cako Bakery
1737 Post Street #583
San Francisco, CA 94115
(in the West Mall)
- looking east



11.0949D

Malareens 02152 08/16/11

Andersen Bakery
1737 Post Street #340
San Francisco, CA 94115
(in the West Mall)
- looking west





Valerens 02152 08/16/11

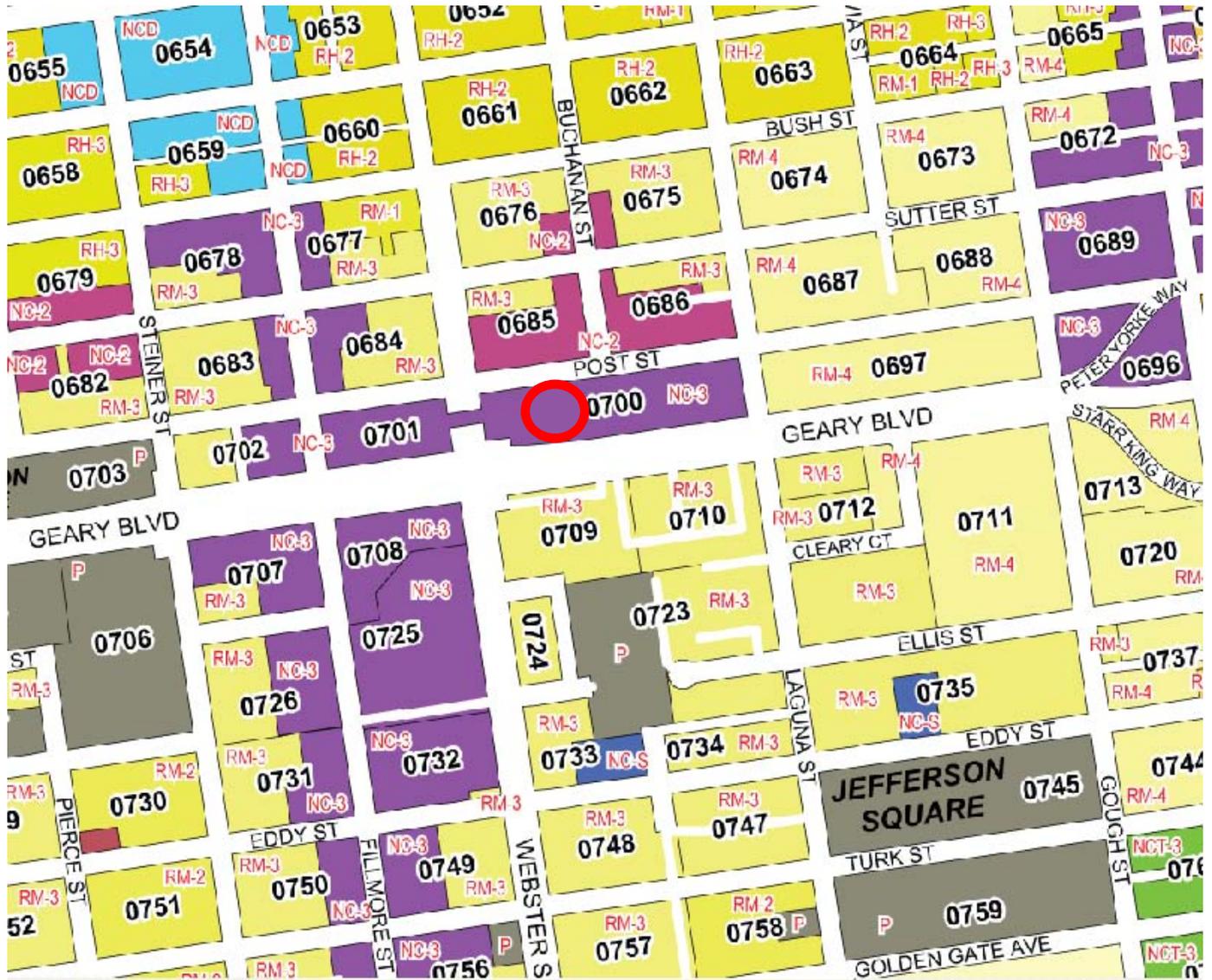
New People Cafe
~~1746~~ Post Street
1746
San Francisco, CA
94115

- Frontage of New People building.

- This picture was taken from other side of Post Street.

- looking north

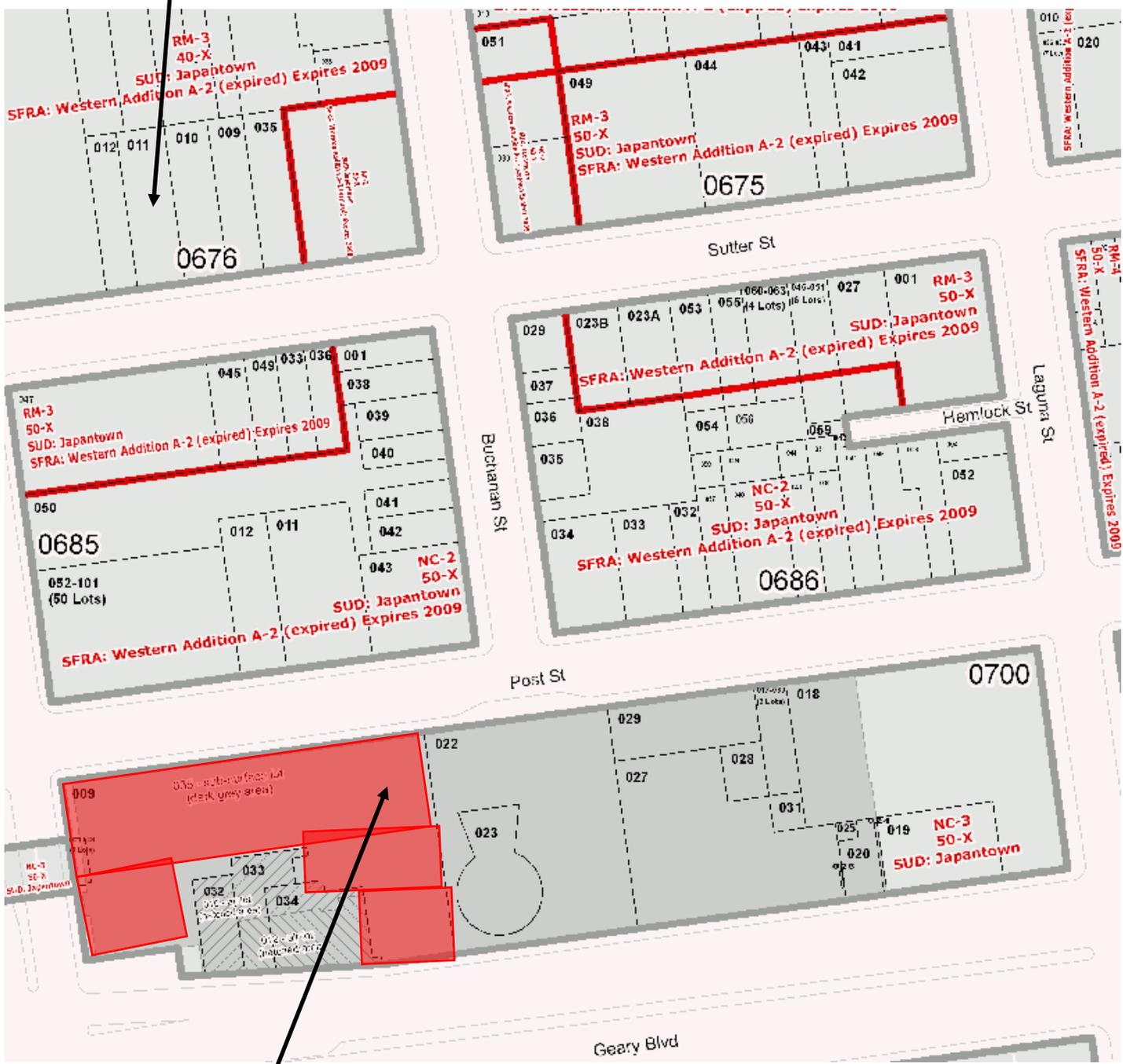
Zoning Map



Discretionary Review Hearing
Case Number 2011.0949D
1737 Post Street, Suite 300
D.B.A. KB Cafe'

Parcel Map

**DR REQUESTORS
PROPERTY**

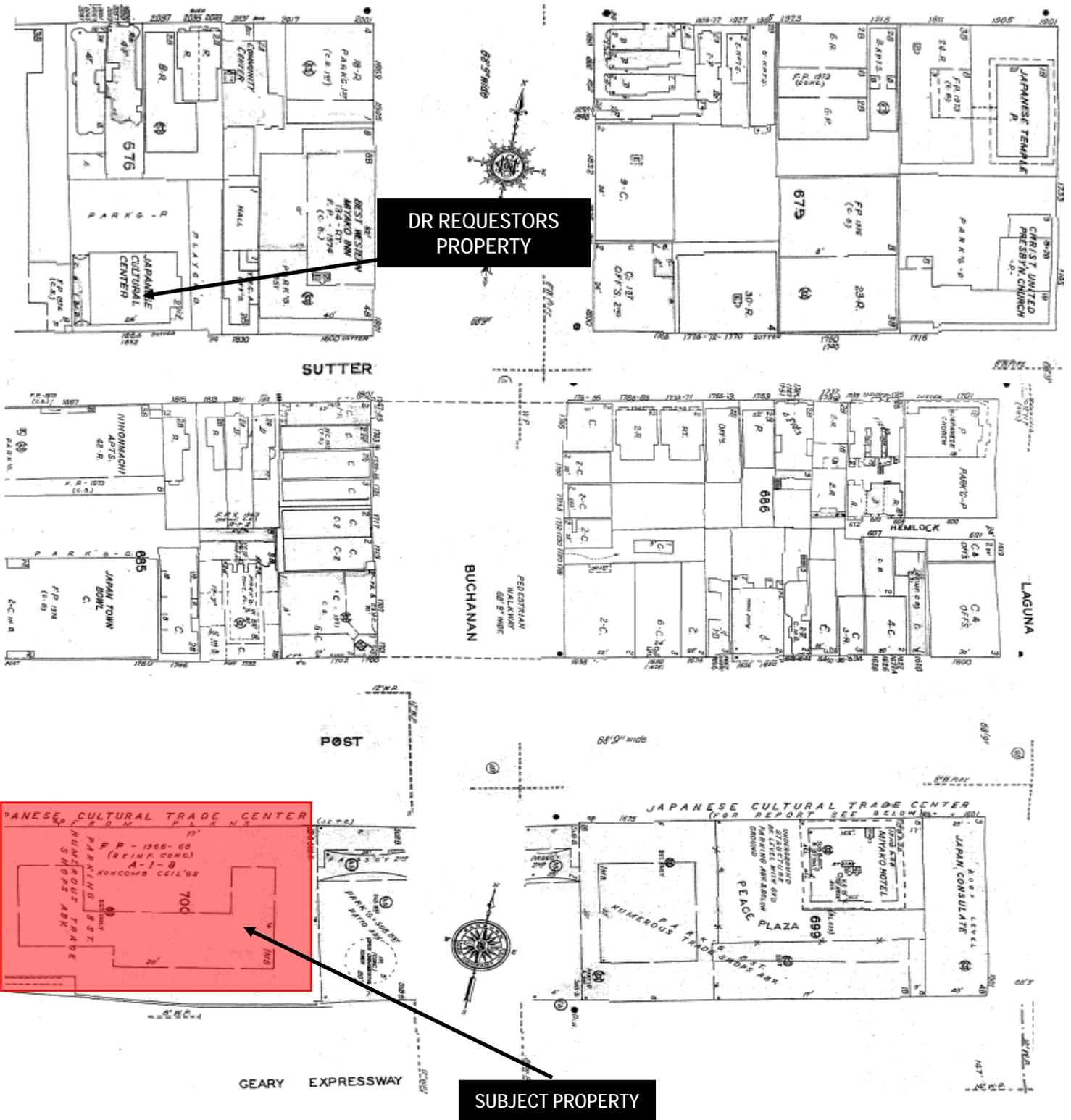


SUBJECT PROPERTY



Discretionary Review Hearing
Case Number 2011.0949D
1737 Post Street, Suite 300
D.B.A. KB Cafe'

Sanborn Map*



*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



Aerial Photo*



**The Aerial Maps reflect existing conditions in March 2009*

SUBJECT PROPERTY



Aerial Photo*

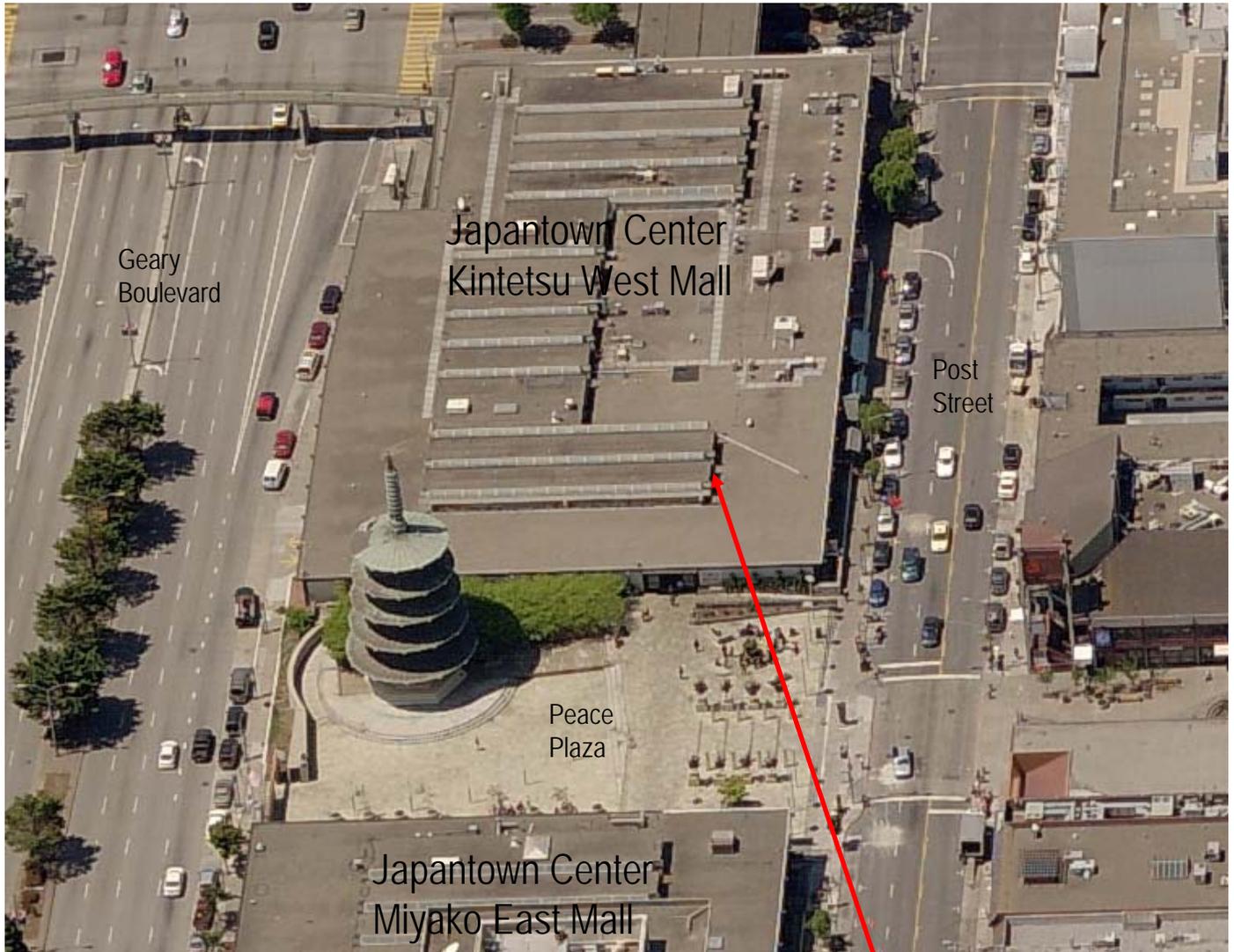


**The Aerial Maps reflect existing conditions in March 2009*

SUBJECT PROPERTY



Aerial Photo*



**The Aerial Maps reflect existing conditions in March 2009*

SUBJECT PROPERTY



Site Photo

Japantown Center Kintetsu West Mall

(Subject commercial space located to the left of the entrance when entering the mall)



Conditional Use Hearing
Case Number 2011.0750C
1737 Post Street, Suite 330
D.B.A. Playland Japan

Site Photo



SUBJECT PROPERTY

Discretionary Review Hearing
Case Number 2011.0949D
1737 Post Street, Suite 300
D.B.A. KB Cafe'

Site Photo

Interior courtyard of Kintetsu Mall



Discretionary Review Hearing
Case Number 2011.0949D
1737 Post Street, Suite 300
D.B.A. KB Cafe'

Site Photo

Interior courtyard of Kintetsu Mall



Discretionary Review Hearing
Case Number 2011.0949D
1737 Post Street, Suite 300
D.B.A. KB Cafe'

Site Photo

D.R. Requestor's property

Japanese Cultural & Community Center of Northern California



Discretionary Review Hearing
Case Number 2011.0949D
1737 Post Street, Suite 300
D.B.A. KB Cafe'

Site Photo

Japantown Center Kintetsu West Mall (Subject Block - Post Street)



Discretionary Review Hearing
Case Number 2011.0949D
1737 Post Street, Suite 300
D.B.A. KB Cafe'

Site Photo

Japantown Center Kintetsu West Mall (Opposite Block - Post Street)



Discretionary Review Hearing
Case Number 2011.0949D
1737 Post Street, Suite 300
D.B.A. KB Cafe'



SAN FRANCISCO PLANNING DEPARTMENT

RESPONSE TO DISCRETIONARY REVIEW

Case No.: 11.0949D
Building Permit No.: 201106.01.7183
Address: 1737 Post St. #300

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Project Sponsor's Name: Lu, Peter

Telephone No.: 415.816.6226 (for Planning Department to contact)

1. Given the concerns of the DR requester and other concerned parties, why do you feel your proposed project should be approved? (If you are not aware of the issues of concern to the DR requester, please meet the DR requester in addition to reviewing the attached DR application.)

Please see Attached

2. What alternatives or changes to the proposed project are you willing to make in order to address the concerns of the DR requester and other concerned parties? If you have already changed the project to meet neighborhood concerns, please explain those changes. Indicate whether the changes were made before filing your application with the City or after filing the application.

Please see Attached

3. If you are not willing to change the proposed project or pursue other alternatives, please state why you feel that your project would not have any adverse effect on the surrounding properties. Please explain your needs for space or other personal requirements that prevent you from making the changes requested by the DR requester.

Please see Attached

DR RESPONSE TO APPLICATION 11.0949D – 1737 POST STREET, SUITE 300

Attachment to Response To Discretionary Review

Joint Response from Sponsor and Owner to Application for Discretionary Review

The Sponsor, Mr. Peter Lu, and the Owner, Japan Center West Associates, LP (collectively “Respondents”) have great respect for the Japanese Cultural Community Center of Northern California (JCCCNC) and support that organization to preserve the cultural heritage of Japantown which is important to the community, our tenants, and customers. However, Respondents are surprised that the applicant is asserting that the grounds for the Commission’s discretionary review are ‘**exceptional and extraordinary circumstances**’.

Respondents **STRONGLY DISAGREE** with the applicant’s assertions that the proposed use: 1) constitutes an ‘exceptional and extraordinary circumstance’; 2) meets the definition of Formula Retail under Article 7, Section 703.3 of the San Francisco Planning Code; 3) will have an unreasonable impact on the Japanese Community; and 4) that there are existing adequate alternatives to the proposed use. Respondents therefore respectfully request that the Application for Discretionary Review be **DENIED** for the following reasons:

EXCEPTIONAL AND EXTRAORDINARY CIRCUMSTANCE

1. To put applicant’s request in perspective, this request for a discretionary review is for a 490-square foot restaurant space in a 72,000 square foot mall. The small size of the proposed 490-square foot use does not give rise to an ‘exceptional or extraordinary circumstance’.
2. The owner signed the following Post-Closing Covenant which requires it to lease to tenants that reflect the Japanese culture **when it is commercially feasible to do so**.

“maintain a leasing policy for the Mall with the objective of attracting tenants that offer goods or services that reflect the culture and heritage of Japan or of Japanese Americans that is consistent with the preservation of the Japan theme of the Mall **and to the extent that it is commercially feasible**. The mix of tenants in the Mall as of the Effective Date satisfies the foregoing objective. For the purpose of this Section (3), such goods need not be manufactured in Japan and such services need not be provided by persons of Japanese ancestry.”

3. Owner is NOT required to **only** lease to businesses that reflect the Japanese culture nor is it required to match the mix of tenants in the Mall as of the Effective Date. Owner is required to do so when it is commercially feasible. The composition of the mall's tenancy is virtually unchanged since the Post Closing Covenants were signed. We have attached as Exhibit A the malls’ tenancy since acquisition. The one major change was the loss of Genji Antiques of 5,606 sq ft which Daiso USA expanded into from their adjacent 2,775 sq ft for a total of 8,381 sq ft, both Japanese owned companies selling Japanese products. The mall contains three major tenants over 8,000 square feet: Daiso USA, Benihana Restaurant, and Nijiya Market, all Japanese-oriented businesses.

DR RESPONSE TO APPLICATION 11.0949D – 1737 POST STREET, SUITE 300

4. Owner signed two leases in 2010 that were both similar in size and use to the proposed use: a yogurt store of 581 sq ft, and a cupcake store of 313 sq ft. Both of these uses sell non-Japanese ‘fast food’ products as defined by applicant that compete with other products offered in the mall. The applicant’s ‘exceptional and extraordinary circumstance’ argument was not asserted for these two prior leases. This indicates that the applicant is unfairly targeting this use and inconsistently applying this ‘draconian’ assertion.

FORMULA RETAIL USE

5. The applicant asserts that the proposed use ‘**appears**’ to be a Formula Retail Use because of its [perceived] relationship to Kobe Bento and Quickly Corporation. The applicant does NOT assert that the proposed use ‘**is**’ a Formula Retail Use. The proposed use does NOT meet the definition of a Formula Retail Use pursuant to Article 7, Section 703.3 of the San Francisco Planning Code.
6. The proposed use, KB Café, is in no way associated with Kobe Bento or Quickly Corporation. Sponsor has signed NO agreements with either Kobe Bento or Quickly Corporation. Sponsor’s proposed operation does NOT fulfill the criteria of a Formula Retail Use. Kobe Bento has only one store in the United States and does NOT meet the definition of a Formula Retail Use.
7. The applicant has asserted that the proposed use is a Formula Retail Use because it will feature Quickly products. The tenant plans to feature 10% of Quickly products. Only featuring the products of a single distributor bearing uniform markings does not meet the definition of formula retail. A vendor is entitled to carry 100% of the stock of a single distributor and still not be a formula retail store if it does not meet any of the other criteria of formula retail. The definition says it must meet TWO of the SIX criteria. Carrying more than 50% of stock from a single distributor is only one criteria. Therefore, the fact that the proposed use carries only 10% of Quickly products does not make the use a Formula Retail Use and does not even meet the single distributor criteria of 50%.
8. The following is the proposed KB Café Product Mix:

KB CAFE PRODUCT MIX:

- Jetro/Restaurant Depot: Teas, Dry Nuts, Pot Stickers, Egg Rolls, Cheese Stix, Sesame Ball, Sesame Paste, Bowl, Cups, Straws, Cup Holders , Plastic Bags, Paper Bags, Utensils 25%
- Barry’s / Coast Meat: Pork, Chicken, Calamari, Shrimp 15%
- Costco / Safeway / Lucky: Sugar, Rice, Creamer, Milk 10%
- Dreyers: Ice Cream, Yogurt base, Milk Shake Base 10%
- Local Producers/ Farmer’s Market: Fresh Fruits, Fresh Vegetables, Eggs 20%
- Quickly Corp: Tapioca Balls and Drink Add-ons 10%
- Ranch 99/Manilla/Sunset: Salad Sauce, Mayonnaise, Soft Drinks 5%
- Other Suppliers 5%

DR RESPONSE TO APPLICATION 11.0949D – 1737 POST STREET, SUITE 300

CONDITIONAL USE CRITERIA

9. Applicant asserts that 'KB Café does not meet the criteria for conditional use authorization under the Japantown SUD and related Covenants'. Very simply, the use does NOT have to meet the criteria of a conditional use authorization because it is NOT required to do so. So although the applicant has made a number of well written arguments, they do not apply.

10. Owner has complied with the provisions of the Japantown Special Use District (SUD). It has:
 - a. maintained it's ownership of the mall;
 - b. maintained a Japan theme by redecorating the mall in a Japanese motif and with Japanese artwork at a cost of over \$300,000 and denying a tenant request to remove Japanese tile roof facade;
 - c. maintained a leasing policy for the mall with the objective of attracting tenants that offer goods or services that reflect the culture and heritage of Japan or Japanese Americans **to the extent that it is commercially feasible**. Upon the 2010 loss of a large tenant selling Japanese furniture, Owner solicited a number of Japanese based companies to retenant the space. After over one year of negotiations, the Owner recently signed a lease with the Japanese-based Daiso USA for 8,381 square feet. The mall contains three major tenants over 8,000 square feet: Daiso USA, Benihana Restaurant, and Nijiya Market, all Japanese-oriented businesses. **However, Owner will note that Owner is NOT required to lease to businesses that reflect the Japanese culture and heritage only. Owner is required to do so when it is commercially feasible;**
 - d. provided for Japanese language capability;
 - e. allowed the Japantown community to use the common areas and vacant spaces for both the tsunami relief and cultural events;
 - f. met periodically with the JMA;
 - g. made contributions to various community organizations;
 - h. solicited Japanese companies as outlined in Item 3 above.

11. Owner believes the proposed KB Café is important to the mall because it appeals to children which market segment is currently underserved by the existing restaurants. The product mix and small size of the proposed use does not undermine the existing businesses in the Mall.

DR RESPONSE TO APPLICATION 11.0949D – 1737 POST STREET, SUITE 300

12. Japan Center West Mall has only one other ‘grill’ that prepares true fast food, which is May’s Café, a direct competitor of KB Café. All of the other ‘small quick food outlets’ cited by applicant offer treats and desserts and prepared foods. The only tenant complaint received by Owner about KB Café is from Clifford Murata of May’s Café, KB Café’s one direct competitor.

UNREASONABLE IMPACTS

13. Applicant asserts that this 490-square foot use will have an adverse impact on the integrity of the Japantown cultural heritage and the viability of the Japantown community. Respondents find this assertion frivolous. The size of the proposed use can neither affect the cultural heritage nor the viability of the Japantown community. No other tenant is currently offering the product mix proposed by KB Café and it will have no more or less impact than the yogurt store and cupcake store leases signed in 2010 which were not similarly objected to on a cultural or viability basis.

ALTERNATIVES OR CHANGES

14. There are similarities in some products offered by KB Café to existing vendors in the mall. However, the proposed use also offers unique products that appeal to an underserved youth segment of our customer base. Therefore, Respondents believe KB Café is desirable to the tenant mix of the mall.

CONCLUSION

Due to the fact that the proposed use of the subject 490-square foot space: 1) does NOT rise to an Exceptional and Extraordinary Circumstance; 2) does NOT meet the definition of a Formula Retail Use under Article 7, Section 703.3 of the San Francisco Planning Code; 3) does NOT cause any Unreasonable Impacts to the community; and 4) does fill an underserved market segment within the mall, Respondents respectfully request that this Application for Discretionary Review be DENIED.

EXHIBIT B TO DR 11.0949D – FORMULA RETAIL

From: David Goddard
Sent: Monday, August 22, 2011 8:16 AM
To: 'Robert Hamaguchi'; Rachna.Rachna@sfgov.org
Cc: Peter Lu; Sheron Chiu
Subject: RE: FW: KB Cafe-Rachna

Good morning Bob -

With all due respect, following the letter of the law is not splitting hairs. You are entitled to your opinion about what constitutes formula retail, but that is your opinion. We are required to operate under the laws of the City of San Francisco and that is what we are doing.

The competition is also healthy for the competitors. I have five high quality full service restaurants in west mall who are all healthy and competitive and feed off one another's success. If one gets too busy, a customer can go next door. Cliff told me that people 'won't turn the corner' if there is a fast food option before him. Unfortunately for Peter, everyone that comes in the mall will not want KB Cafe products. The kids might, but the parents might want something else. Cliff has to offer products that will attract the customers. It is as simple as that. I am uncertain what other fast food options you refer to in the West Mall when you state you believe there are too many.

Clifford Murata is hardly being retaliated against. We hired Clifford to provide landscaping for the mall. When we renegotiated his lease, I personally went back to the owners to make a plea for and succeeded in obtaining a reduction of the square footage that was being assigned to his store on the basis of affordability to Clifford due to his long term tenancy. For Cherry Blossom Festival, we received complaints that vendors were abusing the 'external table displays'. We requested each of those vendors to reduce or eliminate their tables, including Cliff's sister, but looked the other way for Cliff's Wasabi tables and his expansion of a shaved ice concession due to his situation. We have gone out of our way to protect Clifford so please reconsider your accusation. We are only requesting Clifford help us protect our other tenants.

Peter has responded to the City that he has signed NO agreements with Quickly and disclosed his product mix below. He is carrying about 10% of Quickly products.

If you would like to discuss this matter further, please call me.

Thank you.

Regards,

David

EXHIBIT B TO DR 11.0949D – FORMULA RETAIL

KB CAFE PRODUCT MIX:

Jetro/Restaurant Depot: Teas, Ingredients, Dry Nuts, Pot Stickers, Egg Rolls, Cheese Stix, Sesame Ball, Sesame Paste, Bowl, Cups, Straws, Cup Holders , Plastic Bags, paper bags, utensils 25%

Barry's / Coast Meat: Pork, Chicken, Calamari, Shrimp 15%

Costco / Safeway / Lucky: Sugar, Rice, Creamer, Milk 10%

Dreyers: Ice Cream, Yogurt base, Milk Shake base 10%

Local Producers/ Farmer's Market: Fresh Fruits, fresh vegetables, eggs 20%

Quickly Corp: Tapioca Balls and Drink Add-ons 10%

Ranch 99/Manilla/Sunset: Salad Sauce, Mayannise, soft drinks 5%

Other Suppliers: Misc. items 5%

David Goddard
3D Investments, LLC
1880 Century Park East, Suite 810
Los Angeles, CA 90067
T 310 276 1290 x124 F 310 276 1590
davidg@3dinvestments.com

From: Robert Hamaguchi [<mailto:rehamaguchi@yahoo.com>]
Sent: Friday, August 19, 2011 7:10 PM
To: David Goddard; Rachna.Rachna@sfgov.org
Cc: Peter Lu; Sheron Chiu
Subject: Re: FW: KB Cafe-Rachna

Just my two cents.

Splitting hairs over the percentage of Quickly products being offered by the applicant is not the issue. This only confirms for me that this applicant is associated with Quickly and is formula retail and should be reviewed at a higher level. I personally feel that my suspicion that this applicant is formula retail is only confirmed by this discussion. The concern I have is that there is too much fast food in this mall and this applicant, by being formula retail, has an unfair competitive advantage to the existing businesses which is the purpose and spirit of the ordinance. This applicant should be required to be filing for

EXHIBIT B TO DR 11.0949D – FORMULA RETAIL

Conditonal Use. Accordingly, I will certainly respect the decision of the Planning Commission.

I am all for the new businesses coming to Jtown. And, I recognize that there can be competitive situations and believe that is only healthy for the consumer and the market. However, I will continue to believe that franchises and formula retail have an unfair competitive advantage which is not a level playing field and therefore unfairly threaten existing businesses.

I am very concerned that Mr Clifford Murata is being isolated by Mr. Goddard for his legitimate concerns for his business. He should not be singled out only because he is speaking up. He should legitimately be concerned of retaliatory actions for his honesty. There are many other businesses that are threatened by this new tenant. And, it is a pity they are afraid to speak up for fear of retaliation by the landlord.

I recommend that the applicant either confirm or deny that they have a formal or informal franchise agreement with Quickly, and I encourage that they be candid with their business intentions.

Bob

--- On Fri, 8/19/11, Rachna.Rachna@sfgov.org <Rachna.Rachna@sfgov.org> wrote:

From: Rachna.Rachna@sfgov.org <Rachna.Rachna@sfgov.org>
Subject: Re: FW: KB Cafe-Rachna
To: "David Goddard" <davidg@3dinvestments.com>
Cc: "Peter Lu" <lupeter@sbcglobal.net>, "Robert Hamaguchi" <rehamaguchi@yahoo.com>, "Sheron Chiu" <schiu@japancentersf.com>
Date: Friday, August 19, 2011, 2:15 PM

Thanks David. We will discuss and follow up next week.

Rachna
Code Enforcement Planner
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103
Phone 415-5756806
Fax 415-5586409
Web <http://www.sfgov.org/planning>

EXHIBIT B TO DR 11.0949D – FORMULA RETAIL

From: David Goddard
Sent: Thursday, August 18, 2011 1:35 PM
To: 'Rachna.Rachna@sfgov.org'
Cc: 'Peter Lu'; Sheron Chiu; 'Robert Hamaguchi'
Subject: FW: KB Cafe-Rachna

Hi Rachna -

I was asked by Clifford Murata of May's Cafe if Peter Lu would carry Quickly products. I responded that he would.

Clifford Murata will be a direct competitor of Peter Lu. Clifford expressed his concern to me that Peter Lu will hurt his business.

Only featuring the products of a single distributor bearing uniform markings does not meet the definition of formula retail.

A vendor is entitled to carry 100% of the stock of a single distributor and still not be a formula retail store if they do not meet any of the other of the criteria of formula retail.

The definition says it must meet TWO of the SIX criteria. Carrying more than 50% of stock from a single distributor is only one criteria.

We have addressed the formula retail matter with Peter prior to signing a lease with him.

If I properly recall our discussion on this matter, he said he would feature less than 25% of Quickly products in his store.

So if he features less than 50%, he does not meet that formula retail criteria.

Therefore, the fact that he carries Quickly products does not make his store a Quickly formula retail store.

I am happy to discuss this matter further with you if you would like.

Please call me or let me know a convenient time for you to chat.

Thank you.

Regards,

David

David Goddard
3D Investments, LLC
1880 Century Park East, Suite 810
Los Angeles, CA 90067
T 310 276 1290 x124 F 310 276 1590
davidg@3dinvestments.com

EXHIBIT B TO DR 11.0949D – FORMULA RETAIL

Formula Retail Use. Formula retail use is hereby defined as a type of retail sales activity or retail sales establishment which, **along with eleven or more other retail sales establishments** located in the **United States**, maintains **two or more of the following features**: 1) a standardized array of merchandise, 2) a standardized facade, 3) a standardized decor and color scheme, 4) a uniform apparel, 5) standardized signage, 6) a trademark or a servicemark.

Standardized array of merchandise shall be defined as 50% or more of in-stock merchandise from a single distributor bearing uniform markings.

Trademark shall be defined as a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs that identifies and distinguishes the source of the goods from one party from those of others.

Servicemark shall be defined as word, phrase, symbol or design, or a combination of words, phrases, symbols or designs that identifies and distinguishes the source of a service from one party from those of others.

Decor shall be defined as the style of interior finishings, which may include but is not limited to, style of furniture, wallcoverings or permanent fixtures.

Color Scheme shall be defined as selection of colors used throughout, such as on the furnishings, permanent fixtures, and wallcoverings, or as used on the facade.

Facade shall be defined as the face or front of a building, including awnings, looking onto a street or an open space.

Uniform Apparel shall be defined as standardized items of clothing including but not limited to standardized aprons, pants, shirts, smocks or dresses, hat, and pins (other than name tags) as well as standardized colors of clothing.

Signage shall be defined as business sign pursuant to Section 602.3 of the Planning Code.

"Retail sales activity or retail sales establishment" shall include the following uses, as defined in Article 7 of this Code: "bar," "drive-up facility," "eating and drinking use," "liquor store," "restaurant, large fast-food," "restaurant, small self-service," "restaurant, full-service," "sales and service, other retail," "sales and service, retail," "movie theatre," "video store," "amusement and game arcade," "take-out food," and "specialty food, self-service."

Formula Retail Uses Permitted. Any use permitted in a Neighborhood Commercial District, which is all a "formula retail use" as defined in this Section, is hereby permitted.

EXHIBIT B TO DR 11.0949D – FORMULA RETAIL

Formula Retail Use Prohibited. Notwithstanding subsection (d), any use permitted in the Hayes-Gough Neighborhood Commercial District, or the North Beach Neighborhood Commercial District, which is also a "formula retail use" as defined in this Section, is hereby prohibited.

Conditional Uses. Notwithstanding subsections (d) or (e), any use permitted in the Haight Street Neighborhood Commercial District, the Japantown Special Use District as defined in Section 249.31, or in the Small-Scale Neighborhood Commercial District along Divisadero Street, bounded by Haight Street to the south and Turk Street to the north (Block 1128, Lot 20, Block 1129, Lots 93—106, Block 1153, Lots 1—4, 6, and 21—22 Block 1154, Lots 13—17B and 35—40, Block 1155, Lots 16—21, Lots 23, 24, and 36—38, Block 1156, Lots 4—6, 8, 38 and 40—41, Block 1179, Lots 1—1C, 27, and 28, Block 1180, Lots 12—17, Block 1181, Lots 14—9, Block 1182, Lots 2—6, 8, 22—23, 30—60, Block 1201, Lots 1—4, 8—10, 39—54 and 57—61, Block 1202, Lots 2A, 2B, 2J and 7, Block 1203, Lots 17—22, 24 and 37, Block 1204, Lots 1—11A, Block 1215, Lots 8—16, Block 1216, Lots 5, 1 and 17—18, Block 1217, Lots 20—29, Block 1218, Lots 1—8, 29, 32, and 50, Block 1237, Lots 1—7, Block 1238, Lots 21—27, Block 1239, Lot 27, Block 1240, Lot 1), or in the Neighborhood Commercial Cluster Districts located at Cole and Carl Streets (Block 1267, Lot 9, Block 1268, Lots 26, 27, 28 and 29, Block 1271, Lots 24, 24A, 24B, 25 and 26, Block 1272, Lots 1, 2, 3, 4, and 5, Block 1278, Lot 22), and at Parnassus and Stanyan Streets (Block 1276, Lot 21), which is also a "formula retail use" as defined in this Section, is hereby permitted only as a conditional use. Additional criteria to be used by the Planning Commission when considering granting conditional use permits to formula retail uses in these districts are listed in Section 303(i).

Neighborhood Commercial Notification and Design Review. After the effective date of this Ordinance, any building permit application for a use permitted in a Neighborhood Commercial District which is also a "formula retail use" as defined in this section shall be subject to the Neighborhood Commercial Notification and Design Review Procedures of Section 312 of this Code.

Discretionary Review Guidelines. The Planning Commission shall develop and adopt guidelines which it shall employ when considering any request for discretionary review made pursuant to this Section. These guidelines shall include but are not limited to consideration of the following factors:

Existing concentrations of formula retail uses within the Neighborhood Commercial District.

Availability of other similar retail uses within the Neighborhood Commercial District.

Compatibility of the proposed formula retail use with the existing architectural and aesthetic character of the Neighborhood Commercial District.

EXHIBIT B TO DR 11.0949D – FORMULA RETAIL

Existing retail vacancy rates within the Neighborhood Commercial District.

Existing mix of Citywide-serving retail uses and neighborhood-serving retail uses within the Neighborhood Commercial District.

Municode

<http://library.municode.com/print.aspx?clientID=14139&HTMRequest=http%3a%2f%2fibr...>

(i) Determination of Formula Retail Use. After the effective date of this Ordinance, in those areas in which "formula retail uses" are prohibited, any building permit application determined by the City to be for a "formula retail use" that does not identify the use as a "formula retail use" is incomplete and cannot be processed until the omission is corrected. Any building permit approved after the effective date of this Ordinance that is determined by the City to have been, at the time of application, for a "formula retail use" that did not identify the use as a "formula retail use" is subject to revocation at any time.

After the effective date of this Ordinance, in those areas in which "formula retail uses" are subject to the Neighborhood Commercial Notification and Design Review provisions of subsection (e), any building permit application determined by the City to be for a "formula retail use" that does not identify the use as a "formula retail use" is incomplete and cannot be processed until the omission is corrected. After the effective date of this Ordinance, any building permit approved that is determined by the City to be for a "formula retail use" that does not identify the use as a "formula retail use" must complete the Neighborhood Commercial Notification and Design Review required in subsection (e). If the City determines that a building permit application or building permit subject to this Section of the Code is for a "formula retail use," the building permit applicant or holder bears the burden of proving to the City that the proposed or existing use is not a "formula retail use."

From: Peter Lu [<mailto:lupeter@sbcglobal.net>]

Sent: Thursday, August 18, 2011 12:04 PM

To: David Goddard

Subject: Re: KB Cafe-Rachna

Hi David:

How are you?

Please contact Rachna at 415.575.6806 from the SF Planning code enforcement.

We need to clarify with her that you never mention to these opposing

EXHIBIT B TO DR 11.0949D – FORMULA RETAIL

parties "A Quickly Chain Store" will soon be open in Japantown suite 300. From talking to Rachna earlier, that is what oppose parties keep filing the complaints insisted on.

I will respond to her letter shortly to clarify myself. But as Sheron mentioned ,

I will email you a copy for review before my response!

Best regards,

Peter Lu

Attachment to Response To Discretionary Review

Joint Response from Sponsor and Owner to Staff Information Request

The Sponsor, Mr. Peter Lu, and the Owner, Japan Center West Associates, LP (collectively “Respondents”) have been requested by Staff to address Japantown Special Use District Item B.2. Controls:

(2) For any use subject to conditional use authorization and for any activity that the Planning Commission **considers under its discretionary review power**, the Planning Commission shall make the following additional findings:

(i) The use is not incompatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Special Use District; and

(ii) The use supports one or more of the purposes for establishing the Japantown Special Use District. [Emphasis Added].

Failure to Qualify For Discretionary Review Authority

This discretionary review application being considered does not rise to an exceptional case that would warrant the use of discretionary review authority. As cited in the Discretionary Review Application, this discretion is generally reserved for extraordinary cases involving conflicts with the City’s Master Plan and the Planning Code Priority Policies.

The authority to review permit applications that meet the minimum standards applicable under the Planning Code is set forth by City Attorney Opinion No. 845, dated May 26, 1954. The opinion states that the authority for the exercise of discretionary review is **“a sensitive discretion...which must be exercised with the utmost restraint”** to permit the Commission **“to deal in a special manner with exceptional cases.”** Therefore, discretionary review should be exercised only when exceptional and extraordinary cases apply to the proposed construction, and modifications required only where the project would result in a significant impact to the public interest. [Emphasis Added].

The Commission reserves this power for exceptional and extraordinary circumstances, generally involving **conflicts with the City’s Master Plan and the Planning Code Priority Policies**. [Emphasis Added].

We will reiterate to put applicant’s request in perspective, this request for a discretionary review is for a 490 square foot restaurant space in a 72,000 square foot mall due to the applicant’s perception that the business **may be** associated in some way to formula retail even though it meets **none** of the six definitions of formula retail under the Planning Code. The proposed 490-square foot use does not give rise to an ‘exceptional or extraordinary circumstance’ involving conflicts with the City’s Master Plan or the Planning Code Priority Policies. The applicant failed to meet the burden of proof required for the exercise of such discretionary review authority.

Response to Information Request

Staff has requested Respondents to address Planning Code Section 249.31 as outlined below:

Under Planning Code Section 249.31(b) for any use subject to Conditional Use authorization and **for any activity that the Planning Commission considers under its discretionary review power**, the Planning Commission shall make the following additional findings:

Planning Code Section 249.31(b)(2)(i)- The use is not incompatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District; and

Planning Code Section 249.31(b)(2)(ii)- The use supports one or more of the purposes for establishing the Japantown Special Use District.

Compatibility of Use

Planning Code Section 249.31(b)(2)(i) requires that the use is not incompatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District

The proposed new use, at the size and intensity contemplated and at the proposed location, will provide a use that is necessary or desirable, and compatible with the community. The proposed use will involve interior tenant improvements to the ground floor commercial space and exterior modifications to the storefront located within the interior courtyard of the Japan Center West Mall. The proposal will be complimentary to the existing commercial establishments within the Japanese-themed mall which contains a mixture of eating and drinking establishments and retail stores.

The Owner signed two leases in 2010 that were both similar in size and use to the proposed use: a yogurt store of 581 sq ft, and a cupcake store of 313 sq ft. Both of these uses sell non-Japanese ‘fast food’ products as defined by Applicant that compete with products currently offered in the mall and were no more or less compatible than the proposed use. This is a commercial shopping mall that must meet the demands of its customers to stay in business. The proposed use appeals to children which market segment is currently underserved by the existing restaurants in the shopping mall. Therefore, the use is compatible and desirable.

Support of Purpose

Planning Code Section 249.31(b)(2)(ii) requires that the use support one or more of the purposes for establishing the Japantown Special Use District. The purposes are as follows:

(a) **Purposes**. In order to maintain the cultural and historic integrity and neighborhood character of Japantown, the Japantown Special Use District is established to:

(1) Preserve and develop Japantown as a viable neighborhood by revitalizing its commercial, recreational, cultural, and spiritual identity as a local, regional, statewide, national, and international resource;

(2) Enhance the distinctive image and unique character of Japantown to passing motorists, transit riders, and pedestrians through architectural design, streetscape enhancements, signage, and other elements of the built environment;

(3) Strengthen and support Japantown's identity through recognition of its planning subdistricts including the Geary Boulevard corridor; Japantown Center; Post Street commercial core; Sutter Street community/cultural core; Buchanan Mall; Fillmore Street corridor; and surrounding residential districts; and

(4) Encourage the representational expression of Japanese architectural design and aesthetic for commercial, cultural, and institutional uses.

Purpose (a)(1) - The proposed use will promote the preservation of Japantown as a viable neighborhood by revitalizing its commercial identity.

The proposed use would renovate and upgrade an existing 490-foot commercial space to a restaurant use. The proposed restaurant establishment and the surrounding restaurants and retail stores would be complimentary to the type of uses characterizing this portion of the community which primarily includes a mixture of food establishments, small retail establishments, and a few medical and personal service establishments.

Revitalization comes in small steps. Modifying the Japan Center West Mall restaurant tenant mix to cater to children which market segment is currently underserved is important to attract families that will keep the mall economically healthy which will continue to keep Japantown viable.

1. This use will increase patronage to the area, support surrounding stores, and is in line with supporting our goals to promote cultural and retail diversity in Japantown.
2. This use will provide a destination spot increasing foot traffic and Japantown visibility, complementing existing stores in the area and rounding out the Japan experience.
3. San Francisco's Japantown is the oldest of the three remaining Japantowns in the United States. The community has worked hard to preserve this unique cultural community and this use will restore a youth-oriented food component that was lost when the bowling alley closed.
4. With respect to SF Japantown's longevity, this use is geared towards young people, which will help to cultivate the next generation of patrons for SF Japantown."
5. From an overall economic standpoint, adding this use will also increase hiring in the city during these times of high unemployment, and increase revenues to the city while strengthening the commercial and historical life of Japantown, San Francisco. In recent sales tax data released by the tax assessor's office, Japantown tax revenues increased 17.70% from prior year compared to entire city at 4.20%.

DR RESPONSE TO APPLICATION 11.0949D – 1737 POST STREET, SUITE 300

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Mr. Peter Lu's proposed use will promote employment and the collection of tax revenues for the City of San Francisco.

Purpose (a)(2) - The proposed use will enhance the distinctive image and unique character of Japantown through architectural design, signage, and other elements of the built environment;

The proposed use will utilize signage and improvements that are consistent with the Japanese-themed mall and the unique character of Japantown.

Purpose (a)(3) - The proposed use will strengthen and support Japantown's identity through recognition of its planning subdistricts, specifically the Geary Boulevard corridor, Japantown Center, and Post Street commercial core.

The Japan Center West Mall is bounded by Geary Boulevard, Post Street, Japan Center East Mall, and the Japan Center Kinokuniya Mall. Improving the tenant mix to attract a broader base of customers supports and perpetuates the planning subdistricts at their most basic level: the local businesses which serve the community.

Purpose (a)(4) The proposed use encourages the representational expression of Japanese architectural design and aesthetic for commercial, cultural, and institutional uses.

The proposed use supports the maintenance of the Japanese themed Japan Center West Mall and contributes to Japanese oriented events that are directly funded by the Japan Center West Mall and East Mall tenants.

Special Use District Language

A Special Use District entitled "Japantown Special Use District," the boundaries of which are shown on Sectional Map 2SU of the Zoning Map of the City and County of San Francisco is hereby established for the purposes set forth below.

(a) **Purposes.** In order to maintain the cultural and historic integrity and neighborhood character of Japantown, the Japantown Special Use District is established to:

- (1) Preserve and develop Japantown as a viable neighborhood by revitalizing its commercial, recreational, cultural, and spiritual identity as a local, regional, statewide, national, and international resource;
- (2) Enhance the distinctive image and unique character of Japantown to passing motorists, transit riders, and pedestrians through architectural design, streetscape enhancements, signage, and other elements of the built environment;
- (3) Strengthen and support Japantown's identity through recognition of its planning subdistricts including the Geary Boulevard corridor; Japantown Center; Post Street commercial core; Sutter Street community/cultural core; Buchanan Mall; Fillmore Street corridor; and surrounding residential districts; and
- (4) Encourage the representational expression of Japanese architectural design and aesthetic for commercial, cultural, and institutional uses.

(b) **Controls.** The following provisions, in addition to all other applicable provisions of the Planning Code, shall apply within such Special Use District:

- (1) Conditional Use Authorization. The following activities, if not otherwise prohibited, shall require conditional use authorization from the Planning Commission pursuant to Section 303.
 - (i) Use Size. The establishment of a new use or any change in use in excess of 4,000 gross square feet.
 - (ii) Merger. The merger of one or more existing uses into a use in excess of 2,500 gross square feet.
 - (iii) Formula Retail. The establishment of any formula retail use, as defined in Section 703.3(b).

(2) For any use subject to conditional use authorization **and for any activity that the Planning Commission considers under its discretionary review power**, the Planning Commission shall make the following additional findings:

- (i) **The use is not incompatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Special Use District; and**
- (ii) **The use supports one or more of the purposes for establishing the Japantown Special Use District.**

(3) Notice. Any change in use or establishment of a new use in the neighborhood commercial zones within this Special Use District shall require notice pursuant to section 312 and shall include the following:

- (i) Posted Notice. Posted notice shall be in locations that the Zoning Administrator designates. Said locations shall be easily visible to members of the public and shall be posted, at a minimum, on Geary Boulevard, Post Street, and Webster Street, Fillmore Street, or Laguna Street.

(Ord. 180-06, File No. 060266, App. 7/14/2006)

EXHIBIT A TO DR 11.0949D
 JAPAN CENTER WEST MALL
 OCCUPANCY REPORT

2006			May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06				
Unit	Tenant Name	RSF												
300	Miseki Jewelry	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371				
305	Japan Video & Media	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892				
310	Auto Freak General Merchandise (Ryusho)	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532				
315	Mikado Lazer	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720				
317	VIZ Pictures	745	745	745	745	745	745	745	745	745				
318	J C Trading Inc	712	712	712	712	712	712	712	712	712				
320-B	Kiki Imports, Co., Inc	2,104												
325	Moritaya Gifts (Ryusho)	620	620	620	620	620	620	620	620	620				
326	Tokyo Motor Trends	780	780	780	780	780	780	780	780	780				
330	The Omodaka Apparel	864	864	864	864	864	864	864	864	864				
333	Jinon Corporation DBA Nijiya Market	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698				
335	Vacant	300												
336	Taiyodo Record Shop	424	424	424	424	424	424	424	424	424				
337	Shifuku Tea Co. Market / White Crane	118	118	118	118	118	118	118	118	118				
340	Anderson Bakery	556	556	556	556	556	556	556	556	556				
345	Nipponya	674	674	674	674	674	674	674	674	674				
350	Benihana of Tokyo Restaurant	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230				
355	Isobune Sushi Restaurant	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070				
360	Daikoku by Shiki Antiques	998	998	998	998	998	998	998	998	998				
363	Sakura Sakura Apparel	720	720	720	720	720	720	720	720	720				
365	Dentoh	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375				
368	Murata Cafe Hana Flowers/Cafe	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082				
370	Koji-Osakaya Restaurant	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166				
375	Mifune Restaurant	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528				
380	Kushitsuru Restaurant	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240				
385	Ikenobo Ikebana Society	888	888	888	888	888	888	888	888	888				
390	Mei Ng	558	558	558	558	558	558	558	558	558				
393	Belly Good Cafe, Inc./Marie Antoinette	279	279	279	279	279	279	279	279	279				
395	Mays Cafe	443	443	443	443	443	443	443	443	443				
		43,687	-	-	-	-	41,283	41,283	41,283	41,283	41,283	41,283	41,283	41,283
							94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%

EXHIBIT A TO DR 11.0949D
JAPAN CENTER WEST MALL
OCCUPANCY REPORT

2007	Unit	Tenant Name	RSF	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
	300	Miseki Jewelry	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371
	305	Japan Video & Media	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892
	310	Auto Freak General Merchandise	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532
	315	Mikado Lazer	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720
	317	VIZ Pictures	745	745	745	745	745	745	745	745	745	745	745	745	745
	318	Mikado Kids Corner	712	712	712	712	712	712	712	712	712	712	712	712	712
	320	Vacant	2,104												
	325	Moritaya Gifts	620	620	620	620	620	620	620	620	620	620	620	620	620
	326	Katachi	780	780	780	780	780	780	780	780	780	780	780	780	780
	330	The Omodaka Apparel	864	864	864	864	864	864	864	864	864	864	864	864	864
	333	Jinon Corporation DBA Nijiya Market	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698
	335	Vacant	300												
	336	Taiyodo Record Shop	424	424	424	424	424	424	424	424	424	424	424	424	424
	337	Shifuku Tea Co. Market / White Crane	118	118	118	118	118	118	118	118	118	118	118	118	118
	340	Anderson Bakery	556	556	556	556	556	556	556	556	556	556	556	556	556
	345	Nipponya	674	674	674	674	674	674	674	674	674	674	674	674	674
	350	Benihana of Tokyo Restaurant	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230
	355	Isobune Sushi Restaurant	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070
	360	Daikoku by Shiki Antiques	998	998	998	998	998	998	998	998	998	998	998	998	998
	363	Sakura Sakura Apparel	720	720	720	720	720	720	720	720	720	720	720	720	720
	365	Dentoh	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
	368	Murata Cafe Hana Flowers/Cafe	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082
	370	Koji-Osakaya Restaurant	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
	375	Mifune Restaurant	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528
	380	Kushitsuru Restaurant	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
	385	Ikenobo Ikebana Society	888	888	888	888	888	888	888	888	888	888	888	888	888
	390	Miki Boutique	558	558	558	558	558	558	558	558	558	558	558	558	558
	393	Belly Good Cafe, Inc./Marie Antoinette	279	279	279	279	279	279	279	279	279	279	279	279	279
	395	Mays Cafe	443	443	443	443	443	443	443	443	443	443	443	443	443
			<u>43,687</u>	<u>41,283</u>											
				<u>94.5%</u>											

EXHIBIT A TO DR 11.0949D
 JAPAN CENTER WEST MALL
 OCCUPANCY REPORT

2008	Unit	Tenant Name	RSF	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
	300	Miseki Jewelry	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371
	305	Japan Video & Media	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892
	310	Auto Freak General Merchandise	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532
	315	Mikado Lazer	1,720	1,720	1,720	1,720	1,720	1,720							
	317	VIZ Pictures	745	745	745	745	745	745	745	745	745	745	745	745	745
	318	Mikado Kids Corner	712	712	712	712	712	712							
	320	Manga/MGB Entertainment	2,104				2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104
	325	Moritaya Gifts	620	620	620	620	620	620	620	620	620	620	620	620	620
	326	Katachi	780	780	780	780	780	780	780	780	780	780	780	780	780
	330	The Omodaka Apparel	864	864	864	864	864	864	864	864	864	864	864	864	864
	333	Jinon Corporation DBA Nijiya Market	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698
	335	Kohshi, Master of Scents	300												300
	336	Taiyodo Record Shop	424	424	424	424	424	424	424	424	424	424	424	424	424
	337	Shifuku Tea Co. Market / White Crane	118	118	118	118	118	118	118	118	118	118	118	118	118
	340	Anderson Bakery	556	556	556	556	556	556	556	556	556	556	556	556	556
	345	Nipponya	674	674	674	674	674	674	674	674	674	674	674	674	674
	350	Benihana of Tokyo Restaurant	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230
	355	Isobune Sushi Restaurant	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070
	360	Daikoku by Shiki Antiques	998	998	998	998	998	998	998	998	998	998	998	998	998
	363	Sakura Sakura Apparel	720	720	720	720	720	720	720	720	720	720	720	720	720
	365	Dentoh	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
	368	Murata Cafe Hana Flowers/Cafe	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082
	370	Koji-Osakaya Restaurant	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
	375	Mifune Restaurant	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528
	380	Kushitsuru Restaurant	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
	385	Ikenobo Ikebana Society	888	888	888	888	888	888	888	888	888	888	888	888	888
	390	Amiko Boutique	558	558	558	558	558	558	558	558	558	558	558	558	558
	393	Belly Good Cafe, Inc./Marie Antoinette	279	279	279	279	279	279	279	279	279	279	279	279	279
	395	Mays Cafe	443	443	443	443	443	443	443	443	443	443	443	443	443
			43,687	41,283	41,283	41,283	43,387	43,387	40,955	40,955	40,955	40,955	40,955	40,955	41,255
				94.5%	94.5%	94.5%	99.3%	99.3%	93.7%	93.7%	93.7%	93.7%	93.7%	93.7%	94.4%

EXHIBIT A TO DR 11.0949D
 JAPAN CENTER WEST MALL
 OCCUPANCY REPORT

2009	Unit	Tenant Name	RSF	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
	300	Miseki Jewelry	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371
	305	Japan Video & Media	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892
	310	Auto Freak General Merchandise	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532
	315	Sanrio	1,720		1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720
	317	VIZ Pictures/Amiko Boutique	745	745		745	745	745	745	745	745	745	745	745	745
	318	Japan Toys	712	712	712	712	712	712	712	712	712	712	712	712	712
	320	Manga/MGB Entertainment	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104
	325	Moritaya Gifts	620	620	620	620	620	620	620	620	620	620	620	620	620
	326	Katachi	780	780	780	780	780	780	780	780	780	780	780	780	780
	330	The Omodaka Apparel	864	864	864	864	864	864	864	864	864	864	864	864	864
	333	Jinon Corporation DBA Nijiya Market	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698
	335	Kohshi, Master of Scents	300	300	300	300	300	300	300	300	300	300	300	300	300
	336	Taiyodo Record Shop	424	424	424	424	424	424	424	424	424	424	424	424	424
	337	Shifuku Tea Co/Cure Media	118	118	118	118	118	118						118	118
	340	Anderson Bakery	556	556	556	556	556	556	556	556	556	556	556	556	556
	345	Nipponya	674	674	674	674	674	674	674	674	674	674	674	674	674
	350	Benihana of Tokyo Restaurant	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230
	355	Isobune Sushi Restaurant	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070
	360	Daikoku by Shiki Antiques	998	998	998	998	998	998	998	998	998	998	998	998	998
	363	Sakura Sakura Apparel	720	720	720	720	720	720	720	720	720	720	720	720	720
	365	Dentoh	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
	368	Murata Cafe Hana Flowers/Cafe	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082
	370	Koji-Osakaya Restaurant	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
	375	Mifune Restaurant	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528
	380	Kushitsuru Restaurant	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
	385	Ikenobo Ikebana Society	888	888	888	888	888	888	888	888	888	888	888	888	888
	390	Yuki Boutique	558	558	558	558	558	558	558	558	558	558	558	558	558
	393	Belly Good Cafe, Inc./Marie Antoinette	279	279	279	279	279	279	279	279	279	279	279	279	279
	395	Mays Cafe	443	443	443	443	443	443	443	443	443	443	443	443	443
			43,687	41,967	42,942	43,687	43,687	43,687	43,569	43,569	43,569	43,569	43,569	43,687	43,687
				96.1%	98.3%	100.0%	100.0%	100.0%	99.7%	99.7%	99.7%	99.7%	99.7%	100.0%	100.0%

EXHIBIT A TO DR 11.0949D
JAPAN CENTER WEST MALL
OCCUPANCY REPORT

2010			Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
300	Miseki Jewelry	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371
305	Japan Video & Media	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892
310	Auto Freak General Merchandise	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532
315	Sanrio	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720
317	Amiko Boutique	745	745	745	745	745	745	745	745	745	745	745	745	745
318	Japan Toys/Amiko Boutique	712	712	712	712	712	712	712	712	712	712		712	712
320	Manga/Japan Toys	712	712	712									712	712
323	Vacant	918	918	918										
325	Moritaya Gifts	900	900	900	900	900	900	900	900	900	900	900	900	900
326	Katachi	900	900	900	900	900	900	900	900	900	900	900	900	900
330	The Omodaka Apparel	864	864	864	864	864	864	864	864	864	864	864	864	864
333	Jinon Corporation DBA Nijiya Market	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698
335	Kohshi, Master of Scents	300	300	300	300	300	300	300	300	300	300	300	300	300
336	Taiyodo Record Shop	424	424	424	424	424	424	424	424	424	424	424	424	424
337	Cure Media/Vacant	118	118	118	118	118	118	118	118	118	118	118		
340	Anderson Bakery	556	556	556	556	556	556	556	556	556	556	556	556	556
345	Nipponya	674	674	674	674	674	674	674	674	674	674	674	674	674
350	Benihana of Tokyo Restaurant	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230
355	Isobune Sushi Restaurant	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070
360	Daikoku by Shiki Antiques	998	998	998	998	998	998	998	998	998	998	998	998	998
363	Sakura Sakura Apparel	720	720	720	720	720	720	720	720	720	720	720	720	720
365	Dentoh	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
367	Vacant/Moyo Yogurt	541						541	541	541	541	541	541	541
368	Murata Cafe Hana	541	541	541	541	541	541	541	541	541	541	541	541	541
370	Koji-Osakaya Restaurant	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
375	Mifune Restaurant	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528
380	Kushitsuru Restaurant	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
383	Vacant/Cako Cupcake	313									313	313	313	313
385	Ikenobo Ikebana Society	575	575	575	575	575	575	575	575	575	575	575	575	575
390	Yuki Boutique	558	558	558	558	558	558	558	558	558	558	558	558	558
393	Belly Good Cafe, Inc./Marie Antoinette	279	279	279	279	279	279	279	279	279	279	279	279	279
395	Mays Café (Incr sf to 718 7/1/10)	443	443	443	443	443	443	443	718	718	718	718	718	718
		43,613	42,759	42,759	42,759	41,129	41,129	41,670	41,945	41,945	42,258	41,546	42,970	42,852
			98.0%	98.0%	98.0%	94.3%	94.3%	95.5%	95.6%	95.6%	96.3%	94.7%	97.9%	97.6%

EXHIBIT A TO DR 11.0949D
JAPAN CENTER WEST MALL
OCCUPANCY REPORT

2011	Unit	Tenant Name	RSF	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
	300	Miseki/Peter Lu	543	543			543	543	543	543	543	543			
	301	Miseki/Yumi Boutique	543	543			543	-	-	543	-	-			
	303	Miseki Jewelry	1,106	1,106	1,106	1,106	1,106	1,106	1,106	1,106	1,106	1,106			
	305	Japan Video & Media	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892	1,892			
	310	Auto Freak General Merchandise	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532	1,532			
	315	Sanrio	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720			
	317	Amiko Boutique	745	745	745	745	745	745	745	745	745	745			
	318	Amiko Boutique	712	712	712	712	712	712	712	712	712	712			
	320	Japan Toys	712	712	712	712	712	712	712	712	712	712			
	323	Vacant	918												
	325	Moritaya Gifts	900	900	900	900	900	900	900	900	900	900			
	326	Katachi	900	900	900	900	900	900	900	900	900	900			
	330	The Omodaka Apparel	864	864	864	864	864	864	864	864	864	864			
	333	Jinon Corporation DBA Nijiya Market	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698	8,698			
	335	Kohshi, Master of Scents	300	300	300	300	300	300	300	300	300	300			
	336	Taiyodo Record Shop	424	424	424	424	424	424	424	424	424	424			
	337	Vacant	118												
	340	Anderson Bakery	556	556	556	556	556	556	556	556	556	556			
	345	Nipponya	674	674	674	674	674	674	674	674	674	674			
	350	Benihana of Tokyo Restaurant	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230			
	355	Isobune Sushi Restaurant	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070			
	360	Daikoku by Shiki Antiques	998	998	998	998	998	998	998	998	998	998			
	363	Sakura Sakura Apparel	720	720	720	720	720	720	720	720	720	720			
	365	Dentoh	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375			
	368	Murata Cafe Hana Flowers/Cafe	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082			
	370	Koji-Osakaya Restaurant	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166			
	375	Mifune Restaurant	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528			
	380	Kushitsuru Restaurant	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240			
	383	Cako Cupcake	313	313	313	313	313	313	313	313	313	313			
	385	Ikenobo Ikebana Society	575	575	575	575	575	575	575	575	575	575			
	390	Yuki Boutique	558	558	558	558	558	558	558	558	558	558			
	393	Belly Good Cafe, Inc./Marie Antoinette	279	279	279	279	279	279	279	279	279	279			
	395	Mays Cafe	718	718	718	718	718	718	718	718	718	718			
			<u>43,709</u>	<u>42,673</u>	<u>41,587</u>	<u>41,587</u>	<u>42,673</u>	<u>42,130</u>	<u>42,130</u>	<u>42,673</u>	<u>42,130</u>	<u>42,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
				<u>97.6%</u>	<u>95.1%</u>	<u>95.1%</u>	<u>97.6%</u>	<u>96.4%</u>	<u>96.4%</u>	<u>97.6%</u>	<u>96.4%</u>	<u>96.4%</u>			

EXHIBIT A TO DR 11.0949D
JAPAN CENTER EAST MALL
OCCUPANCY REPORT

2006			May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06			
Unit	Tenant Name	RSF											
400	Mr. Yang Lianzhong	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775			
410	Genji Antiques, Inc.	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606			
440	Ikkyu	575	575	575	575	575	575	575	575	575			
450	Glam Up	575	575	575	575	575	575	575	575	575			
501	Sain Saine	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598			
505	Takara Restaurant	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191			
510	Ino Sushi Restaurant	605	605	605	605	605	605	605	605	605			
511	Harajuku Boutique	640	640	640	640	640	640	640	640	640			
520	Hayashi Enterprises, Inc /Akabanaa	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404			
525	Kabuki Nightclub, Inc.	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752			
530	Vacant	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625			
530A	Mgmt Office	847											
535	Kuishinbo Restaurant	700	700	700	700	700	700	700	700	700			
550	Seoul Garden Restaurant	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610			
560	Mifune Don Restaurant	638	638	638	638	638	638	638	638	638			
24,141			0	0	0	0	23,294						
			0.0%	0.0%	0.0%	0.0%	96.5%						

2007			Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
Unit	Tenant Name	RSF												
400	Mr. Yang Lianzhong/Vacant	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775
410	Genji Antiques, Inc.	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606
440	Ikkyu	575	575	575	575	575	575	575	575	575	575	575	575	575
450	Glam Up	575	575	575	575	575	575	575	575	575	575	575	575	575
501	Sain Saine	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598
505	Takara Restaurant	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191
510	Ino Sushi Restaurant	605	605	605	605	605	605	605	605	605	605	605	605	605
511	Harajuku Boutique	640	640	640	640	640	640	640	640	640	640	640	640	640
520	Hayashi Enterprises, Inc /Akabanaa	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
525	Kabuki Nightclub, Inc.	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752
530	Sanuki (formerly Xin Li Cheng)	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
530A	Mgmt Office	847												
535	Kuishinbo Restaurant	700	700	700	700	700	700	700	700	700	700	700	700	700
550	Seoul Garden Restaurant	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610
560	Mifune Don Restaurant	638	638	638	638	638	638	638	638	638	638	638	638	638
24,141			23,294											
			96.5%											

EXHIBIT A TO DR 11.0949D
JAPAN CENTER EAST MALL
OCCUPANCY REPORT

2008			Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Unit	Tenant Name	RSF												
400	Vacant	2,775												
410	Genji Antiques, Inc.	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606
440	Ikkyu	575	575	575	575	575	575	575	575	575	575	575	575	575
450	Glam Up	575	575	575	575	575	575	575	575	575	575	575	575	575
501	Sain Saine	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598
505	Takara Restaurant	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191
510	Ino Sushi Restaurant	605	605	605	605	605	605	605	605	605	605	605	605	605
511	Harajuku Boutique	640	640	640	640	640	640	640	640	640	640	640	640	640
520	Hayashi Enterprises, Inc /Akabanaa	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
525	Kabuki Nightclub, Inc.	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752
530	Sanuki (formerly Xin Li Cheng)	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
530A	Mgmt Office	847												
535	Kuishinbo Restaurant	700	700	700	700	700	700	700	700	700	700	700	700	700
550	Seoul Garden Restaurant	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610
560	Mifune Don Restaurant	638	638	638	638	638	638	638	638	638	638	638	638	638
		24,141	20,519	20,519	20,519	20,519	20,519	20,519	20,519	20,519	20,519	20,519	20,519	20,519
			85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
2009			Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Unit	Tenant Name	RSF												
400	Vacant/Daiso	2,775							2,775	2,775	2,775	2,775	2,775	2,775
410	Genji Antiques, Inc.	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606
440	Ikkyu	575	575	575	575	575	575	575	575	575	575	575	575	575
450	Glam Up	575	575	575	575	575	575	575	575	575	575	575	575	575
501	Sain Saine	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598
505	Takara Restaurant	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191
510	Ino Sushi Restaurant	605	605	605	605	605	605	605	605	605	605	605	605	605
511	Harajuku Boutique	640	640	640	640	640	640	640	640	640	640	640	640	640
520	Hayashi Enterprises, Inc /Akabanaa	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
525	Kabuki Nightclub, Inc.	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752
530	Sanuki (formerly Xin Li Cheng)	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
530A	Mgmt Office	847												
535	Kuishinbo Restaurant	700	700	700	700	700	700	700	700	700	700	700	700	700
550	Seoul Garden Restaurant	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610
560	Mifune Don Restaurant	638	638	638	638	638	638	638	638	638	638	638	638	638
		24,141	20,519	20,519	20,519	20,519	20,519	20,519	23,294	23,294	23,294	23,294	23,294	23,294
			85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%

EXHIBIT A TO DR 11.0949D
JAPAN CENTER EAST MALL
OCCUPANCY REPORT

2010			Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Unit	Tenant Name	RSF												
400	Daiso	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775
410	Genji Antiques, Inc./Vacant/Daiso	5,606	5,606	5,606	5,606									5,606
440	Ikkyu	575	575	575	575	575	575	575	575	575	575	575	575	575
450	Glam Up	575	575	575	575	575	575	575	575	575	575	575	575	575
501	Sain Saine	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598
505	Takara Restaurant	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191
510	Ino Sushi Restaurant	605	605	605	605	605	605	605	605	605	605	605	605	605
511	Harajuku Boutique	640	640	640	640	640	640	640	640	640	640	640	640	640
520	Hayashi Enterprises, Inc /Akabanaa	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
525	Kabuki Nightclub, Inc.	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752
530	Sanuki (formerly Xin Li Cheng)	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
530A	Mgmt Office	847												
535	Kuishinbo Restaurant	700	700	700	700	700	700	700	700	700	700	700	700	700
550	Seoul Garden Restaurant	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610
560	Mifune Don Restaurant	638	638	638	638	638	638	638	638	638	638	638	638	638
		24,141	23,294	23,294	23,294	17,688	17,688	17,688	17,688	17,688	17,688	17,688	17,688	23,294
			96.5%	96.5%	96.5%	73.3%	73.3%	73.3%	73.3%	73.3%	73.3%	73.3%	73.3%	96.5%

2011			Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11			
Unit	Tenant Name	RSF												
400	Daiso	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775			
410	Daiso	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606	5,606			
440	Ikkyu	575	575	575	575	575	575	575	575	575	575			
450	Glam Up	575	575	575	575	575	575	575	575	575	575			
501	Sain Saine	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598			
505	Takara Restaurant	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191			
510	Ino Sushi Restaurant	605	605	605	605	605	605	605	605	605	605			
511	Harajuku Boutique	640	640	640	640	640	640	640	640	640	640			
520	Hayashi Enterprises, Inc /Akabanaa	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404			
525	Kabuki Nightclub, Inc.	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752			
530	Sanuki (formerly Xin Li Cheng)	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625			
530A	Mgmt Office	847												
535	Kuishinbo Restaurant	700	700	700	700	700	700	700	700	700	700			
550	Seoul Garden Restaurant	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610			
560	Mifune Don Restaurant	638	638	638	638	638	638	638	638	638	638			
		24,141	23,294	23,294	23,294	23,294	23,294	23,294	23,294	23,294	23,294	0	0	0
			96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	0.0%	0.0%	0.0%



SAN FRANCISCO
PLANNING
DEPARTMENT

AFFIDAVIT FOR Formula Retail Establishments

Planning Department
1650 Mission Street
Suite 400
San Francisco, CA
94103-9425

T: 415.558.6378
F: 415.558.6409

Date: February 26, 2010

To: Applicants proposing a new Retail Use Establishment

From: San Francisco Planning Department

Re: Affidavit for Formula Retail Establishments

Under Planning Code Section 303(i), certain retail uses must have additional review to determine if they qualify as a Formula Retail Establishment. If a use does qualify as a Formula Retail Establishment, then additional controls will apply depending on the zoning district where the proposed business will be located.

Businesses subject to the formula retail establishment controls include the following 'Retail Sales Activity' or 'Retail Sales Establishment' as defined in Article 7 and Article 8 of the Code:

Amusement Game Arcade
(§§790.4, 890.4)

Drive-up Facility
(§§790.30, 890.30)

Liquor Store
(§790.55)

Restaurant, Large Fast Food
(§§790.90, 890.91)

Restaurant, Small Fast Food
(§890.90)

Sales and Service, Other Retail
(§§790.102, 890.102)

Sales and Service, Retail
(§§790.104, 890.104)

Video Store
(§790.135)

Bar
(§§790.22, 890.22)

Eating and Drinking Use
(§§790.34, 890.34)

Movie Theater
(§§790.64, 890.64)

Restaurant, Small Self-Service
(§790.91)

Restaurant, Full Service
(§§790.92, 890.92)

Sales and Service, Non retail
(§§790.100, 890.100)

Take-out Food
(§§790.122, 890.122)

Specialty Food, Self-Service
(§790.93)

If the proposed business is listed above and there is a Permit Application for any Alterations, New Construction, Commercial Tenant Improvements, Change of Use or Signage which relates to the establishment of that use, then *before the project application is considered complete this checklist must be completed and signed as required below.*

All retail use establishments must fill out the following form and sign the Affidavit before the Planning Department can complete review of a permit.

PROJECT ADDRESS:		
11 Penn Pl.		
BLOCK/LOT:	ZONING DISTRICT:	EXISTING/PREVIOUS USE & SQUARE FOOTAGE:
0700 009	NC-3 - 50 - T Japan town	Retail

Proposed Use

NAME OF PROPOSED USE CATEGORY PER ARTICLE 7 OR 8, AS APPLICABLE:
Restaurant Self Service
PROPOSED BUSINESS NAME:
KB Cafe
DESCRIPTION OF PRODUCTS OR SERVICES:
Tee Dessert.

Retail Operation

1 A	Number of Retail Locations in Operation	How many retail locations of this business are currently in operation nationwide?	0
1 B	Other Pending Locations in San Francisco	How many other sites in San Francisco have pending applications or approved permits to establish additional locations for this business that have not commenced operation?	1
1 C	Other Pending Locations Nationwide Outside of San Francisco	How many other US sites outside of San Francisco have pending applications or approved permits to establish additional locations for this business that have not commenced operation?	0

If the number entered on Line 1 A above is 11 or more then the proposed use may be a Formula Retail Use and the questions in the following table must be answered. If the sum is 10 or fewer the Applicant does not need to provide any additional information on this form and may proceed to sign the Applicant's Affidavit on the subsequent page.

STANDARDIZED FEATURES			YES	NO
2	Standardized array of merchandise	Will this proposed use sell merchandise from a single distributor, bearing uniform markings and comprising 50% or more of the merchandise offered for sale, as measured by shelf or display space, in common with other locations of this business?		X
3	Standardized facade	Will the proposed facade (face or front of the building looking onto a street or an open space), including awnings, have a facade design in common with other locations of this business?		X
4	Standardized decor and color scheme	Will the interior of the business space, which may include but is not limited to, finishes, style of furniture, wall coverings, permanent fixtures or furnishings, have a style in common with other locations of this business?		Y
5	Uniform apparel	Will the proposed business require standardized items of clothing for employees, including but not limited to aprons, pants, shirts, smocks or dresses, hats and pins (other than name tags) as well as standardized colors of clothing style in common with other locations of this business?		X
6	Standardized signage	Will the proposed business display one or more business signs (as defined in §602.3 of the Planning Code) in common with other locations of this business?		Y
7	Trademark or Service mark	Will the proposed business utilize a Trademark (a word, phrase, symbol or design, or a combination of those that identifies and distinguishes the source of the goods of one party from those of others) or a Service mark (a word, phrase, symbol or design, or a combination of those that identifies and distinguishes the source of the services of one party from those of others) in common with other locations of this business?		X
8	Total Features	Enter the total number of "YES" responses from lines 1 (previous page) through 7		2

Requirements and Provisions of the Code

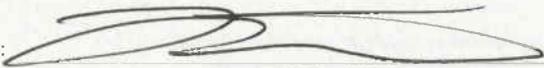
If the number of national locations (excluding the location proposed in this application) in Line 1 A is 11 or more and if the number of total standardized features of this business in Line 8 is 2 or more, then the proposed use is a Formula Retail Use.

All Building Permit Applications for Formula Retail Uses for any use categories permitted shall be subject to the notification and design review procedures of §312 of the Planning Code as changes of use.

If the Planning Department determines that an application or permit is for a Formula Retail Use the permit applicant of holder bears the burden of proving to the Planning Department that the proposed or existing use is not a Formula Retail Use. Any permit approved for a use that is determined by the Planning Department to be for a Formula Retail Use that did not identify the use as such is subject to revocation at any time.

Applicant's Affidavit

By signing below, I acknowledge: That I am the owner or authorized agent of the owner of this property; that I am familiar with the proposed business and its operation; that I have read and completed this form in its entirety and the information presented is true and correct to the best of my knowledge; and that I understand that receipt of these materials by the Planning Department does not mean that the application has been accepted as complete.

Signature: 

Date: 6-1-11

Print name, and indicate whether owner, or authorized agent:

Lu, Peter JD
Owner / Authorized Agent (circle one)

Phone: 415-333-8617
415-816-6126

Mailing Address: _____

Email: LuPeter@sbcglobal.net

Planning Department Determination

THIS SECTION TO BE COMPLETED EXCLUSIVELY BY PLANNING DEPARTMENT STAFF

The proposed use has been determined to be a Formula Retail Use: Yes No

In the subject District the proposed use is: Principally Permitted

Requires Conditional Use

Not Permitted

Subject Address: _____

Block/Lot: _____

Application No.: _____

Date Filed: _____

Application Type: _____

Signature: _____

Date: _____

Printed Name: _____

Phone: _____

July 11, 2011

Sharon M. Young
San Francisco Planning Department

RE: 1737 Post Street, Suite 300 (Address of Permit Work)
2011.06.01.7183 (Building Permit Application Number)
NC-3 (Moderate-Scale) Neighborhood Commercial Zoning District
Japantown Special Use District

Dear Sharon M. Young:

This is in respond to your inquiry regarding Building Permit Application #2011.06.01.7183, I'm here to provide you and SF Planning Dept with supplemental Information as requested.

The purposed self-service restaurant located at Suite 300 within Japantown Center West Mall is 100% independently owned and operated as KB Café. Which is not a formula retail use under Section 703.3 of the Planning Code, and not related to any "chain store" or "franchise" with eleven or more establishments located in the united states.

The supplemental information will be provided at the following:

- (1) **Products, services, and merchandise;**
KB Café will feature Dreyer's Ice Cream, Chinese Tea and Desserts, Fresh juices, Smoothies, Milk Shakes and Snacks.
- (2) **Proposed facade;**
Existing Glass Frame and Doors provided by the Japantown Center,
No changes will be made to the facade.
- (3) **Décor and color scheme of the business space;**
KB Café features Fruity Colors for the Interior finishes and fixtures:
Strawberry Red, Blue Berry Blue, Pink, Lime Green Apple Green,
Lime Green, Orange, Light Yellow and White.
- (4) **Apparel for employees;**
Unisex Contrast Stripe Polo Shirts.
Please see Exhibition A.
- (5) **Proposed business signage;**
3' x 2' Permanent Adhesive Vinyl Sticker Sign on the front entrance.
Plastic sticker strip along the glass frame and door.
Please see Exhibition B.

(6) Trademark or service mark;
Please See Exhibition C.

Please review the information provided as soon as possible. Any questions please email me at lupeter@sbcglobal.net or give me a call anytime at 415.816.6126.

Sincerely,

Peter Lu
KB Café

Exhibition C:
Trademark or Service Mark



Exhibition B: Proposed Business Signage



Exhibition A: Apparel for Employees



August 18, 2011

Peter Lu
Business Owner
KB Cafe

RE: 1737 Post Street, Suite 300 (Address of Permit Work)
2011.06.01.7183 (Building Permit Application Number)
NC-3 (Moderate-Scale) Neighborhood Commercial Zoning District
Japantown Special Use District

Dear Rachna:

This is in response to your inquiry regarding Building Permit Application #2011.06.01.7183, I'm here to provide you with additional supplemental information as requested.

First of all, it's very frustrating to learn that you have received numerous complaints about KB Café being a franchise/chain store. I'm here to clarify once more, the proposed self-service restaurant located at Suite 300 within Japantown Center West Mall is 100% independently owned and operated as KB Café. Which is not a formula retail use under Section 703.3 of the Planning Code Definition, and not related to any "chain store" or "franchise" with eleven or more establishments located in the United States.

I was very grateful the Japantown Ownership gave us the opportunity with our average qualification to obtain this lease, but I deeply regret ever signing it due to numerous actions by competitors to delay my projects. With the peak summer season coming to an end, myself and the family have suffered tremendous financial, physical and mental impacts dealing with these unfair and prejudiced complaints, with no end in sight! To make situation worse, my wife just recently layoff by her employer, money will dry up even faster with the store not open for business.

One competitor's personal opinion cannot make KB Café a chain store without any proof. Since I have no signage, advertising materials, web materials what so ever indicating that future KB Café will be a Quickly chain store, all these allegations are unfair and untrue. No legal materials or agreements have ever been signed with Quickly Franchise for KB Café to be their franchise store, nor in the future.

If we were to serve burgers, you can't say we are serving McDonald's burgers, my restaurant is a McDonald's; A cup of coffee which we brew with Starbucks Coffee we purchased from Costco does not make my restaurant a Starbucks franchise store!

Please see below of my break down of future vendors:

Jetro/Restaurant Depot:	Teas, Ingredients, Dry Nuts, Pot Stickers, Egg Rolls, Cheese Stix, Sesame Ball, Sesame Paste, Bowl, Cups, Straws, Cup Holders , Plastic Bags, paper bags, utensils	25%
Barry's / Coast Meat:	Pork, Chicken, Calamari, Shrimp	15%
Costco / Safeway / Lucky:	Sugar, Rice, Creamer, Milk, Chocolate, Candies	10%
Dreyers:	Ice Cream, Yogurt base, Milk Shake ingredients	10%
Local Producers/ Farmer's Market:	Fresh fruits, fresh vegetables, eggs	20%
Quickly Corp.:	Tapioca Balls and Drink Add-ons	10%
Ranch 99/Manilla/Sunset Markets:	Salad Sauce, Mayonnaise, soft drinks	5%
Other Suppliers:	Miscellaneous	5%

I will be more than happy to discuss further. I can be reach anytime at 415.816.6126, or by email at lupeter@sbcglobal.net.

Sincerely,

Peter Lu

KB Café



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Search by: [NAME](#) [DOMAIN](#) [LOGO](#) [SOCIAL NETWORK](#)

[Trademark Search](#) > [Trademark Category](#) > [Restaurant and Hotel Services](#) > [KOBE BENTO](#)



KOBE BENTO

By: [Quickly Corporation](#)

[Tweet Logo](#)

[Share on Facebook](#)

Fast-food restaurants and snackbars

Perfect for these industries

- [Restaurant and Hotel Services](#)

Words that describe this logo

[fastfood](#) [restaurants](#) [snackbars](#)

This is a brand page for the **KOBE BENTO** trademark by **Quickly Corporation** in **Hayward, CA, 94545**. [Write a review](#) about a product or service associated with this **KOBE BENTO** trademark. Or, contact the owner **Quickly Corporation** of the **KOBE BENTO** trademark by filing a request to communicate with [the Legal Correspondent](#) for licensing, use, and/or questions related to the **KOBE BENTO** trademark.

Status Update! On Tuesday, October 11, 2011, status on the **KOBE BENTO** trademark changed to **PUBLISHED FOR OPPOSITION**.

On Tuesday, April 05, 2011, a U.S. federal trademark registration was filed for **KOBE BENTO** by [Quickly Corporation](#), Hayward, CA 94545. The USPTO has given the **KOBE BENTO** trademark serial number of **85286041**. The current federal status of this trademark filing is **PUBLISHED FOR OPPOSITION**. The correspondent listed for **KOBE BENTO** is [QUICKLY CORPORATION](#) of 25011 VIKING ST, HAYWARD, CA 94545-2703, . The **KOBE BENTO** trademark is filed in the category of [Restaurant and Hotel Services](#) . The description provided to the USPTO for **KOBE BENTO** is Fast-food restaurants and snackbars.

Word Mark: **KOBE BENTO**

Status/ **PUBLISHED FOR OPPOSITION**
Status Date: 10/11/2011

Serial Number: 85286041

Filing Date: [4/5/2011](#)

Registration Number: NOT AVAILABLE

Registration Date: NOT AVAILABLE

Goods and Services: Fast-food restaurants and snackbars

Mark Description: The mark consists of the words "KOBE BENTO" in black on a white background with an orange underline beneath the wording. Above the wording is an orange rectangle box with black Chinese characters outlined in white.

Type Of Mark: Service Mark

Published For
Opposition Date: 10/11/2011

Last Applicant/Owner: [Quickly Corporation](#)
 Hayward, CA 94545
[Why is this contact information displayed?](#)

Mark Drawing Code: Drawing/Design + Words

Design Search: Rectangles divided twice into three sections (Geometric figures and solids - Rectangles) [see more design...](#)
[See Similar Logos >>](#)

Rectangles that are completely or partially shaded (Geometric figures and solids - Rectangles) [see more design...](#)

Inscriptions in Chinese, Japanese, Korean, Vietnamese or other Asian characters (Inscriptions in various characters - Inscriptions) [see more design...](#)

Register Type: Principal

Disclaimer: ("KOBE BENTO" AND NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE THE NON-LATIN CHARACTERS THAT TRANSLITERATE TO SHEN HU JIA)

[QUICKLY CORPORATION](#)

Correspondent: 25011 VIKING ST
HAYWARD, CA 94545-2703

Classification Information

International Class Code(s): 043

US Class Code(s): 100, 101

Primary Class: [Services for providing food and drink; temporary accommodations.](#)

Class(es) Status: Active

First Use Anywhere: 10/1/2003

First Use In Commerce: 10/1/2003

Trademarkia is the largest search engine for U.S. trademarks. Each month hundreds of trademarks around the world are filed by licensed attorneys in the Trademarkia network! You can [register your trademark in 55+ countries](#) in the world through Trademarkia Network. **Trademarkia.com is a free search engine** of publicly available government records. Trademarkia.com is not a law firm and does not represent owners & correspondents listed on this page.

[Click here to see what people say about KOBE BENTO >>](#)

[Trademark Document Retrieval >>](#)

Allen R. Simpson Greater Divisadero Merchants Association
2852 1/2 California St. San Francisco, CA 94115
415-563-0955

November 19, 2011

San Francisco Planning Department
1650 Mission Street
Suite 400
San Francisco, CA 94103

RE: 1737 Post Street
San Francisco, CA

Dear Mr. Sanchez,

I would like to lend my support the Post Street project, wherein you will build a KB Cafe restaurant.

Having a new restaurant in that area not only creates jobs while the cafe is being built, but also provides jobs for locals who will work and manage the business. In addition I think that the restaurant will be compatible to the Japan Town area.

Please let me know if there is anything else that I can do in order to assist in the successful completion of this project.

Regards,



Allen R. Simpson
Greater Divisadero Merchants Association



SAN FRANCISCO PLANNING DEPARTMENT

1650 Mission Street Suite 400 San Francisco, CA 94103

NOTICE OF BUILDING PERMIT APPLICATION (SECTION 312)

On June 2, 2011, the Applicant named below filed Building Permit Application No. 2011.06.01.7183 (Alteration) with the City and County of San Francisco.

CONTACT INFORMATION		PROJECT SITE INFORMATION	
Applicant:	Peter Lu / Joan Guo (lessees)	Project Address:	1737 Post Street, Suite 300 (aka 22 Peace Plaza)
Address:	1737 Post Street, Suite 300	Cross Streets:	Buchanan Street / Webster Street
City, State:	San Francisco, CA 94115	Assessor's Block /Lot No.:	0700 / 009
Telephone:	(415) 730-3285	Zoning Districts:	NC-3 & Japantown SUD / 50-X

Under San Francisco Planning Code Section 312, you, as a property owner or resident within 150 feet of this proposed project, are being notified of this Building Permit Application. You are not obligated to take any action. For more information regarding the proposed work, or to express concerns about the project, please contact the Applicant above or the Planner named below as soon as possible. If your concerns are unresolved, you can request the Planning Commission to use its discretionary powers to review this application at a public hearing. Applications requesting a Discretionary Review hearing must be filed during the 30-day review period, prior to the close of business on the Expiration Date shown below, or the next business day if that date is on a week-end or a legal holiday. If no Requests for Discretionary Review are filed, this project will be approved by the Planning Department after the Expiration Date.

PROJECT SCOPE		
<input type="checkbox"/> DEMOLITION	and/or	<input type="checkbox"/> NEW CONSTRUCTION or <input checked="" type="checkbox"/> ALTERATION
<input type="checkbox"/> VERTICAL EXTENSION		<input checked="" type="checkbox"/> CHANGE OF USE <input type="checkbox"/> FACADE ALTERATION(S)
<input type="checkbox"/> HORIZ. EXTENSION (FRONT)		<input type="checkbox"/> HORIZ. EXTENSION (SIDE) <input type="checkbox"/> HORIZ. EXTENSION (REAR)
PROJECT FEATURES	EXISTING CONDITION	PROPOSED CONDITION
COMMERCIAL USE TYPE	Vacant Retail Space.....	Small Self-Service Restaurant
BUSINESS NAME (IF KNOWN).....	N/A	KB Café
TOTAL COMMERCIAL SQUARE-FOOTAGE.....	Approx. ± 490 square feet	No change
PROJECT DESCRIPTION		

The proposal will involve the change of use of a vacant commercial space (previously occupied by a retail store) into a small self-service restaurant (dba KB Café, an Asian fusion style café selling a wide variety of beverages, snacks, and desserts) located within the interior of Japantown Center Kintetsu Mall. The proposed small self-service restaurant will consist of a sales and service area, kitchen, and storage area. Restaurant seating will be provided within the interior courtyard of the mall. The proposal will involve interior tenant improvements to the ground floor commercial space. The proposed small self-service restaurant dba KB Café will be independently owned and is not considered a Formula Retail Use under Section 703.3 of the Planning Code.

PLANNER'S NAME: Sharon M. Young
 PHONE NUMBER: (415) 558-6346
 EMAIL: sharon.m.young@sfgov.org

DATE OF THIS NOTICE:
 EXPIRATION DATE:

7-28-11
 8-26-11

