The Crossing - San Bruno Development Site – Admiral Court

San Bruno Cross Roads Investments LLC
Shane Kuber
Sunil Patel
Gerald Kesler
Agenda

- Executive Summary
- Company Background
- Comparable Projects in Bay Area and other locations
- San Bruno - Crossing Development Plan
- Key Business Terms
Executive Summary

- Mature development team with financial strength, skill set to plan and execute hotel development projects
  - Construction/project management and architectural talent part of core team
- Existing relationships with key industry partners – General contractors, Engineering firms & lenders
- Bay Area development experience
- Successful track record with completed projects and healthy pipeline
- Will negotiate with union in good faith for construction and operations
  - Experience with supervising represented employees
- Thorough understanding of development process
- Estimated tax revenue for City of San Bruno – in excess of $1.5 Million annually
- Projected Jobs created – 36 full time, 15 part time, 51 total
- Lot of due diligence already done – will hit the ground running
Core team with diverse background and 100+ years of combined hotel development / operations experience

- Shane Kuber - $250+ Million hotel development, Marriott, Hilton brands, Construction Management
- Gerald Kesler – Development Director, architect
- Sunil Patel - Practicing Internist in Tracy, CA, Entrepreneur, strategic thinker – Successful startup investment, management
- Pravin Punjiya - Project management, Business administration, Union employee supervision
- Umesh Patel - Hotel operations – Startups, Acquisitions
- Samir Patel – IT industry - Multiple successful startups, Hotel and startup financing
- Rajiv Punjiya - Practicing Cardiologist in Tracy, CA, Hotel and startup financing
- Jadish Shah - Successful businessman in South Africa, Multiple Hotel Investments in US

Mature hotel developers with Bay Area experience and skill set to execute hotel development projects
Key Partners

- General Contractor - Deacon - Bay area GC
- Modular Construction - Guerdon Modular Buildings 5556 Federal Way, Boise, Idaho 83716
- Project Construction Manager: The Mathis Group / TMG Hospitality
- Lenders
  1. Hall Structured financing
  2. Stonehill Capital
  3. Diversified Funding Group
- Architecture - Studio I.E., Jeff Causey
- Civil Engineering - IMEG Civil Engineers
- MP&E - TTG Bowie Tiglas
- Landscape Architect - MLA associates Landscape architect - Patrick Morse
- Parking Study – Niche Advisors

Key partners and relationships in place for agile execution
## Comparable Projects – Completed Hotel Development

<table>
<thead>
<tr>
<th>Completed Hotel Development</th>
<th>Estimated Market Value</th>
<th>Yearly Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hampton Inn and Suites, Tempe, AZ (104 rooms) - 2017</td>
<td>$17,000,000</td>
<td>$3,700,000</td>
</tr>
<tr>
<td>Hampton Inn and Suites, Gilbert, AZ (96 rooms) - 2009</td>
<td>$17,000,000</td>
<td>$3,650,000</td>
</tr>
<tr>
<td>Holiday Inn - full service, Phoenix Airport (114 rooms, 3500 sq. ft banquet hall) - 2010</td>
<td>$18,000,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Holiday Inn Express and Suites (100 rooms), Scottsdale, AZ - 2013</td>
<td>$17,000,000</td>
<td>$3,800,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$69,000,000</strong></td>
<td><strong>$15,150,000</strong></td>
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</tbody>
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Approximately $69 Million in projects completed generating $15 Million in yearly revenue

Approximate Net Operating Income - $5.7 Million

Operated by Our Group
### Other Owned and Operated Hotels

<table>
<thead>
<tr>
<th>Hotel Name</th>
<th>Estimated Market Value</th>
<th>Yearly Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days Inn (Ground up development), Globe, AZ</td>
<td>$2,500,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>Best Western, Tempe, AZ - converting to Holiday Inn express and Suites</td>
<td>$12,000,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Sleep Inn Phoenix Airport, AZ</td>
<td>$8,000,000</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>Wyndemere Hotel &amp; Conf. Cent, Mesa, AZ includes 13 acres of land</td>
<td>$8,000,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Hawthorn Suites, Albuquerque, NM</td>
<td>$4,500,000</td>
<td>$1,300,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$35,000,000</strong></td>
<td><strong>$7,900,000</strong></td>
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Approximately $35 Million in acquired hotels with $7.9 Million in yearly revenue

Approximate Net Operating Income - $2.7 Million

Operated by Our Group
Comparable Projects - Bay Area

- Fairfield Inn & Suites by Marriott – SFO
  - Project Cost - $24 Million
  - 128 Rooms, 5 story, 70000 Sq. Ft.
  - 65% construction completed
  - Expected to open May 2020

- Hampton Inn – Pacifica, CA
  - Type of Construction: Modular, 4 stories
  - Estimated Total Building Square Footage: 64000
  - Number of rooms: 108 guest rooms
  - Approximate Meeting Space: 1500 Sq ft
  - Preliminary Parking Structure: Surface
  - Estimated project cost $30 Million
  - Currently in Design Review with City of Pacifica
  - Expected to be under construction April 2020

Experienced with challenges of Bay Area development - Familiar with seismic issues and local structural engineers to handle them
### Future Comparable Projects

<table>
<thead>
<tr>
<th>Hotels projects under development</th>
<th>Estimated Construction Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Springhill Suites by Marriott, Scottsdale Fashion Square Mall, AZ (122 rooms) - 2022</td>
<td>$14,000,000</td>
</tr>
<tr>
<td>TRU by Hilton, Phoenix Airport, AZ (110 rooms) - 2022</td>
<td>$11,500,000</td>
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<tr>
<td>Springhill Suites by Marriott (proposed), Pacifica, CA (90 rooms) - 2023</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>Springhill Suites by Marriott (proposed), Gilbert, AZ (100 rooms) - 2022</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>$59,500,000</td>
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**Approximately $59.5 Million in development pipeline**
Crossing Development Plan (1 of 4)

Construction Metrics:
- 5 story over a podium slab modular construction
- 65’ high, 174 rooms, 525 sq. ft. conf. room
- 122 parking spots (0.7 ratio) - Surface parking only
- Modular construction
- 9800 sq. ft. of green area (13%)

Green Construction Elements
- Solar water heating system
- Highly efficient mechanical systems
- Eliminate water waste
- Low water landscaping
- Use of recycled/recyclable construction materials

Modular Construction
- Better quality construction
- Superior sound proofing
- Predictable / faster construction timeline

Possible Hotel Brands
Element by Westin
Springhill Suites by Marriott
Open to other brands

Maximize room count, green, faster, economical modular construction
Crossing Development Plan – (2 of 4)

Approximately 28 months time line from start to finish

- **Contract Award**
  - T0

- **Site plan Approval**
  - 9 Mos

- **Design Review with City**
  - Grading
  - Drainage
  - Elevation Drawing
  - Rendering
  - Phase-1 Environment
  - Soil report
  - FAA approval
  - Neighborhood meetings

- **Building Permit Ready**
  - 16 Mos

- **Detailed Construction Drawings**
  - Franchise Company Approvals
  - FF&E Contracts

- **Site Prep / Underground**
  - Off site modular construction

- **Construction Start**
  - Financing Secured
  - Close Land Escrow

- **Hire Key personnel**
- **Training**
- **Hotel opening checklist burn down plan**

- **Executive Franchise Agreement**
- **Approved Site Plan**
- **Feasibility Study / Appraisal**
- **Traffic study if required**
- **Financing Secured**
- **Close Land Escrow**

- **Hotel Opening**
  - 28 Mos

- **Grand Opening**

10/7/2019
Total Project Cost - $40.5 Million
Stabilized Revenue (third year of operations) - $12 Million
Estimated tax revenue for City of San Bruno – in excess off $1.5 Million
Projected Jobs created – 36 full time, 15 part time, 51 total

We will negotiate with union in good faith for both construction and operations labor.
Connected Hotel
- State of the art high speed broadband connection
- Video conference
- Work kiosk
- Will do needs assessment before approval

Enhanced Transportation Services
- Local businesses (You Tube)
- Airport
- Local restaurants
- Public transportation stations (BART, CALTRAIN)
- List of local business recommendations
- Negotiated contract with local transportation companies for longer distance travel

Need Assistance From City
- Usage of land adjacent to the Crossing property line
- Use of easement
- Billboard construction on the hotel structure or on a monument

Beyond Expected
- Socially conscious – We will become strong partner with local community
- Concierge services in lobby
- Enhanced common areas to work and to socialize

Excellent transportation service to reduce need for renting / driving car
Key Business Terms

- **Land Purchase Price:** $6,000,000
- **Contract timing:** 60 day due diligence period after initiation of escrow. Close escrow after entitlements are granted and the site is permit ready.
- **Deposits:** $250,000 initial deposit and additional $250,000 after the due diligence period. Total deposit of $500,000.
- **Contingency:** Deposits remains refundable if:
  - City of San Bruno unable to grant building permits for the proposed conceptual plans.
  - San Bruno Cross Roads Investments LLC unable to secure financing for the project.
- **Buyer will be responsible for all entitlement fees.**
- **Closing costs:** Closing costs are split by buyer and seller.
- **Capital Structure:**
  - Equity will be provided by the principles.
  - At the completion we expect 75% loan to value ratio of the appraisal value.

Land acquisition by principals without any debt financing.
We have created a strong partnership with the city officials and have created mutually beneficial businesses with every project we have developed.

I would like to express my gratitude for your time and consideration.

It would be a privilege to work with the City of San Bruno to create a landmark hotel.