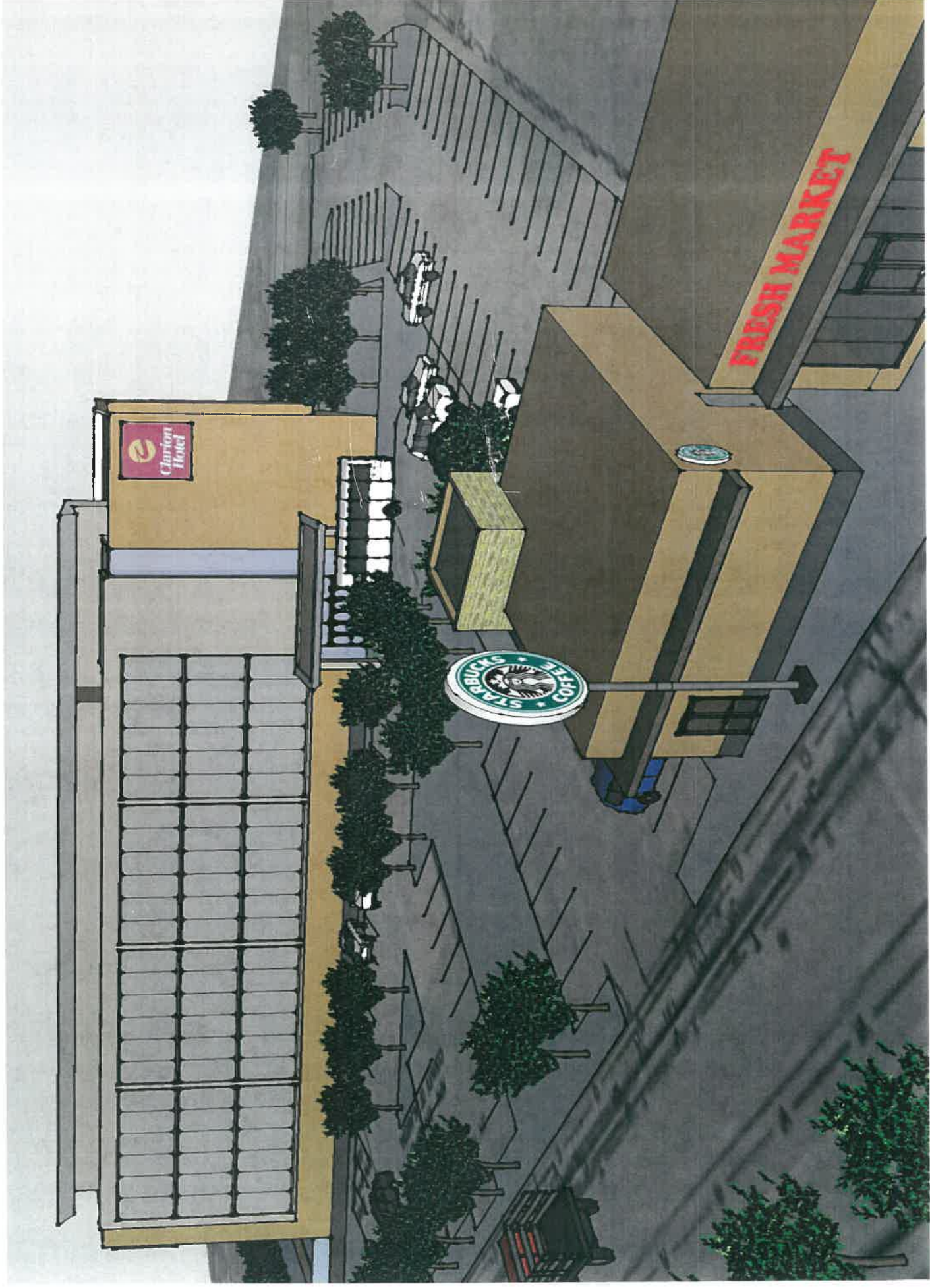


20095 Mission Blvd. Hayward, California.



YKRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Transmittal Letter

The above project will be managed and developed professionally by YKRK Investment group & its professional partners. YKRK Investments started its operation in 2010 under the leadership of Rishi Khanna who manages the company and its joint ventures with other organization.

- The organization name & contact info.

YKRK Investment Group, LLC
104 Constitution Drive/ Suite 4
Menlo Park CA 94025
Ph: 650-292-2493
Fax: 800-948-8015

- The company is a California Limited Liability Company started business in 2010.
- Contact information for the project:

Rishi Khanna
C: 510-205-7847
E: rugstan@gmail.com

- Names of people or organization associated with project:

YKRK Investments: Developer & Project Planner
Operator's of business: YKRK Investments or its subsidiary.
Partner: Jasbir Gill
Partner: Surendra Vaid
CPA: Parveen Maheshwari

YKRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Development Team Summary

YKRK Investments with its partners is a growing investment company in real estate development & hospitality industry in California and Vancouver. The company was formed in 2010 by Rishi Khanna who is the President of the company.

The company and its partners had completed several residential & commercial projects and owns & manages hotel, apartments & other commercial properties.

The team is of like-minded individuals who are successful in their fields and have a extensive knowledge of business scenarios and development with excellent financial standing.

- The company started its business in 2010 as a California Limited Liability Company and through its several ventures and investments currently employs over 30 employees.
- The project will be a partnership of YKRK Investments and its professional partner who have extensive prior experience and currently in this line which include development of commercial & residential projects and also prior started a hospitality project which is currently run and managed by them. Below are the list of people involved in this.

Rishi Khanna - Project developer and lead coordinator. Prior projects in residential & hospitality projects (Clarion hotel, Concord, CA). Also manages high density Flooring contract business.

Jasbir Gill - Partner in project with extensive development experience in Residential, commercial & hospitality. Currently responsible for several projects in Vancouver, BC and Clarion hotel in Concord CA.

Prior business with Mr. Gill includes Investment Joint venture in Residential houses, in CA, hospitality development & management project Concord.

Surendra Vaid: Electrical engineer with development of high density residential currently managing project in India.

Prior business Joint Venture in residential real estate, currently exploring other commercial & hospitality projects.

Architect: Initial architect Kevin Fuller.

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

General Contractor: TBD (GC will be decided based upon the franchise of hotel)

Civil Engineer: TBD

Real Estate Broker: Neeli Khanna, license BRE # 01878321

The team on the project had done several projects in past and currently pursuing other projects also. Also the YKRRK Investments doesn't do projects to sell it except housing.

If the Hotel project gets a green light it will be developed and managed by YKRRK & its partners. It will not be developed to sell it.

Past Projects- Residential high end in CA in Orinda, Fremont, Sausalito & etc.

Current Project- Clarion hotel.

Projects in pipeline- Commercial project involving food chain.

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Background on Jasbir Gill

Started business in Vancouver BC after migrating from India with his family of building supplies and had completed several successful business and ventures:

Below are the list of some business & ventures.

- Building supply company in Vancouver, BC area supplying construction materials to contractors & developers in USA & Canada.
- Owner, Developer & Manager of several strip malls in Calgary & Vancouver.
- Manager, partner Landcore Inc. involved in development of high end residential in Canada.
- Manager, shareholder of Clarion hotel, Concord CA.
- Manager, shareholder Landcore YJK Group, LLC involved in development of residential real estate in CA.

Contact info:

D: 604- 816-1432

E: jasbir_gill19@hotmail.com

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Background on Rishi Khanna

Born in India in 1976 & after completing Graduation in Business Honors from Delhi University moved to USA at the age of 23. Currently lives in Alameda County with spouse & two children.

Below are the list of Business & ventures started & managing.

- 1998 to present Export business of Handmade rugs to importers around the world. Company is still in business and employs over 3500 Artisan weavers in India & Nepal.
- 2000 to present started Import & wholesale business in USA of area rugs and company still in business selling to stores all around the country.
- 2004 to present started retail operations of high end home goods to designers & decorators in San Francisco.
- 2010 to present: Started investment company in Real estate & partnered with Landcore YJK Group for real estate development. Also partnered with Jasbir Gill in its projects.
- 2010 to present: Started an online home goods company which is in selling products online in 5 countries of world.
- 2012- present: partnered with liked minded individuals to develop the residential & commercial properties.

Ph.: 510-205-7847

E: rugstan@gmail.com

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Projects Developed & Managed.

Clarion Hotel, Concord, CA.

Project Name: Clarion Hotel, 1050 Burnett Ave, Concord, CA
94520

Total # of rooms: 190

Banquet: Over 8000 sq. feet.

Purchase Price: \$5.25 million

Date purchased: Early 2012

Date business started- Late 2012

Financing: Cash / Capital contribution by members.

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.



YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Clarion hotel concord is a three star hotel with 190 rooms with a banquet facility, full service restaurant & bar.

The hotel was bought in 2012 from prior owner who had shut it down because of lack of management of it. The group acquired the hotel did renovation & remodeling to bring it to the level required by franchise and started the operations in late 2012 under Clarion hotel.

The cost of the purchase of the hotel was \$5.25 million with further \$650k spend on renovation of it.

The financing was all cash contribution by group members.



YKRK Investments

Project: 20095 Mission Blvd. Hayward, California.

131 Santa Rosa & 48060 Avalon Height

Project name: 131 Santa Rosa Ave. Sausalito CA

Purchase date: July 2012

Project Complete & Sold: May 2014 \$ 2.1 mil.

Financing: Cash / Partners



The project was a high end residential in city of Sausalito which was acquired as REO and later on upgraded and sold. Construction took over 6 months on this project.

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Project name: 48060 Avalon Heights Terrace

Purchase date: Dec 2013

Project Complete & Sold: Sept 2014 \$ 2.075 mil.

Financing: Cash / Partners



The project was a high end residential in city of Fremont which was acquired from bank which was later fixed, upgraded and sold after 9 months from date of acquisition.

YKRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Confidential

Financial Capacity

YKRK Investments & its partners have strong financial as all the projects done by company is on cash from its members & partners with no loans taken from any financial institution. For the current project the company has several funding options from banks, private investors & other financial institution. Also majority of the funds will be cash contribution by members & partners.

Attached is the letter from Bank of West for \$4.5 mil funding. Also several other lenders are ready to finance the project once approved.

The funds for the project will be contributed by YKRK Investments, Rugstan Inc. & its partners as mentioned above.

More than 40% to 60% of the capital required for the project will be funded by YKRK & its partners and the balance will be financed from bank or financial institution.

The YKRK & its partners never had any foreclosure or bankruptcy and all the projects started are completed in timely manner.

Attached three year financial of YKRK. If partners financial is needed it will be provided with bank statements if necessary to demonstrate the financial strength.

October 6th, 2015

Rishi Khanna
37560 Marstern Dr.
Newark, CA 94560

Re: Letter of Pre-Qualification

Dear Mr. Khanna:

It is a pleasure to inform you that Bank of the West hereby pre-qualify in financing to assist the purchasing of commercial property. Bank has reviewed your personal and business tax returns and found that you are qualified for our commercial real estate financing program. This letter should not be construed as a commitment to lend, but rather as pre-qualification. Below please find the significant items for your review for the loan as follows:

Loan Amount:	Lower of \$4,500,000 or 90% of the new appraisal value
Rate:	4.65% fixed as of today (subject to change)
Term:	20 year fixed / 20 year amortization
Prepayment Penalty:	10 year 5-4-3-2-1% & 1% through year 10
Other Fees:	Other Closing Costs (Appraisal, Title Insurance, etc.)
Collateral:	1st D/T on the subject property.

We appreciate the opportunity to assist your business and look forward to establishing a mutually beneficial relationship.

If you have any questions, please do not hesitate to call me (925) 953-4071.

Sincerely,



Sung Hong

Vice President | Northern California Business Banking
T (925) 843-2447 | M (925) 953-4071 | F (402) 918-8097

sung.hong@bankofthewest.com

2527 Camino Ramon, 2nd Floor (Mail Code: 2C-Z) | San Ramon, California 94583

YKRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Preliminary Development Concept



The project of YKRK Investment is bringing to the neighborhood is a 5 star project which will uplift the area and neighborhood.

The project consist of 3 star hotel from a world known franchise like Clarion, Marriott, Holiday Inn & etc. (The franchise is not yet finalized as project is pending approval.) The 3 star hotel will have 100 to 120 luxurious room & suites with gym, pool & etc. Also the hotel will have appx. 10000 sq. ft. banquet facility for parties, conference and etc. with **130 to 150** parking spots.

The Project will also have appx. 8000 to 10000 sq. ft. of retail stores which will include Starbucks like cafe, 24 hour mart, Subway Sandwich shop & etc.

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Jobs Creation:

The hotel in the area means lots of new jobs creations for the neighborhood community. Our company is planning to bring a new project which consists of a hotel, retail stores, cafes, etc. In HAYWARD CHERRYLAND DISTRICT, A project that will generate new sales and property tax revenues and offers new employment opportunities for area residents.

This project will be very valuable for the community and the society nearby as this project will make things easier and very convenient for the neighborhood. Our project will make a lot of job opportunities because of the hotel and retail stores, the estimated job opportunities in the beginning of the project is 47 with an estimated payroll over 1.2 million dollar a year. The hotel will help and generate 27 new jobs as the hotel will be open 24/7, 365 days. This project consist of 5 retail stores which will generate another 20/25 new jobs for the local community.

The number of employment will increase as time passes and development of the area. This project will not only generate jobs for the community but will help 47 new families to earn a living, These jobs may also offer medical insurance and fulfill other basic needs of the person employed which will not only help a particular person but will help the whole family by some means.

Due to this project area traffic will also increase which will be a motivation for new development opportunities that helps make more employment and an increase in job opportunities for the community.

The project of this magnitude will also bring lots of construction jobs to the county which will help local business increase in revenue and will benefit to county, state & federal with taxes.

Banquet Facility:

The banquet hall of the hotel which will fulfill all the necessity of the nearby communities and areas. People from all these areas will be benefited with a banquet hall which will help them organize business meetings, seminars, marriage functions, occasions, official meetings, etc.

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

According to our research there is a scarcity of banquets in this area. The increasing population of the community needs more places where they can gather and celebrate their precious and memorable moments. The area of the banquet hall will be 10000 sq. which will easily serve the localities in occasions. The banquet hall will not only serve the means of banquet but it will have an restaurant with some experienced cooks and different variety of food in the hotel.

The banquet will be ideal for the business because the proximity to Silicon Vally and Oakland airport. The banquet will also help local businesses in hayward union city in alameda county.

Our purpose of introducing a banquet in the hotel is to help people know each other in the local gatherings and save their time by organizing business meetings and other general occasions.. The banquet facility will not only bring the ease to the community but will also be added tax revenue for county and more jobs creation.

YKRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Retail Development:



The project will consist of appx. 8000 to 10000 sq. feet of retail development which will include Starbucks like cafe for the neighborhood as there is no such quality place for the locals to hang around. Also the development will have a high quality 24 hour mart which will help the local neighborhood & local community. We vision the retail part to have Subway Sandwich place & Walgreens or Salon for the local community.

The retail development part which will be anchor in the neighborhood will drive more traffic to the area and will help local community in job creations of 17 to 20 new jobs & excellent high tax revenue for the county of appx. \$160k to 180k a year.

YKRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Parking Spaces:

As the space is not rectangular in shape and have a creek in back, PG&E substation & flood control area to get the parking spaces was a challenge but our Architect in its site plan was able to get 140 to 150 parking spots to support the hotel & the retail stores.

The Hotel:



The project will have a hotel which will be developed and managed by YKRK & its partners and will be a 3 Star hotel from a known Franchise like Clarion, Marriott or etc. The hotel will be a jewel of the Cherryland with 100 to 120 rooms & suites with gym, pool & etc.

Due to its close proximity to Oakland the hotel will operate a free shuttle service to pick up and drop of customers from Oakland airport.

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

The location of Cherryland will be ideal for the hotel as it's very close to Freeway exit with easy entry & exit to it. Also the location being between two BART stations adds a plus to it and also the close proximity to Oakland airport, Silicon valley, Hayward industrial area, border to Castro valley & nearby to Dublin & Pleasanton and minutes away from I-880 & I-580.

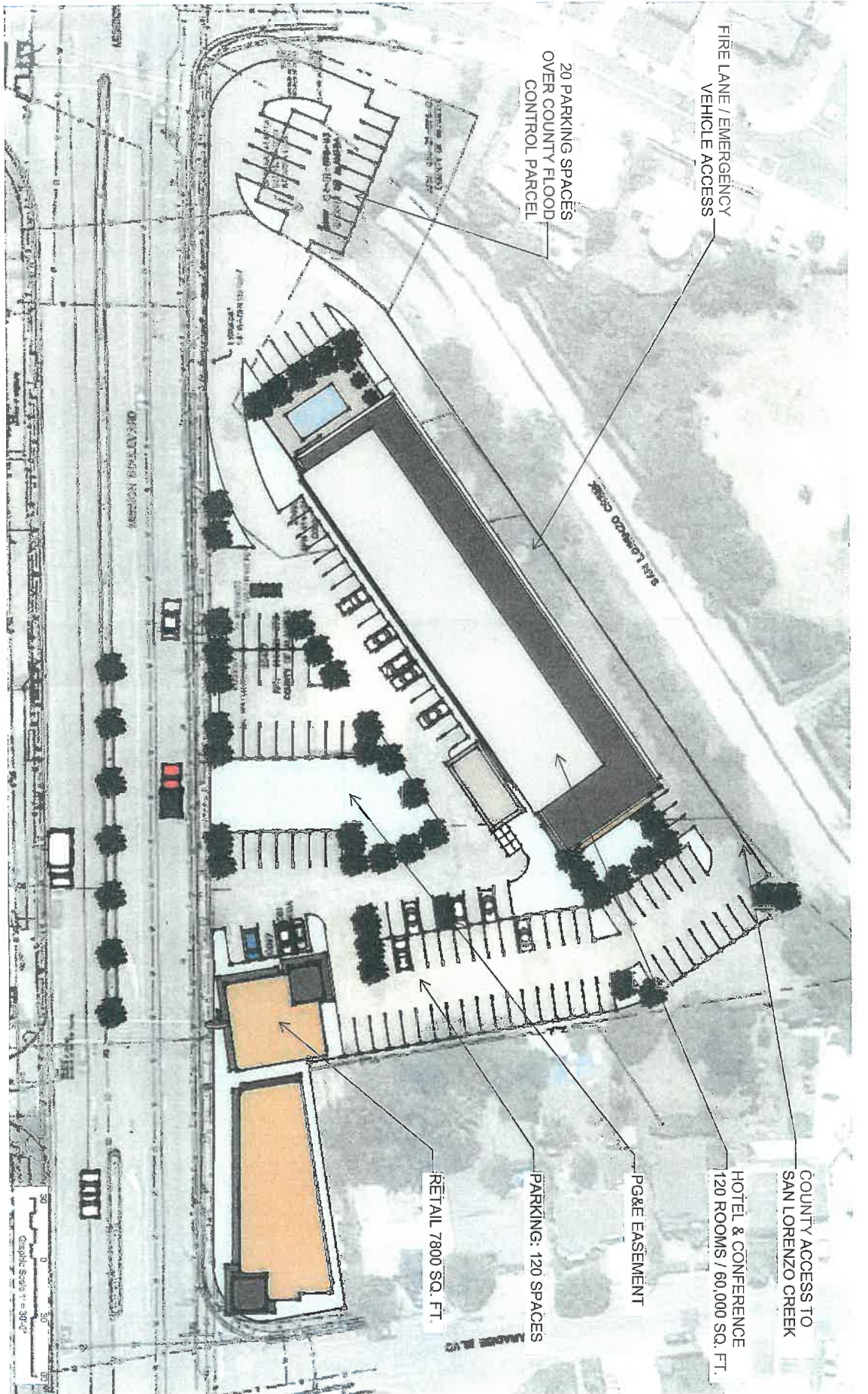
The hotel will be bringing approx. 30 plus new permanent jobs which will grow over time and will also generate good Occupancy tax which we estimate to be \$1.2 million to \$2 million in a 5 year period.



YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.





FIRE LANE / EMERGENCY
VEHICLE ACCESS

20 PARKING SPACES
OVER COUNTY FLOOD
CONTROL PARCEL

COUNTY ACCESS TO
SAN LORENZO CREEK

HOTEL & CONFERENCE
120 ROOMS / 60,000 SQ. FT.

PG&E EASEMENT

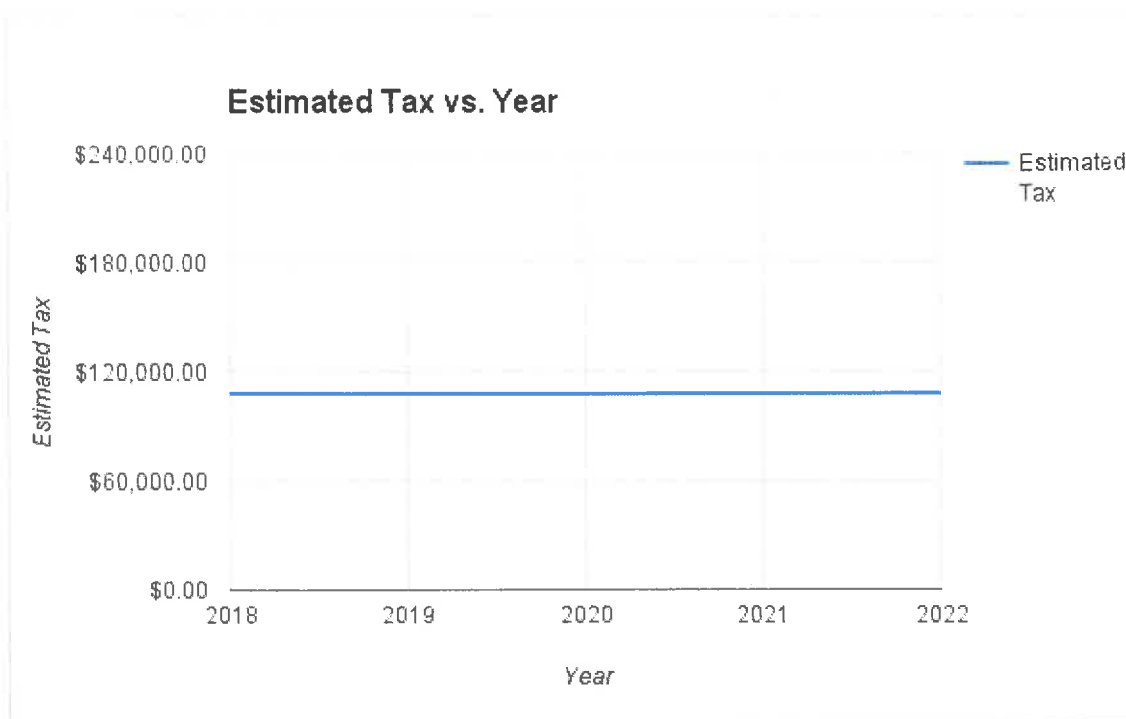
PARKING: 120 SPACES

RETAIL 7800 SQ. FT.

Graphic Scale 1" = 30'-0"

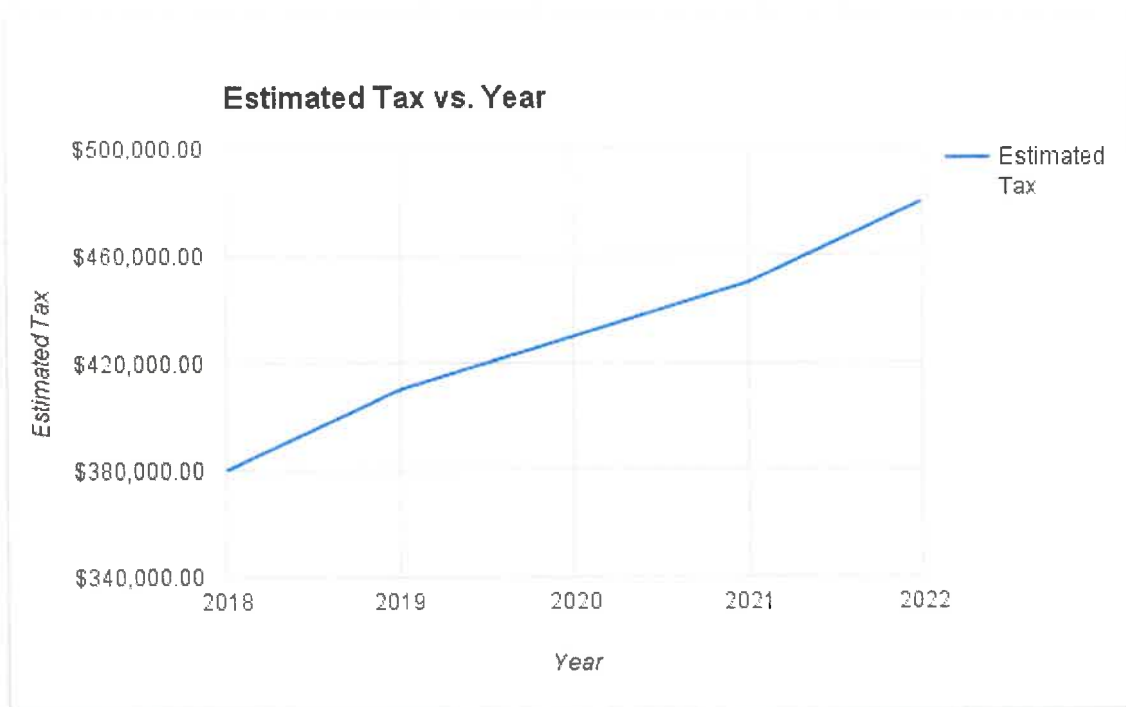
Estimated Property Tax Income

Year	Estimated Tax	Value
2018	\$108,000.00	\$9,000,000.00
2019	\$108,000.00	\$9,000,000.00
2020	\$108,000.00	\$9,000,000.00
2021	\$108,000.00	\$9,000,000.00
2022	\$108,000.00	\$9,000,000.00
	\$540,000.00	\$45,000,000.00



Estimated Occupancy & Sales Tax from Project

Year	Estimated Tax	Revenue	Percentage Increase
2018	\$380,000.00	\$3,800,000.00	100%
2019	\$410,000.00	\$4,100,000.00	107.89
2020	\$430,000.00	\$4,300,000.00	104.88
2021	\$450,000.00	\$4,500,000.00	104.65
2022	\$480,000.00	\$4,800,000.00	106.67
	\$2,150,000.00	\$21,500,000.00	



**The above data is low side estimate with a very conservative approach towards the revenue.
The actual numbers could be 30 to 45% higher from above numbers.**

YKRK Investments

Project: 20095 Mission Blvd. Hayward, California.

Market Overview and Land Value Estimates

YKRK Investment is bringing a 5 star project to Cherryland district which will be a jewel in redevelopment of Cherryland & will uplift the whole area and help other companies to bring quality projects in the area and increase the price of the existing buildings residential and commercial.

The project will also bring over \$2.2 to \$2.9 million in 5 years in Occupancy Tax & Sales tax to the county plus over \$540k to \$600k of property taxes in 5 years.

As YKRK investments partnering with Alameda County as per the Alameda county plan to uplift the area and developing retail with cafe, banquet facility for residents, 24 hour convenience store & etc. Overall a nice safe place for people to hang around any time of day.

As the land has some merits being close to freeway exit and on mission Blvd. but it also has some demerits which is not proper rectangular space, creek with easement, flood control area which limit the use of some parts of land which we have to work around & PG&E transformer right in front. Also leasing the new store front in the area will require in beginning offering the space at lower prices to attract well established companies to come to the area.

To make the project viable for us and to invest huge amount of capital into this 5 star project we like the land to value at \$1.0 mil to 1.3 mil and we are open to further negotiation on it so it's a win win situation for all of us and the Cherryland area becomes one of the best places in Alameda county & san Francisco bay area.

YKRRK Investments

Project: 20095 Mission Blvd. Hayward, California.

References

Financial Sources:

- **Siddharth Kapil** - D: 408-646-3139 E- siddharth.kapil@bankofthewest.com
- **Heman Galzie** - D: 415-725-6000 E- heman@newcalrealty.com

Government & Public Reference:

- **Valerie Barone** City Manager, Concord (925) 671-3150 E:
-

Reference:

- **Ashok Vaid**, P: 510-508-8100 E: ashok.vaid@smartm.com
- **Mahesh Mody**, P: 510-299-9977 E: desi94545@gmail.com