

Attachment D to Agenda File No. 2020-0265

10474 Santa Monica Blvd., Suite 301
 Los Angeles, CA 90025
 P: (310) 474-7890 | F: (310) 441-1675

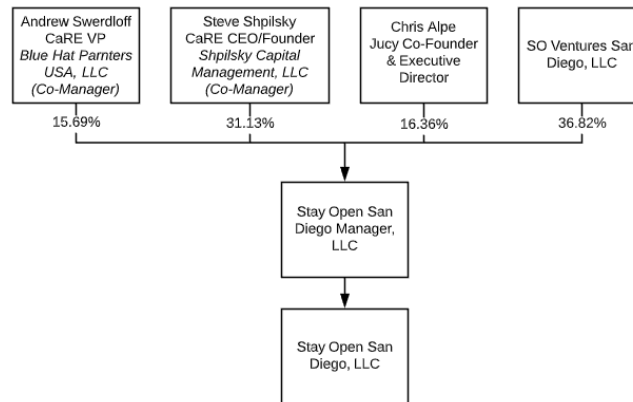
July 8, 2020

Penny Maus
 Department Manager, Real Estate
 Port of San Diego
 3165 Pacific Highway
 San Diego, CA 92101

Re: Stay Open San Diego Ownership Update

Dear Ms. Maus:

We are delighted to update you on the ownership of Stay Open San Diego, LLC in accordance with the Exclusive Negotiating Agreement (“ENA”) dated August 30, 2019. The following structure chart shows the current ownership:



Fifty percent (50%) of Jucy Snooze (“Jucy”) was recently acquired by Event Hospitality & Entertainment Limited (“Event”), a publicly listed Australian Company (EVT.AX). As a condition of Event’s acquisition, Tim Alpe, the CEO of Jucy Snooze, is precluded from owning hotel real estate assets outside of New Zealand and Australia. As such, Chris Alpe, Jucy’s Executive Director and a Los Angeles resident, remains a partner and owner in Stay Open San Diego Manager, LLC, the manager of Stay Open San Diego, LLC (the “Project”). Michael Palmer no longer has an ownership interest in the Project due to his reduced involvement and desire to focus on retirement. Andrew Swerdloff, Chief Operating Officer and Co-Founder of STAY OPEN, is now an owner of the Project. Steve Shpilsky and Andrew Swerdloff control and manage the Project. SO Ventures San Diego, LLC, owned and controlled by a high-net-worth family that recently invested in CaRE Development’s ~\$130 million, 401-room, Los Angeles Airport (LAX) Hyatt Hotel project, has established a strategic long-term partnership with STAY OPEN to help fuel and finance its growth and is now an owner and investor in the Project.

If you have any questions, please contact Steve Shpilsky or Andrew Swerdloff at (310) 474-7890 or via email at steve@stayopen.com or andrew@stayopen.com.

Sincerely,

Steve Shpilsky
 Manager of Stay Open San Diego, LLC
 CEO and Co-Founder of Stay Open, Inc.



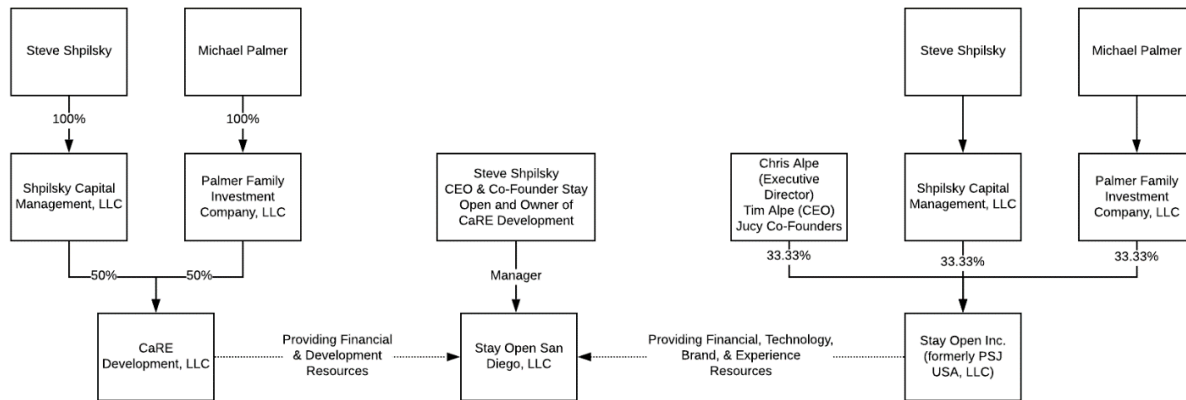
August 3, 2020

Penny Maus
Department Manager, Real Estate
Port of San Diego
3165 Pacific Highway
San Diego, CA 92101

Re: Stay Open San Diego, LLC Previous Ownership

Dear Ms. Maus:

As requested, the Stay Open San Diego, LLC structure chart below represents the ownership breakdown prior to the current ownership structure chart provided in our letter dated July 8, 2020:



At the request of CaRE Development, LLC (Michael Palmer & Steve Shpilsky) and Jucy (Tim and Chris Alpe) (collectively, the “Parties”), Stay Open San Diego, LLC (the “Project” or “Developer”) was established with Steve Shpilsky (CEO, Co-Founder, and substantial owner of Stay Open and the substantial owner of CaRE Development) as the initial Manager of the Project to establish a legal entity, run the daily operations of the Project, open bank accounts, execute agreements, and incur due diligence and pre-development expenses as the Project began to ramp up.

All Parties agreed to contribute their expertise, experience, and financial and professional capabilities to undertake the development of the Project and were engaged in the collective, successful advancement of the Project. The Parties agreed that the ultimate ownership of Stay Open San Diego, LLC would be determined by the total financial commitment and value created from the members of CaRE Development, Stay Open, and Jucy as the Project moved forward.

The current ownership breakdown of the Developer provided in our letter dated July 8, 2020 represents the expertise and the financial and professional capabilities of CaRE Development (Steve Shpilsky and Andrew Swerdloff) and Jucy (Chris Alpe) as well as the increased financial capacity from our high-net-worth family investor.

If you have any questions, please contact Steve Shpilsky or Andrew Swerdloff at (310) 721-8447 or (310) 343-9781, respectively, or via email at steve@stayopen.com or andrew@stayopen.com.

Sincerely,

Steve Shpilsky
Manager of Stay Open San Diego, LLC
CEO and Co-Founder of Stay Open, Inc.



August 6, 2020

Mr. Steve Shpilsky
STAY OPEN San Diego, LLC
10474 Santa Monica Blvd., Suite 301
Los Angeles, CA 90025

Re: Exclusive Negotiating Agreement between STAY OPEN San Diego, LLC and San Diego Unified Port District, dated August 30, 2019, on file in the Office of the District Clerk as Document No. 70337

Dear Steve,

Thank you for your letter dated July 8, 2020 notifying staff of the transfer of ownership within STAY OPEN San Diego, LLC (Attachment A). The ownership change falls within the scope of Section 8 of the Exclusive Negotiating Agreement between STAY OPEN and the District; however, given the fact that the ownership retains the expertise, experience and financial capability of the team selected, the District consents to the change.

Should you have any questions, please feel free to contact me at (619) 686-6375 or via email at pmaus@portofsandiego.org.

Sincerely,

A handwritten signature in green ink that reads "Penny Maus".

Penny Maus
Department Manager
Real Estate

Attachment A: Letter from Steve Shpilsky dated July 8, 2020

cc: Anthony Gordon – SDUPD
Christopher Burt – SDUPD