

HOTEL DEL CORONADO

February 26, 2010

TEL 619 435 6611
WWW.HOTELDEL.COM

Mr. Marco Li Mandri
President
New City America
2130 Columbia Street
San Diego, CA 92101

RE: Work on Tourism Improvement District for Coronado

Dear Marco:

On behalf of the Hotel del Coronado and the other major hotels in Coronado, I want to thank you for your excellent work in forging an agreement on the creation of a new Coronado Tourism Improvement District, funded through potential new hotel TID fees.

As you know, Coronado can be a challenging community to work within. The competing business organizations, the historic sentiment against attracting new visitors to the Island, the "small town" sentiment held by many of the residents, can all create obstacles to creating a unified marketing program to increase hotel occupancy.

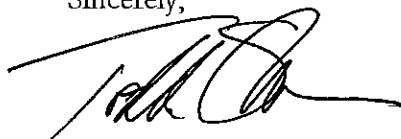


These are special times and the drop in TOT revenues as well as sales tax revenues to the City has provided a new opportunity. Your hiring by the City in August of 2009 and your work over the recent six months helped forged the needed consensus among the various competing business groups, the hotels, the business community and eventually, the City Council, that a new approach to branding and marketing this City is an idea whose time has come.

Very few people could have accomplished this in so short a time. I have enjoyed working with you and the New City America staff and look forward to working together as we finalize our plans for this new TID for Coronado. We believe that the nearly \$500,000.00 in funding created by this new TID will give us another tool that allows us to reverse our hotel occupancy and room rate declines and position our downtown business district(s) for better days ahead.

Thanks again for your great work on this project.

Sincerely,



Todd Shallen
Vice President & General Manager