

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

Jan Lahr
Credit Manager
Sheraton Harbor Island Hotel
1380 Harbor Island Drive
San Diego, CA 92101

Re: Transient Occupancy Tax Exemption Dear Ms. Lahr:

The National Credit Union Administration ("NCUA"), an agency of the United States government, has entered into a Booking Contract, dated October 15, 1991, for a block of rooms in your hotel on November 11 and 12, 1992 (enclosed). It is our understanding that when hotel rents are directly paid by the United States government, or its respective instrumentalities (such as NCUA), that the City of San Diego Transient Occu- pancy Tax is not due. City of San Diego Municipal Code, ch. III, art. 5, ~35.0111.

NCUA meets all of the municipal requirements for this exemp- tion. Firstly, NCUA is an agency of the United States gov- ernment. See 12 U.S.C. ~1752a ("There is hereby established in the executive branch of the [U.S.] Government an indepen- dent agency to be known as the National Credit Union Adminis- tration.") (enclosed). Secondly, NCUA will pay by a master purchase order directly issued by the NCUA in Washington, D.C. NCUA meets the test set forth in the Notice to Hotel Operators Subject to Transient Occupancy Tax ("T.O.T."); namely, that since it "contracts directly with a hotel by the use of a purchase order issued before a transient occupies the hotel room and that government agency is then billed and pays the hotel for the room, [that] the T.O.T. will not be charged to the transient and need not be paid by the hotel operator."

I understand from Martin Conrey, Staff Attorney, that you have graciously consented to act on our behalf with the City of San Diego regarding this matter, for which we are grate- ful. If you have any questions or need additional informa- tion, please contact Mr. Conrey (202-682-9630). Please let us know when this matter is settled.

Sincerely,

Becky Baker
Secretary of the Board

Enclosures
GC/MEC:sg
SSIC 1400
92-0611