

Dear Councilman Lee,

Mr. David Rachie, has been completely professional and delivered an exceptional Predevelopment Plan for the City of Mason City. He had managed to create a consensus and a vision among and for the people of Mason City, culminating in a total endorsement of the Gatehouse plan for the hotel and conference center along with the associated facilities of the Music Man Square. Despite what appears to be an undeniable level of support for Gatehouse and the vision we presented there continues to be a series of malicious accusations hurled against David and Gatehouse by former City officials and opponents of the Gatehouse project that I feel must be quashed.

There are persistent accusations that Gatehouse Mason City L.L.C. is not associated with the larger "Gatehouse Capital - Dallas" despite the fact the Mr. Rachie is listed on our website as a principal, the fact that Marty is signatory on the cover page of both the RFQ and Predevelopment submissions and the attached letter from Marty to Mason City's Administrator demonstrably show to the contrary. Let me assure you that Gatehouse Mason City L.L.C. is as much a part of "Gatehouse Capital - Dallas" as any of our other projects, it is and always will be the Gatehouse approach to tackle each of our development projects under the auspices of single purpose entities. We have for example, Gatehouse Decatur Development LLC, now wrapping up our project in Decatur TX. We have Gatehouse Wichita Falls Development LLC which we are going to develop a 150 key Delta by Marriott and conference center in conjunction with the City of Wichita Falls TX. Our approach to structuring for legal and tax purposes is not at all an unusual approach. If you haven't read the attached letter from Marty I strongly encourage you to do so since it would put any such questions to rest. I had always assumed that Mr. Trout would have distributed the letter to the entire council and it would be part of the City Due Diligence file on Gatehouse..

Probably the most libelous accusation published in Mason City publications citing people "close to City Staff" is that Mr. Rachie intends to "runaway" with the \$750,000 preconstruction budget. David Rachie and I have worked together for more than a decade and I can assure that he is incapable of any such actions. Moreover, regardless of Mr. Rachie's stellar business ethics, the day to day management of preconstruction and moving into construction, including all financial controls will fall fully on the Dallas office and David's role will be that of liaison for the City of Mason City, the Music Man Square and our on professional teams, but always under the ultimate review of myself and Marty and with the full backing of our team here.

While it is fact that G8 has yet to actually develop a hotel, they along with their supporters consistently suggest that Gatehouse hasn't developed a hotel either. Nothing could be further from the truth, Gatehouse has developed over \$1 billion in hospitality projects over the past 20 years and we are currently managing the development of three hotel construction projects. We opened the Hilton Home2 Suites in Dallas at Baylor Hospital in October this year a \$22 million development project and continue to finish up the final construction details of that project. We will be opening a 107 key Fairfield Inn and Suites in Decatur TX in January which is a \$14 million project and we have a \$74 million Marriott Hotel and Conference Center under construction in the City of Odessa TX. ... All in all, we are managing approximately \$100,000,000 in hotel development today and with a pipeline of projects of about the same volume. We have projects in pre-development in Colorado, California and as well Cabo MX. We also have several Texas based projects scheduled to come on line in 2018. Gatehouse has extensive prior experience developing hotels throughout Texas, California and Florida and of course we are looking forward to starting our first project in the upper mid-west in Mason City! Gatehouse has assembled a proven, first class team to execute the vision of the Mason City Hotel and Convention Center and the redevelopment of Music Man Square.

My background is covered on our website as are the principals of the Company. Be assured, Marty Collins always takes an active role in all our projects and Mason City will be a project which will benefit from his experience. Prior to joining Marty at Gatehouse I was the Vice President of Development with Accor, the major French hotel company and prior to that a long career in hotel development with Four Seasons Hotels and Resorts. I fully believe Gatehouse is the most qualified developer for the Mason City project as we bring the "bench strength" that will be required and the relationships with our primary development team of DLR and Dean Snyder to deliver an exceptional project for all stakeholders.

Regarding any questions as to whether Gatehouse Mason City LLC is integrated into the principle office, it absolutely is. Through our office in Dallas we will manage the overall project, including all accounting and the management of all draw payments. We will manage the design and construction teams and there will be a

Gatehouse Construction Manager (from the Dallas office) assigned to the project once the construction commences.

I hope this quashes any attempts to falsify Gatehouse's intentions and efforts in Mason City and I welcome the opportunity to chat. I am available (more or less) on my cell [REDACTED] at your convenience.

Please be assured, Gatehouse is still committed to the plan we presented in our RFQ and subsequent negotiations leading to our Development Services Agreement.

In the interim, have a Merry Christmas

Cheers

Colin

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