

September 6, 2011

Dear BID Board and CVB Members:

Over the last few months, ISIS Hospitality has requested transparency from the CVB and Hotel BID Board relating to Group Lead business coming to Rapid City. The CVB changed some policies and procedures in an attempt to ensure that CVB sales personnel do not recommend one bidding hotel property over another. However, the CVB still must change the following activities in order to carry out the openness intended through this process:

- Cease "pre-qualifying" or "pre-selecting" which hotel properties receive the initial lead or "RFP";
- Send each bidding hotel an automatic email confirming the date its bid was forwarded to the travel planner;
- If a Rapid City hotel is chosen, send each bidding hotel an email naming the winning property once the travel planner has selected the site AND relate any reasons why the travel planner chose that hotel if a reason is given;
- If Rapid City is not chosen, send each bidding hotel a "lost business report" AND relate any reasons why Rapid City lost the group.

It has come to our attention that CVB sales personnel currently "pre-qualify" or "pre-select" which BID member hotels receive the initial leads from the travel planner. This removes hotels from the travel planner's choice based on "form over substance." For example, travel planners may indicate they want an "on-site" restaurant so all hotels without a traditional restaurant are removed from the candidate-pool. However, a BID member hotel may offer full-line catering or a restaurant next-door so may meet the convention's needs. By "pre-qualifying," the CVB actively assists the travel planner in the decision process, which should not be its role.

Ultimately, we want to improve the experience for conventions and visitors. Knowing why convention planners pick the hotels they do will better serve future guests coming to Rapid City. We know that in most cases, the Rapid City CVB directly receives information from the travel planner as to which property was selected and why. Although each of our hotels could expend resources calling convention planners hoping to learn this information, we feel the CVB can and should relay this information to all BID hotels.

A misconception exists these issues are important only to ISIS Hospitality. Contrary, transparency and fairness in this process are essential to us all.

Sincerely,

CAPITAL MANAGEMENT LLC  
10/10 HILTON GARDEN INN

By: RW ARN

Its: MANAGING MEMBER

Ramsda Rapid City

By: TIM C Johnson

Its: GM  
c: Mayor, Sam Kooiker

ISIS HOSPITALITY LLC

By: [Signature]

Its: MANAGING MEMBER

Rapid City / BH Lodging LLC

By: [Signature]

Its: Managing Member