

June 29, 2004

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# Western Dakota INSURORS

Marcia Elkins  
Risk Management Director  
Rapid City Growth  
Management Department  
City of Rapid City  
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Rapid City, SD 57701

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(605) 342-3130 FAX: 342-2162

Re: Former WAVI Building – 400 Block of Columbus Street/Cornerstone Mission

Dear Marcia:

We were recently advised that the Cornerstone Mission is purchasing what was the former WAVI building in the 400 Block of Columbus Street.

I am President of Western Dakota Insurors, Inc and Managing Partner of WLW Investment Partnership, LLC (which owns our property assets). In 1987, we built our present building on Fifth Street, tore down some very old and dilapidated buildings, and are proud to say, replaced them with something upscale, professional. We have been told our property is an asset to the downtown business area of Rapid City. At the time we made the decision to build our building, we were advised that Fifth Street and the surrounding area was going to be enhanced, cleaned up and kept as Office General Commercial area rather than a Downtown Commercial area. Thus, we had to comply with many types of zoning requirements. While we did get minor exceptions, we have implemented adequate parking, plenty of trees, lawn & shrubs, and what we believe to be an architecturally-appealing building for the downtown area. We are pleased to say that we have recently had a couple of neighbor buildings improve the area with the Highmark Federal Credit Union's expansion and the Security First Bank property, all of whom (according to our knowledge) have complied with the planning and zoning requirements of the City of Rapid City.

Our major concern of plans for the old WAVI building focus on the prospects for our neighborhood; it's appearance, but mainly it's safety. In recent years, we have had break-ins, vandalism and even a shooting death in the immediate vicinity of our property. It had been our hope and desire, that with the city's direction to change this area to more commercial use properties, these undesirable elements would decline. We are afraid that the purchase and future use of the old WAVI property will escalate the problems we have had, not reduce them.

The WAVI property use was very low key; a shelter for abused women and children. It was well managed to reduce visibility and give the victims some peace for a short time until they could resume their lives and livelihoods. It is our understanding, the new use will also be restricted to women and children, but we have major concern. How will this be controlled/supervised? This facility is less than a block and a half from Dakota

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Middle School, a Church with youth programs and at least one child care business. What kind of liability will fall on the City if something happens to any of these children making their way to or from these school environments?

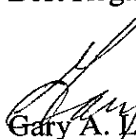
We are supporters of the Cornerstone Mission, both financially and in purpose, however, we believe the planned use of the old WAVI property is not appropriate for the location and will be a problem with many negative repercussions for the neighborhood and, ultimately, the City.

To be open with you, WLW had been looking to purchase this property for future use as office commercial. We were not willing to offer more money than we did after considering the cost/revenues expected from our plan. However, if it would be a way for the City to work it's way out of this, WLW is still willing to negotiate on a purchase of the property acceptable to WAVI.

We are not sure the best way for all to deal with this. We have friends on both WAVI and Cornerstone's Boards and do not want to offend, however, we strongly believe this property would be much better used as office commercial and not run the risk of what may happen with the current plan.

Please contact us at your earliest convenience so we can discuss options.

Best Regards,



Gary A. Larson  
Managing Partner, WLW Investment Properties, LLC

cc. The Honorable Jim Shaw, Mayor Rapid City, SD  
Merle Karen, Ed Lee, Gene Reiling – Members, WLW Investment Properties, LLC

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