

LETTER OF INTENT

September 27, 2012

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**RAPID CITY COMMUNITY PLANNING
& DEVELOPMENT SERVICES**

To whom it may concern:

I, Jerry L. Dale, d.b.a. Powderhorn LLC, am the owner of the property at 355 11th Street, Rapid City, SD, and half owner of Breakroom Billiards located at this address. Breakroom Billiards currently has a Malt Beverage License and a Video Lottery License. The primary business is providing pool tables for league play at night. Hours of operation are:

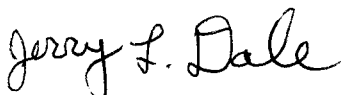
Monday – Thursday 11:00 am to 12:00 am
Friday – Saturday 11:00 am to 1:00 am
Sunday – Closed

The plan for the additional space at the above described address is to first add another ADA compliant bathroom. Then in the remaining space we intend to add more pool tables and possibly dart boards and arcade games.

As to your concern about more parking, I spoke with Joe Carlin, the adjoining lot owner. Joe has 28 parking spaces next to our current 24 parking spaces. Many of his renters use our lot during the day rather than his lot due to location of our lot to their business. He has no problem letting us use his lot as majority of our business is at night and does not affect his tenants. He has no problem with this as long as it will not affect his compliance. Also, First Interstate Bank has indicated in the past that they had no problem with using their lot at night.

Our intent is to basically do the same thing that was approved July 15, 2008 when Appeal No. 5465 "see enclosed" was approved to allow 24 parking spaces for any use of the building by a vote of 4 – 0. The reason that the business was not expanded at that time was because the previous owner did not want to spend the money for a sprinkler system of which is currently being added.

Sincerely,



Jerry L. Dale,
Manager/Owner,
Powderhorn, LLC