

The Story Mansion Inn Project

August 28, 2013



A Proposal to Purchase the Story Mansion by



Story Mansion Inn Group

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City of Bozeman Request for Proposal (R.F.P.) Guidelines

Each entity interested in obtaining the Property must submit a written proposal and provide or demonstrate the following:

1. A narrative describing the purchaser or entity's legal name, primary contact person, address, telephone number and email address.
2. The submitting entity's suggested purchase price and whether the submitting entity proposes to purchase the Property at a market price or seeks to obtain the Property as a gift or upon reduced purchase price.
3. A detailed plan for current and future use of the Carriage House, the Mansion, and the grounds within the confines of existing zoning requirements. The plan must include how the Property will be preserved and restored and a timeline for restoration accompanied by a statement indicating the submitting entity agrees to restore and preserve the Property subject to all federal, state, and local easements or restrictions for historic preservation and all applicable building codes.
4. The submitting entity has sufficient funds to obtain ownership of and preserve the Property, and restore the Carriage House and the second and third floors of the Mansion.
5. That the submitting entity agrees to enter into good faith negotiations regarding a purchase and sale agreement that will include terms as established by the Bozeman City Commission.

Deadline for RFP Submissions: August 28, 2013 – 5:00 PM

Special Note

Much of the information, data and facts used in this proposal is information and writings found in the following documents and on the following websites:

“COMMA Q ARCHITECTURAL ASSESSMENT OF THE STORY MANSION”

(Commissioned and released by the City of Bozeman in 2003 and authored by Comma Q and historic preservation consultant B. Derek Strahn.)

“FEASIBILITY AND MARKET STUDY FOR THE STORY MANSION INN
BOZEMAN, MONTANA”

(Prepared by RSBA & Associates San Francisco, California April 8, 2004)

“STORY MANSION TRUST TASK FORCE”

(Meeting notes and minutes from May 2004)

“CITY OF BOZEMAN ORDINANCE No. 1821”

(April 9, 2012)

“COMMA Q ARCHITECTURAL ASSESSMENT OF THE STORY MANSION”

CITY OF BOZEMAN ORDINANCE No. 1821”

(April 9, 2012)

INTRODUCTION

This document shall serve as a proposal by a group of local Bozeman business people (the Story Mansion Inn Group) to purchase the Story Mansion property from the City of Bozeman in order to renovate and completely refurbish the Mansion and Carriage House, turning the property into a high-end, high quality lodging facility.

This historic inn would not only preserve the integrity of the Story Mansion property and structures, but would also become a major resource for the community of Bozeman, providing high-end accommodations, a large meeting and conference space, as well as special event and reception capabilities. Upon completion, the Mansion property would be transformed from its current state (unfinished, locked, dark and empty buildings) into a vibrant community asset; a culturally and historically-significant resource that would celebrate Bozeman's past and the unique history associated with the property itself.

The Story Mansion Inn would have the distinct advantage of being the most distinctive and upscale lodging facility in the entire Bozeman area, and would include the following:

- Seventeen (17) private guest rooms with private bathrooms, including eleven (11) in the Mansion and six (6) in the Carriage House.
- A large meeting and conference room located in the Carriage House. This 1,300-1,500 square foot meeting room would have the potential to host all types of business meetings, receptions and local events.
- The main floor of the Mansion would include a full kitchen to offer breakfast services to guests, as well as a limited menu to the general public. There would also be a small wine bar with limited seating on the main level, open to both guests and to the public.
- Full event hosting capabilities (inside and outside) to accommodate weddings, parties, retreats, corporate and business events, and all types of receptions.

- Full hospitality services and the ability to accommodate, host and organize different types of community events associated with the Mansion and the property. Examples of events might include an annual community Christmas Tree lighting, Easter egg hunts for children, Halloween events, music and movies on the lawn, and other events and gatherings that would be open to the public.

CONCEPT SUMMARY STORY MANSION INN

The Story Mansion Inn would be a seventeen (17) room historic inn located in the heart of the Bon Ton Historic District in downtown Bozeman. Unlike a typical bed and breakfast operation, the Inn would have full amenities for the most demanding traveler, including high quality furnishings and beddings, a full breakfast service for guests, high speed internet access, a wine bar with a limited evening food menu, and full conference and meeting facilities. This operation would be the most upscale and historic lodging property in all of Gallatin County, and perhaps all of Montana. The historic buildings would be preserved, the history of the Mansion would be celebrated and prominent, and the Mansion itself would become a premiere fixture in the Bozeman community – completely renovated and open to the public, instead of being locked and dark more than 95% of time. This project would place the Story at the center of community activity and be a major contributor to the local economy, a major asset for visitors, alumni and visiting parents from nearby Montana State University, and a major draw for other visitors to the Bozeman area seeking luxury accommodations and a setting different from the current chain and large-brand hotels and motels.

With the scenario that we are proposing, the City of Bozeman recovers a portion of the initial investment in Story Mansion, achieves public relations success and diminishes future risk. The City keeps the open space on the city block as a significant city park located in the major historic district of downtown Bozeman. And finally, Bozeman gets a high-end historic hotel (that definitely fills a void in our town) while at the same time gaining a new community asset that can be enjoyed and celebrated by all.

It is important to note that the Story Mansion Inn Group - over the past twelve months - has thoroughly researched the building and understands the process, procedure, and financial commitment that is required to complete a project of this nature. We've already met with architects, engineers, contractors and other individuals that would be involved with renovating and completing this project, and we have a solid and realistic plan for moving forward.

A BRIEF HISTORY OF THE STORY MANSION

Paraphrased from the "Assessment of the Story Mansion," commissioned and released by the City of Bozeman in 2003 and authored by historic preservation consultant B. Derek Strahn.

In 1910, local contractor John Scahill completed a beautiful mansion and carriage house at 811 South Central (now Willson Avenue) for Thomas Byron Story, an influential local businessman. T. B. Story was the son of Nelson Story Sr., a tremendously successful gold miner, cattle rancher, and entrepreneur, who is widely regarded to be Montana's first millionaire. The younger Story lived with his wife and five children in the grand residence until 1924, when he sold the property to the Sigma Alpha Epsilon fraternity.

Beginning in the 1990s, the SAE fraternity attempted to sell the mansion, due to declining enrollments and a corresponding inability to keep up the maintenance of the sizable property. Several parties considered purchasing the property, contemplating a wide range of possible outcomes for this National Register of Historic Places listing. Proposed options included outright demolition of the mansion, demolition and reconstruction of the mansion with non-historic materials and the subdivision of the property for the creation of nine new home sites. Desiring a more historically sensitive outcome for the property, the City of Bozeman purchased the property from the SAE fraternity in April of 2003 for \$1,316,489.

Shortly after the City's purchase of the Story mansion, the possibility of federal financial assistance emerged. Montana's United States Senators at the time—Conrad Burns and Max Baucus—pledged to help secure federal funding for the rehabilitation of the property. The City of Bozeman, encouraged by the possibility of federal support, commissioned and prepared a

complete architectural assessment of the Story mansion to document the existing condition of the property at the time.

Since the purchase in 2003, there has been approximately \$2.2 million invested into restoring the Property, including renovations to the first floor, basement, and exterior of the Mansion. It is important to note that a large portion of these funds used for restoration have included various federal and state historic preservation grants. As a condition of these grants, the selected purchaser must comply with all requirements of two easements that have been placed on the property. The first is a 50-year easement with approximately 46 years remaining and the second is a five-year historic preservation easement with the State of Montana with approximately one year remaining. It is also important to note that the full city block that was included in the original purchase was subsequently divided into two separate lots, with the majority of the Mansions yard and lawn area being converted to a City park.

In April of 2012, the City of Bozeman passed, adopted and approved an agreement to sell the Story Mansion to Exergy Friends of the Story for the total cost of \$391,222.00, with the stipulation that the group pay this amount in cash to the City upon closing. (*Reference: City of Bozeman Ordinance #1821.*)

As part of this agreement, Exergy Friends of the Story agreed to certain conditions, including:

1. An Expenditure Cap dictating that \$1,500,000.00 would be spent for improvements to the property (i.e. to complete the desired renovation projects)
2. A goal of completing two of three required renovation projects (rehabilitation of the Mansion's second floor, rehabilitation of the Mansion's third floor, and rehabilitation of the Carriage House)
3. An established timeline to complete this work of five years from the closing date. (*City of Bozeman Ordinance #1821.*)

In late February of 2013, Exergy Friends of the Story Mansion notified the City of Bozeman that the group was unable to get a major donation from Exergy Development Group, LLC., by the city's February 28, 2013 deadline and would subsequently not be able to pay the \$390,222 balance on the purchase price. On April 8, 2013, the Bozeman City Commission voted unanimously to find Exergy Friends of the Story Mansion in default of its agreement to buy the mansion and to

terminate the contract. Commissioners directed city staff to research all other options for selling the 113 year-old property, and an RFP was subsequently issued by the City.

PRESERVING THE STORY MANSION PROPERTY

According to a published Assessment of the Story Mansion released by the City of Bozeman in 2003, “historic preservation is a critical component in shaping the character and appearance of daily life in Bozeman, Montana. Bozeman’s older buildings, structures, landscapes, and districts contain much of its culture and history. Lending grace, dignity, and beauty to our modern living environments, historic properties provide residents and visitors with important and, in some cases, irreplaceable connections to our past. Historic sites comprise the heart of our community and serve as vital benchmarks for our local identity. They decorate and enrich our lives while also making significant contributions to our local economy. We should, therefore, strive to preserve the T. Byron Story property and the many other historic components that are essential in defining Bozeman’s quality of life.”

FACTORS TO CONSIDER REGARDING FUTURE USE AND DEVELOPMENT OF THE STORY MANSION PROPERTY

Information below is listed and referenced from the “Assessment of the Story Mansion” report commissioned and released by the City of Bozeman in 2003 and authored by historic preservation consultant B. Derek Strahn.

The T. Byron Story property is and always has been a significant tourist draw. Even though the Mansion has been locked and shuttered the majority of the time for the past ten years, it still draws visitors and locals who love to view the Mansion and walk the grounds. There is no doubt that Bozeman’s economy is incredibly reliant upon tourism and visitors, and many of these tourists consistently mention that history is one of the principle reasons that they travel to the

area. A great line in the 2003 Story Mansion Assessment correctly stated that, “People do not journey great distances to shop at Wal-Mart or Costco ... nor do they typically travel great distances to enjoy a generic historic appearance. Most tourists have these attractions in their own communities.” Rather, they travel to have a new experience, to enjoy local color, and to experience the authentic offerings of an area or a community. The Story Mansion property is hands-down one of the most unique historic resources in all of Bozeman, and the transformation of the property into a successful and profitable historic inn operation would not only save the Story structures and complete renovations of the buildings, but would also allow the City of Bozeman and the community to enjoy economic benefits in the form of even more visitors and additional tax revenues generated by the Inn as a business.

Together, Bozeman’s historic, cultural and natural amenities provide an extremely attractive marketing ‘hook’ and create reasons for people to visit. Once visitors arrive, their expenditures for travel and tourism positively impact transportation, lodging and eating establishments, as well as numerous retail and service businesses. Combined, these expenditures support jobs, personal income, and government tax revenues in the Bozeman area. And while “heritage” tourism is directly related to this, the existing hotel and lodging options in the Bozeman area are limited to motels, chain hotels and “big box-type” business hotels. With the recent closure of the Gallatin Gateway Inn (and with the exception of a few small Bed and Breakfast operations in town) there is not a single historic hotel or lodging option in the area.

Since the 1980s – when the City of Bozeman established one of the largest Conservation Overlay Districts and historic design review programs in the nation – the City has actively promoted the maintenance, rehabilitation, and improvement of its historic built environments. This Story Mansion Inn proposal provides the best possible solution for the T. Byron Story Mansion – arguably the most historically significant structure in all of Bozeman.

Since purchasing the property in 2003, the City of Bozeman has gone to great lengths to forever guarantee that the property would not fall victim to insensitive subdivision proposals. Over the last decade, potential buyers have proposed several historically insensitive options for redeveloping or demolishing the property. Thankfully none of these options materialized. Meanwhile this important National Register of Historic Places listing and its extensive surroundings have continued to sit unfinished and largely locked off to the Bozeman community. One of the options that HAS been discussed for the past ten years, however, is that the City could

eventually pass the property and the Mansion on to a future preservation-minded buyer for private ownership and operation. The Story Mansion Inn Group IS that preservation-minded buyer and – in our opinion – the City’s very best option for seeing the property fully and historically renovated while at the same time becoming a major resource for the entire Bozeman Community.

There have been some critics who over the past ten years have argued that the City should not have spent limited resources on saving the Story Mansion. That said, future generations will no doubt remember and appreciate the fact that the Story mansion WAS saved and that the City subsequently gained a new public park in one of the most historically-significant neighborhoods in Bozeman. To complete the renovations and work required on the Mansion buildings, however, it will be necessary to invest a significant amount of funds and resources. To combine this fact with the desire to keep the Mansion open and accessible to the public, it will be necessary to sell the property to an entity that is willing to do this and that has the capability and capacity to do this. The Story Mansion Inn Group is the answer.

In terms of sheer size and grandeur, this irreplaceable and much-admired property is without equal in all of Southwestern Montana. Few historic resources are as visually impressive or occupy such a prominent location as the Story. This is in part because it is one of a few surviving historic mansions in Montana that graces an entire city block. Together, the Mansion, Carriage House, mature trees, and surrounding grounds collectively reinforce the historic character and uniqueness of the site. To be able to turn this now-empty, decaying structure into a vibrant, active and thriving community resource and functioning inn would enable visitors and residents alike to fully appreciate and embrace the value of the overall property. Much like the famous lodges and hotels in Yellowstone and Glacier National Parks, the Story Mansion Inn would be a major draw for visitors to the area. To stay in the heart of downtown Bozeman and enjoy the ambiance, hospitality and history of the Mansion would no doubt be a major attraction for tourism and a great addition to what Bozeman as a community and a destination currently offers.

Most new hotels and commercial buildings built today in Bozeman are indistinguishable from those being constructed elsewhere. Our community is quickly becoming a city of chain businesses and corporate branding. The Story Mansion – as a functioning and thriving high-quality inn – would stand out as an exception. The Story family name is a cornerstone of Bozeman history. And in addition to the family history and link, this stately home on South Willson is one of the last

physical examples of the era. The Mansion is a community icon that many believe to be irreplaceable.

THE ADAPTIVE RE-USE APPROACH FOR THE STORY MANSION

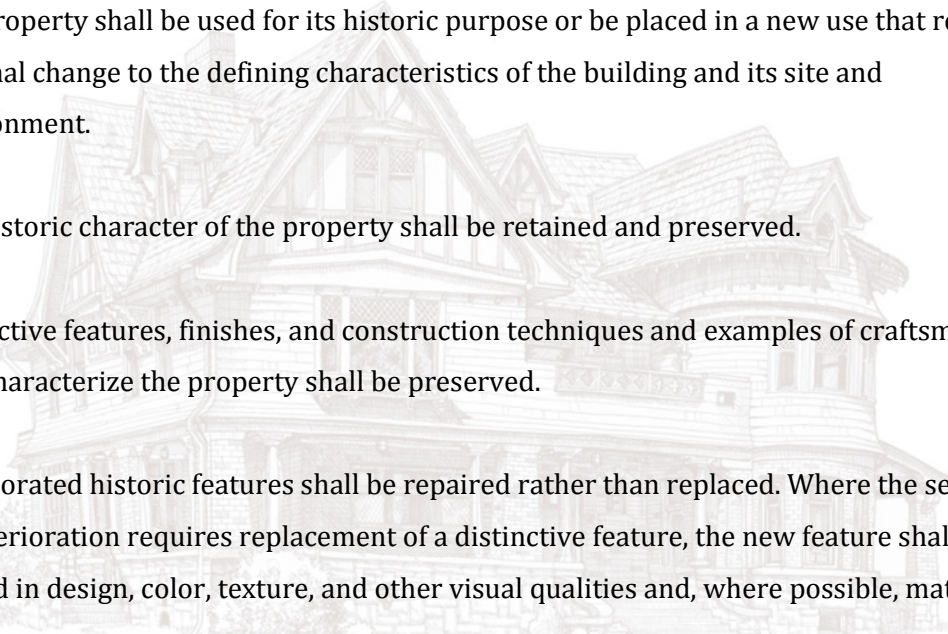
The Story Mansion is an excellent candidate for adaptive re-use—the process of modifying older buildings for new uses while retaining their historic features. The relevance and functional life of a historic property can be significantly limited when its use is confined in scope. And, when a historic property no longer plays a contributing role in a community, it becomes at risk. When an original use is no longer of interest or practical, it becomes unreasonable to demand that concerned parties perpetuate that use. At times, new uses must be explored and seriously considered.

The reality is this: most buildings, like people, have dynamic histories. They shift from one role to another, and oftentimes this process of change reinvigorates the person or the place. When old buildings outlive their original purposes, they can commonly be adapted to new uses without losing their original character and significance. Oftentimes, they must adapt or face demolition.

An excellent example that demonstrates this fact is Bozeman's Emerson Center for the Arts and Culture. Once an elementary school that was slated for demolition because it no longer met safety standards for educational facilities, the Emerson was transformed into a focal point for artistic and cultural activity in southwestern Montana that contributes significantly to the vibrancy of downtown Bozeman in productive and previously unimagined ways.

The same could hold true for the Story Mansion. While retaining the mansion's unique, character-defining features should always remain a top priority; creative thinking regarding new and innovative uses for this one-of-a-kind landmark can help ensure the Story Mansion remains a vital and contributing element in our ever-modernizing community. This is the pragmatic spirit of historic preservation, and those interested in saving the Story Mansion should seriously consider its merits.

To this end, a number of studies and assessments have been commissioned and conducted by the City of Bozeman over the past ten years regarding the best use for the Story Mansion structures and property. With the participation of community members, neighborhood members, and several task forces organized by the City, a list of “best practices and best use” standards has – over time – emerged. It has been suggested that these Standards, which include those summarized below, be applied to specific rehabilitation projects (most notably the Story Mansion) in a reasonable manner, taking into consideration economic and technical feasibility:

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1. The property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
 2. The historic character of the property shall be retained and preserved.
 3. Distinctive features, finishes, and construction techniques and examples of craftsmanship that characterize the property shall be preserved.
 4. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials.

On July 12, 2003 the Montana Preservation Alliance led a day-long workshop at the Story Mansion to solicit ideas and approaches regarding local needs and future uses of the property from a cross section of the Bozeman community. The workshop was attended through the day by about 25 participants with diverse backgrounds in architecture, planning, finance, fine arts, hospitality, education, business and history. Neighborhood residents, members of the local and county historic preservation boards and the Story Mansion Trust all took part in the sessions and contributed valuable perspective in defining the “vision” for the property moving forward.

- Preserve/Restore the Mansion and Grounds
- Preserve the Open Space
- Define Space for Public Activities and a Variety of Community-Centered Uses
- Establish Public Gardens/ Cultivate Park-Like Setting
- Develop Interpretive/Educational Programming

- Bring Back a Sense of Life & Vibrancy
- Maintain Site as Source of Community Pride
- Establish Public Accessibility
- “It is Bozeman’s house...”

We would put forth the argument that converting the Story Mansion into a high quality; full service inn operation would both maintain and promote this overall vision.

2004 R.S.B.A. FEASIBILITY AND MARKET STUDY FOR THE STORY MANSION INN BOZEMAN, MONTANA

The concept and idea of turning the Story Mansion into an inn is by no means a new idea, and in fact in 2004, the City of Bozeman commissioned RSBA & Associates of San Francisco, California to complete a study to determine the feasibility of converting the property into a high-end, high-quality hotel and inn operation. The principal objective of this analysis was to determine if the conversion of the property to a lodging facility would offset the required upkeep of the building and grounds and provide a profit opportunity for a third-party operator. RSBA’s findings confirmed that the development of an inn should be seriously considered to meet these objectives and that a historic and heritage hotel option offered the best probability for protecting the historic Story Mansion.

Regional examples cited in the study included Goldsmith’s Inn in Missoula, and numerous other inns and historic hotels outside of Montana as listed in the Historic Hotels of America (National Trust for Historic Preservation) and the Small Luxury Hotels Registers.

The findings of the RSBA study included the following:

- This adaptive re-use would preserve a historic Bozeman treasure and create a sense of life in the Story Mansion, it would maintain the special nature of the current historic residential neighborhood, and it would fill the void for an upscale hotel product in

Bozeman. All of these are desired results by residents in the neighborhood.

- The Story Mansion is feasible as an overnight stay facility. The Story Mansion and its Carriage House could yield 17 guest rooms with private bathrooms, 1,300 square feet of dedicated meeting and function space, kitchen, public restrooms, plus public areas (dining room, entry area, library, and living room). A significant renovation of the building would have to be completed to achieve this configuration.
- There is a shortage of high quality function and meeting space in the Bozeman competitive market. The Story Mansion Inn would provide the most historically-unique, quality meeting location in the entire Bozeman area.
- Additionally, the Story Mansion's grounds are suitable for private events, and there is definite pent-up demand for social event sites (weddings, receptions, etc.) in the Bozeman area.
- The site is zoned residential, so any conversion of use to become an inn or hotel would require a change-in-use permit from the City of Bozeman.
- The Story Mansion is foreseen as a quiet sanctuary, which encompasses all of the components of a residential inn. The property's location within a park-like setting and surrounded by a residential neighborhood clearly differentiates it from other more commercial hotel outlets in the Bozeman area.
- There is adequate parking for inn guests.

The RSBA Assessment concluded with the following statement:

"The City of Bozeman acquired the Story Mansion in response to its citizens desire to preserve urban space and the historic integrity of the Bon Ton Historic District. The principal objective of this analysis was to determine if the conversion of the property to a high quality lodging facility would offset the required upkeep of the building and grounds and provide a profit opportunity to a third-party operator. In our view, the development of an inn should be seriously considered to meet these

objectives. This adaptive reuse would preserve a historic Bozeman treasure and create a sense of life in the Story Mansion, it would maintain the special nature of the current historic residential neighborhood, and it would fill the void for an upscale hotel product in Bozeman.”

PURCHASE OFFER

- The Story Mansion Inn Group will offer the City of Bozeman \$900,000.00 to purchase the Story Mansion property. (Designated as Lot 1A-1, Block 3).
- The Story Mansion Inn Group will make an initial payment of \$500,000.00 upon closing.
- The Story Mansion Inn Group will place \$10,000.00 into escrow for the deposit during due diligence and project entitlement, to be deposited at a local title company of the City's choice. The Purchase and Sale Agreement will contain all representations, warranties, covenants, conditions and other terms and provisions standard to a transaction of this nature including but not limited to standard indemnification and risk of loss provisions.
- The Story Mansion Inn Group will begin renovations and completion of the Mansion and the Carriage House, completing all three of the original three renovation projects (rehabilitation of the Mansion's second floor, rehabilitation of the Mansion's third floor, and rehabilitation of the Carriage House) as originally outlined by the City. The established timeline to complete this work (all three of the original three renovation projects) and have the Story Mansion Inn opened for business will be no longer than twenty four (24) months from closing date.
- All renovation and construction costs that exceed \$1,100,000.00 (not including the \$900,000.00 purchase price); will be deducted from the \$900,000.00 purchase price, thereby reducing the purchase price to the City. The purchase price will never be less than the \$500,000.00 initial payment.
 - Example: If a total of \$1,450,000.00 is spent on renovation and construction on the completion of the Mansion's second floor, third floor and Carriage House, then

\$350,000.00 would be deducted from the final amount due to the City, bringing the final purchase price to \$550,000.00.

- If a total of \$2,000,000.00 is spent on renovation and construction on the completion of the Mansion's second floor, third floor and Carriage House, then \$400,000.00 would be deducted from the final amount due to the City, bringing the final purchase price to \$500,000.00.
- Furnishings and non-permanent and non-fixed hotel and lodge equipment will not be included in construction costs. A full list of all included and relevant costs would be provided and approved by both parties.

ADDITIONAL OFFERS / IDEAS FROM THE STORY MANSION INN GROUP

- The Story Mansion Inn project and partnership would commit to preserving and celebrating the historic nature of the property. Historic photographs of the Story Family, the Mansion, and of early Bozeman would be central to the interior decoration of the Inn and the conference room.
- The Story Mansion Inn facility will include 1,300-1,500 of dedicated meeting space, making the property an ideal location for group bookings and local business meetings. These spaces would be available for both guests and for non-guests, including local businesses, community groups and MSU. The owners of the Inn would provide further access at no charge to the Story Mansion meeting facilities for members of the local community by donating twenty (20) days per year to local non-profit groups (for use for meetings, retreats or other events).
- We envision that the Story Mansion Inn can and will become an incredible resource for future community events. We propose "hosting" and organizing a regular, year-round schedule of events and gatherings at the Mansion and in the Story Park, to such events as

a December Christmas tree lighting ceremony, visits with Santa, MSU homecoming or home game rallies, Easter egg hunts for children, Halloween functions, music events on the lawn, summer movies on the lawn, and more. It would be our goal to truly make the Story Mansion and the Mansion grounds a great community asset and a gathering place for all of Bozeman.

- The Story Mansion Inn Group will be happy to meet with and receive feedback and participation from interested members of the [Exergy] Friends of the Story Mansion as well as relevant neighborhood and community groups as to the plans, design elements, and historical preservation elements of the Mansion and the property.

PURCHASE CONTINGENCIES

- Approval and acceptance of renovation and remodel plans (both interior and exterior) by the City of Bozeman, the State of Montana Historical Preservation Office, and the National Park Service.
- Approval of a Planned Unit Development Application (P.U.D.) by the Bozeman City Commission that is specific to the Story Mansion Inn Project, location, property and business plan. This P.U.D. would allow the Story Mansion Inn to function as a full-service hotel and inn operation, in a R1 zoning district, with the capability to host events, sell limited food, wine and beer in a main level wine bar area that would be open to both guests as well as the general public. Hours of operation and other factors can be negotiated, taking into account current regulations and guidelines that have already been put in place by the City for current Story Mansion events and functions. The P.U.D. designation would allow the inn to operate in the capacity that would allow it to be successful, profitable and sustainable, without re-zoning the property.
- Contingent upon final construction and operational cost analysis by the Story Mansion Inn Group based on property inspection, schematic plans, input from the State Historical Preservation Office, National Park Service and City of Bozeman Planning Department, and

input from neighborhood and community groups.

- Contingent on an agreement with the city on the ability of the Story Mansion Inn to utilize on a regular and on-going basis a portion of the park lawn (notably the Southeastern section: South of the front sidewalk leading to the main entrance of the Mansion) for events, receptions, catered events, etc. that would be sold, booked, organized and operated by the Story Mansion Inn. A system could be put in place where events would be scheduled with the city and a portion of the park utilized by the Story Mansion Inn on a regular basis.
- A final agreement on expanding the current parking area on the west side of the Mansion, (on the existing Story Mansion lot and not the park land) if required to accommodate the new use of the grounds as an inn and hotel.

PURCHASING ENTITYS LEGAL NAME

The group of investors interested in purchasing the property are operating under the working name of the Story Mansion Inn Group. The primary contact person is Jim Klug, 3232 Hillcrest Drive, Bozeman, Montana 59715. Phone: 406-581-6434. Email Address: jim@yellowdogflyfishing.com

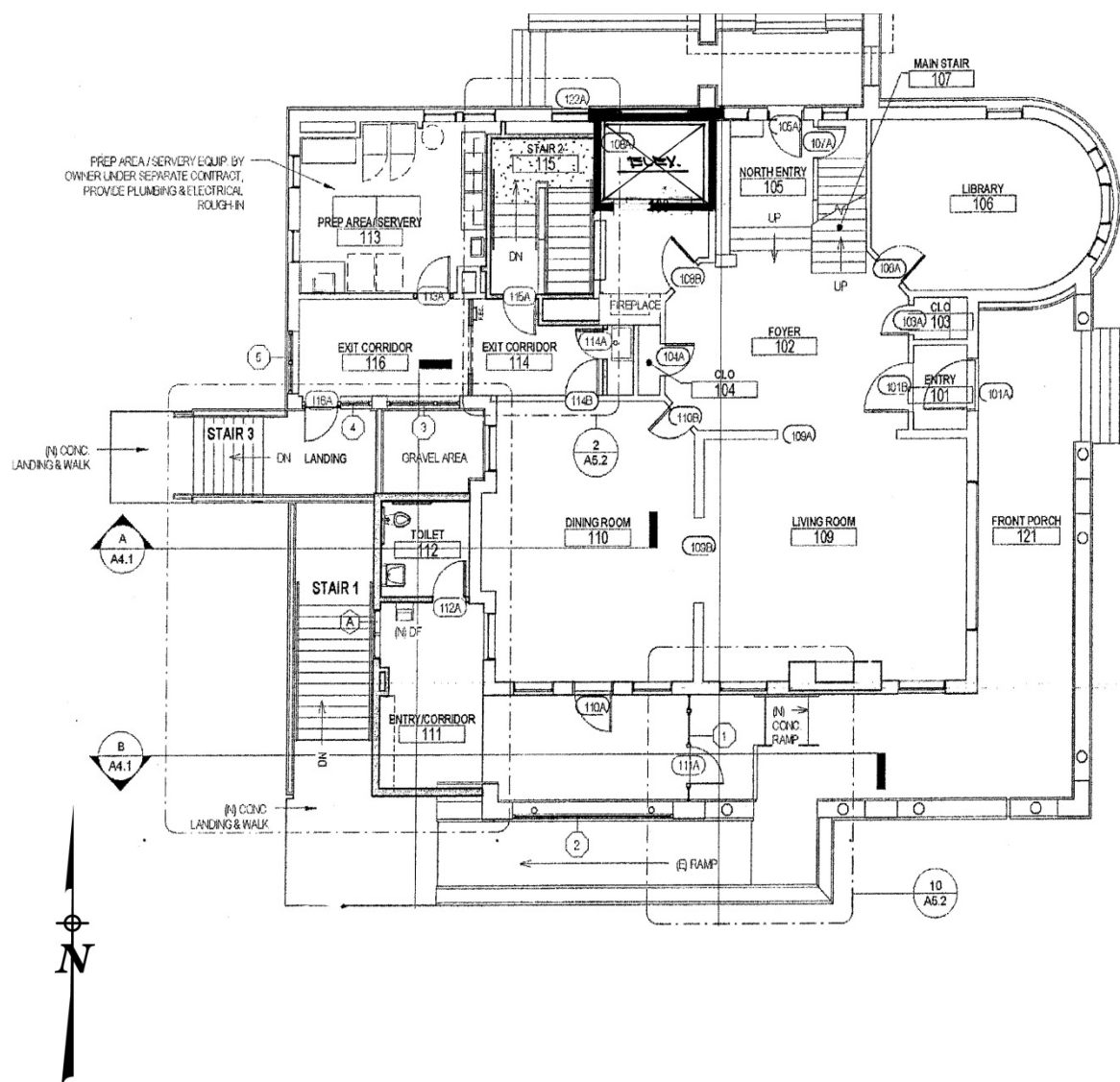
FINANCIAL INFORMATION

Upon acceptance of our proposal, the Story Mansion Inn Group (SMIG) will provide a letter of credit and proof of sufficient funds from our local bank, and our investors showing / proving sufficient funds to complete the purchase, as well as all renovations and improvements to the property as outlined in this proposal.

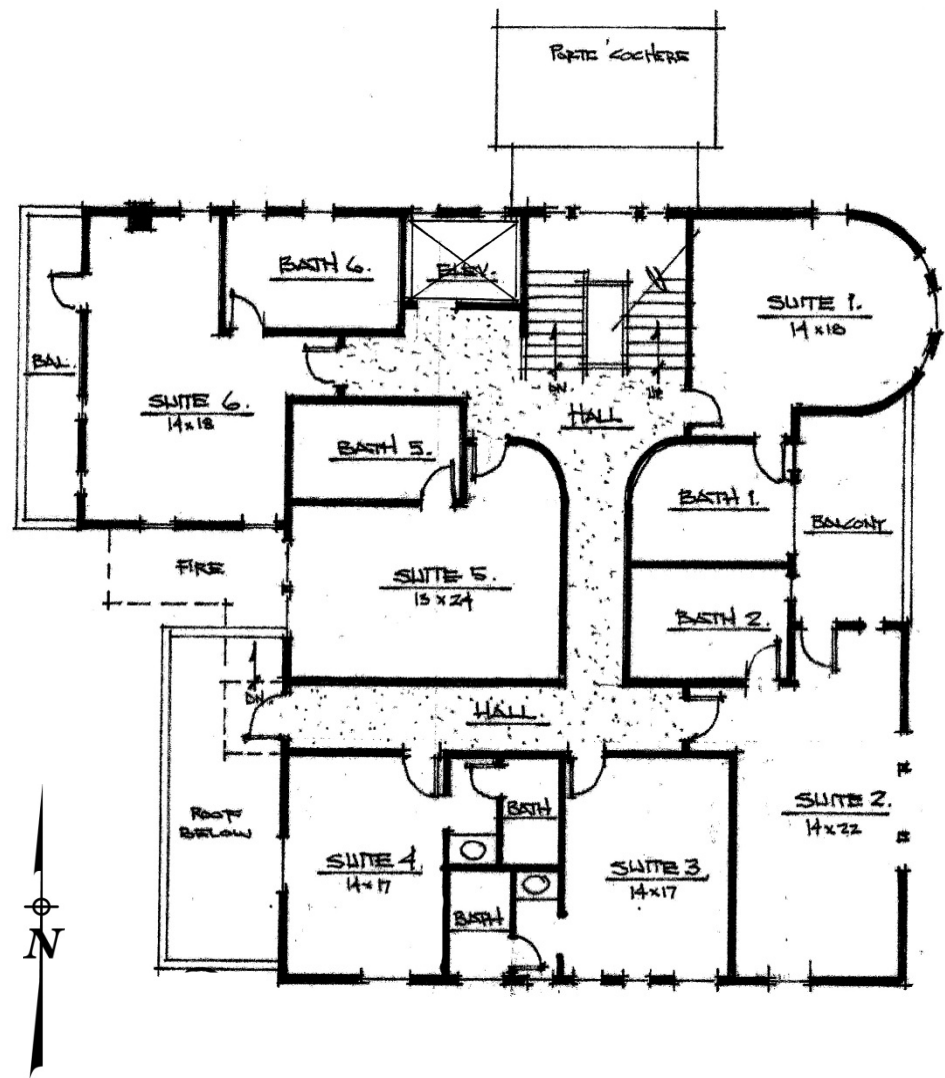
SCHEMATICS FOR THE PROPOSED STORY

MANSION INN

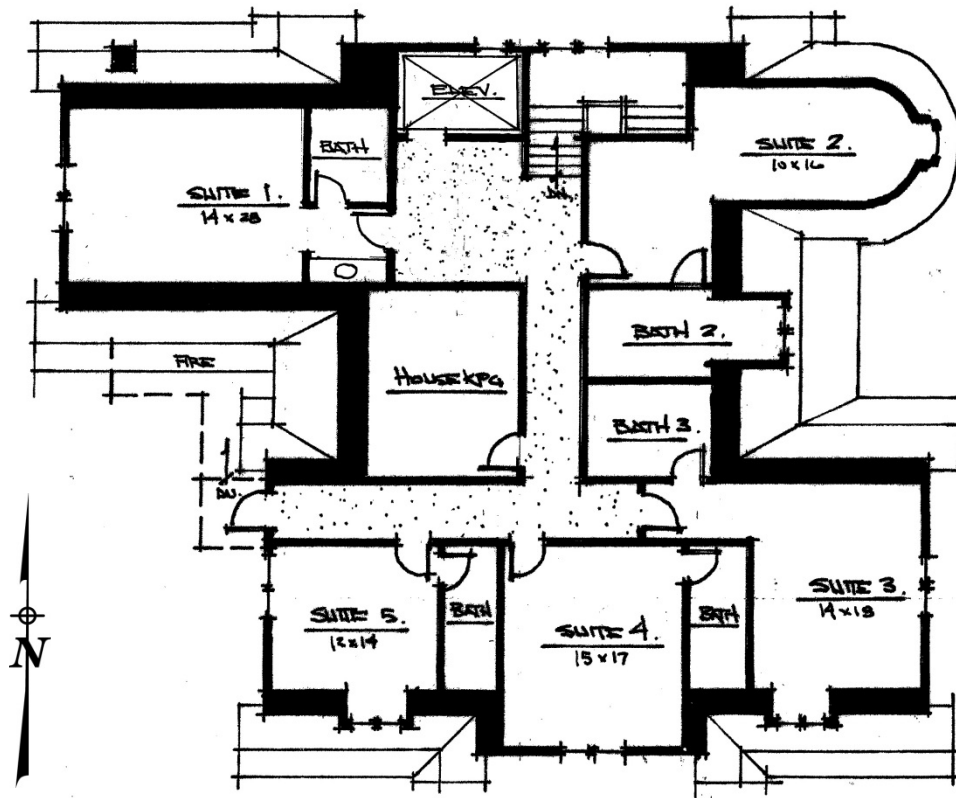
Story Mansion Inn First Floor (Exhibit A)



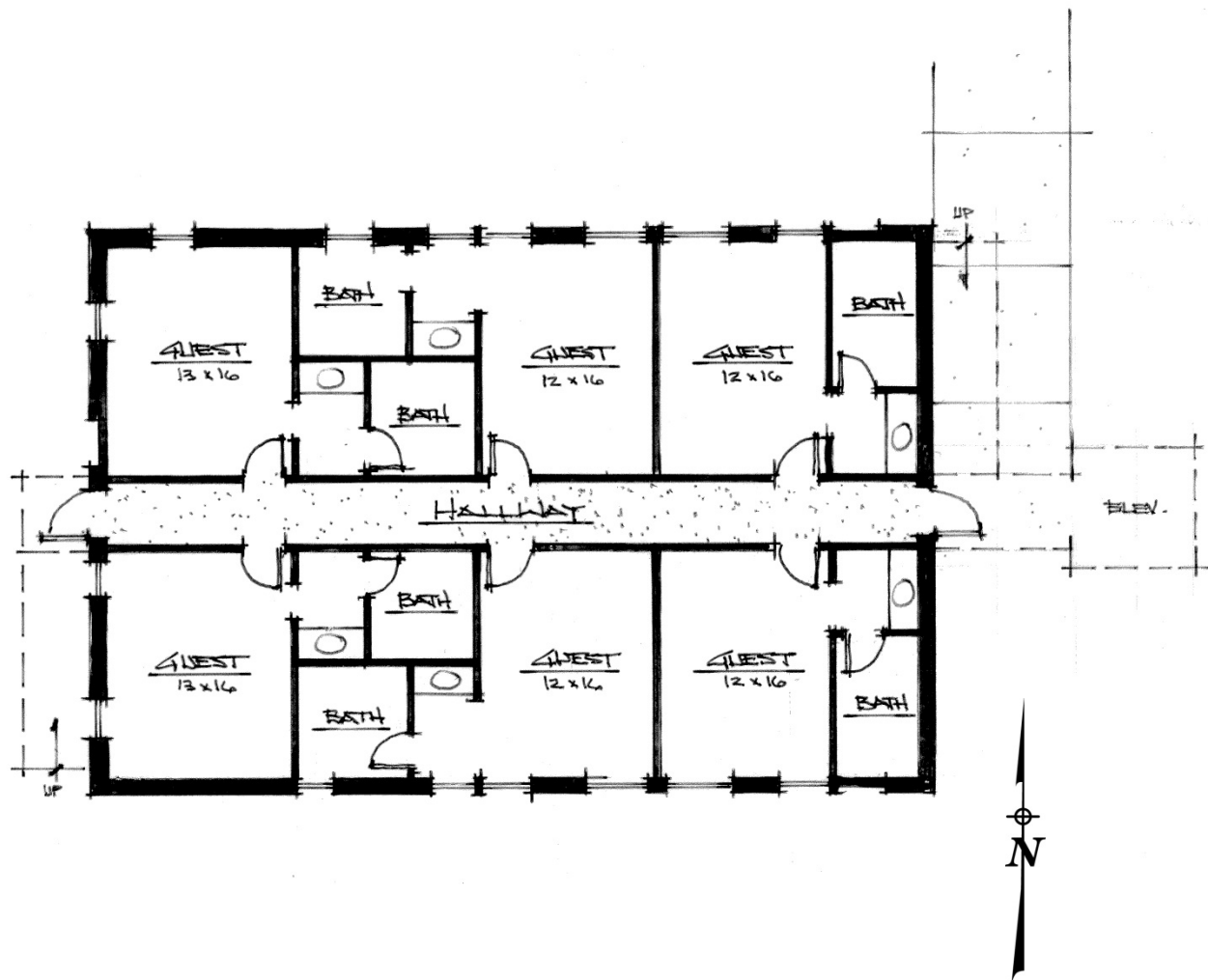
Story Mansion Inn Second Floor (Exhibit B)



Story Mansion Inn Third Floor (Exhibit C)



Story Mansion Inn Carriage House (Exhibit D)



Story Mansion Inn Grounds (Exhibit E)

