

**WESTFIELD**  
PROPERTIES INC.

March 23, 2005

Arnold Olsen, Ph.D.  
Montana Historical Society  
225 North Roberts  
P.O. Box 201201  
Helena, Montana 59620-1201

re: Physical Facilities Condition of Capital Hill Mall

I am writing this letter in response to your inquiries regarding certain physical facilities issues related to the Capital Hill Mall, namely asbestos and alleged structural defects in the exterior columns on the anchor buildings.

As we have discussed, if the Capital Hill Mall is to be acquired for the purpose of being redeveloped into a permanent home for the Montana State Historical Society, included in our purchase agreement would be a due diligence period of an adequate period of time to allow the architects to thoroughly evaluate the facility to determine if any defects of an objectionable nature exist. Reports we have received from third party consultants to date have identified some non-friable asbestos in a couple of locations within the property and established maintenance and restoration requirements for the columns on the Dillar's and Penney's stores.

It is very common to have some asbestos in floor or ceiling tiles, or in the insulation used in properties built before 1990. These materials pose no health risks or problems in their current conditions. The engineers who evaluated the columns have determined that there is no immediate structural risk associated with the condition of the columns, and have made recommendations to be incorporated into the remodel process for the restoration and long term maintenance of the columns.

It is our intention to be open and direct with any buyers, and address any conditions or concerns that come up in the due diligence process in a honest and direct manner. It is our understanding that any acquisition of the Capital Hill Mall by the State of Montana or the Historical Society will be conditioned on the Seller taking responsibility for the elimination or restoration of any preexisting conditions that will adversely affect the Society's use of the property. Further, we understand that any purchase of the Capital Hill Mall will be based on the property meeting all the requirements of the State, and that the property will be capable of satisfying all the requirements necessary to result in a first rate facility for the Historical Society.

Sincerely,



Richard L.K. Mendenhall  
Manager, Westwood CHM,  
General Partner, Capital Hill Mall Partnership