

WITHERSPOON, KELLEY, DAVENPORT & TOOLE

A PROFESSIONAL SERVICE CORPORATION
ATTORNEYS & COUNSELORS

ROBERT L. MAGNUSON
NEO M. BARNES
WILLIAM D. EVANOFF
ROBERT J. LAMP
R. THOMAS CUMMOLLY
THOMAS D. COCHRAN
DWAYNE M. EYENTON
JOSEPH H. WISBEKMAN
TIMOTHY C. SUTHERS
DONALD J. LUKER
IRVING B. WYATHE (HEAD)
MICHAEL D. CLARKIN
BRANDY T. MCKENNA
EDWARD J. AMERSON
B. MARK STEEL, JR.
STANLEY S. SCHULTZ
MICHAEL F. NIEMETZ
JOHN M. RUBY, JR.
J. J. O'NEILL, JR.
DANIEL E. FINNEY
MARY E. GIANDELLI
DEBBIE M. DAVIS
THOMAS M. LAWSON
SPENCER A. W. STEWART
KATHLEEN D. JENSEN
TED E. O'NEAL
WILLIAM M. SYMANS

1100 U. S. BANK BUILDING
422 WEST RIVERSIDE
SPOKANE, WASHINGTON 99201-0190
Telephone: (509) 424-3165
Telecopier: (509) 458-2124

COLUMBIA AVENUE OFFICE
THE HORNEMAN BLDG. BUILDING
404 NORTHWEST HOLLYWOOD, BUTTE MT
STREET D ALBANY, IDAHO 83401-1140
(509) 463-4841

June 1, 1995

VIA FACSIMILE
(Seattle Office)
(206) 583-8500

Roy J. Koegen
PERKINS COIE
N. 221 Wall
Suite 600
Spokane, WA 99201

OF COUNSEL:

VIA A DAVENPORT
JOHN E. KEATLE, JR.
ELLAN H. TOOLE
WILLIAM V. KELLEY
KARL E. BECKER

Re: Parking Garage Issues

Dear Roy:

I have discussed further with Bob Robideaux some of the issues relating to the parking garage. Conceptually, I believe the parties are on the same wavelength: the City would lease the real property from ownership, beginning somewhere in the \$320,000 - \$350,000 range annually, as income from the garage increases, to take into account parking validation issues; the City would construct new parking facilities and renovate the current parking facility at a total cost of approximately \$12 million; and the City would purchase the current parking facility, using the value of vacated Post Street and the alleyway as the "down payment" for the purchase with ownership working with the City to establish a payment schedule that would accommodate the income flow from the project. We had also discussed that the reserve fund required for any bond issue would be possibly provided through the City's general fund, and such a contingent situation would not implicate Proposition 4.

Bob and I would like to get together with you and the City finance people again this week, preferably later Friday afternoon, to discuss the numbers once again.

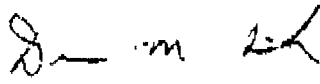
In addition, we are available to meet with the City's Finance Committee the week of June 5th. Please let me know when and where we need to be to meet with the Committee.

Not a document of law
This document is for the
use of the recipient only.
It is not intended to be
distributed to others.

Roy J. Koegen
PERKINS COIE
June 1, 1995
Page 2

Very truly yours,

WITHERSPOON, KELLEY, DAVENPORT & TOOLE, P.S.

BY 
DUANE M. SWINTON

DMS/k/9506.001
cc: Robert W. Robideaux