

*Includes Novak's
letters*

EXHIBIT "W"



PRESTON GATES & ELLIS LLP
ATTORNEYS

August 13, 1999

Mr. Duane M. Swinton
Witherspoon Kelley, Davenport & Toole, P.S.
1100 U.S. Bank Building
West 422 Riverside Avenue
Spokane, WA 99201

Re: Acquisition by Spokane Downtown Foundation of River Park Square Parking Facility

Dear Mr. Swinton:

The Spokane Downtown Foundation (the "Foundation") received the enclosed letter from the Spokane Parking Public Development Authority (the "Authority") on Friday, August 13, 1999. As the Lessor of the River Park Square Parking Facility (the "Facility") to the Authority, we are very concerned about a number of questions the Authority raises concerning its ability to operate the Facility. We feel obligated to pass this letter on to you and your client, and express our concern about the transfer of the Facility on or before August 20, 1999, unless the questions raised in the Authority's letter are answered and the Facility is completed and a Certificate of Occupancy is issued.

We understand that you, your client and numerous others have been working hard to resolve several different issues associated with the completion of the construction of River Park Square and the Facility. However, please understand that before my clients can assume responsibility for the ownership of the Facility, these issues must be addressed and resolved.

We certainly do not want to be presumptuous in suggesting to you or your client how these issues might be resolved, but in addition to the suggestions made by the Authority in its letter, there is at least one more option to consider. Since the purchase price of the Facility was based on the revenue stream expected to be generated by the Facility, it may be appropriate to consider adjusting that purchase price to reflect the revised revenue stream based on the most recent estimates developed by Walker given the change in assumptions. Obviously, if you and your client have other suggestions for responding to these questions and issues, we are prepared to consider them. Both the Foundation and the Authority will want to verify the effect that any of the proposals may have on the revenue and expenses of the Facility.

All of us want this project to move forward and the Facility acquisition to be completed. We assume that the issues raised in this letter, as well as those raised in the Authority's letter, can be resolved. To that end, we want to work with you toward consummating the transfer of the Facility on August 20, 1999, assuming these issues can be satisfactorily addressed. We have

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been in contact with the Bond Trustee and would like to work with you to complete the appropriate requisition form for payment to the Developer of the acquisition price of the Facility.

I look forward to a response from you at your earliest convenience. Thank you.

Very truly yours,

PRESTON GATES & ELLIS LLP



Michael C. Ormsby

cc: Tom White
Dave Broom
Chris Schnug
Roy Koegen

MCO:pc

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Spokane Parking Public Development Authority
221 North Wall Street, Suite 600
Spokane, Washington 99201

August 13, 1999

Mr. Michael C. Ormsby
Preston Gates & Ellis LLP
1400 Seafirst Financial Center
Spokane, WA 99201

Re: River Park Square Parking Facility

Dear Mike:

The Board of Directors (the "Board") of the Spokane Parking Public Development Authority (the "Authority") was briefed by Mr. Peter Fortin last week on certain matters pertaining to AMC's participation in River Park Square.

When the River Park Square parking facility (the "Facility") was financed, the City of Spokane (the "City") retained Walker Parking Consultants to prepare a feasibility analysis with respect to the Facility. That analysis was based on a parking rate of \$1.50 per hour Monday through Saturday and a rate of \$1.00 per hour on Sunday. The study concluded that approximately 40 percent of the revenue of the Facility would be derived from AMC patrons. The study further concluded that at the parking rates described above, the Facility would generate sufficient revenues to meet all its financial obligations. Based on that projection, we requested that the City contingently pledge its parking meter revenues to ground rent and operating costs.

We now understand that AMC is asserting that on June 8, 1999, it learned for the first time that their patrons will not benefit from free parking. We have further learned that AMC believes that its Spokane operations will not be economically feasible unless it can offer free parking to its patrons.

I have been briefed on the substance of the telephone conference that you, Mr. Duane Swinton and Mr. Roy Koegen had with Dick Walsh, AMC Regional Vice President. Evidently, AMC is negotiating with the Parkade in order for it to be able to offer its patrons free parking.

Lastly, we have reviewed the Walker Parking Consultant revenue analysis dated June 12, 1999, as revised and received on August 6, 1999, that projects in the year 2001, as revised with flat-rate parking charges of \$2.00 after 5 p.m. and on Sundays, revenues will be insufficient by approximately \$1,240,000; and that annual revenues are projected to be insufficient by approximately that amount into the future. The Authority is required to set parking rates in an amount sufficient to provide revenue to pay all expenditures; therefore, our Board believes the

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projections as stated in the analysis are unacceptable and, unless a solution is found to this matter, is of the view that it will need to meet with the City Council; and, that due to these unexpected changes, it will be unable to lease the Facility from the Spokane Downtown Foundation. We do believe, however, there are possible solutions to this dilemma as offered below:

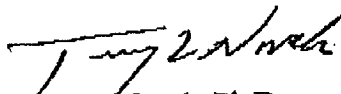
1. Institute parking rates in the amount and times that were used in the feasibility analysis supporting the Foundation's outstanding bonds.

2. Leave parking rates at the levels projected in the June 12, 1999, Walker Analysis until 2001, at which time the rates would need to be adjusted to an amount sufficient to provide adequate revenues to meet the coverage requirements contained in the Facility Lease. If the solution is to simply raise parking rates in the future, we need to be advised of the potential impact on AMC.

There are probably additional solutions to this dilemma, and we welcome the opportunity to work with your board so that we can proceed to lease the Facility.

Very truly yours,

SPOKANE PARKING PUBLIC
DEVELOPMENT AUTHORITY



Terry L. Novak, Ph.D.
President

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