



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

WORK
COPY

Spokane Downtown Foundation
1400 Seafirst Financial Center
601 West Riverside
Spokane, WA. 99201

Date:
June 22, 2004

Person to Contact:
Derek Knight
75-07593
Telephone Number:
720-956-4293

RECEIVED

JUN 28 2004

EIN: 91-1940922

Randall & Danskin, P.S.

Re: Proposed Adverse Determination (Final)
Spokane Downtown Foundation
\$ 31,465,000 Parking Revenue Bonds 1998

This is to inform you that we have concluded our examination of the Bond Issue(s) named above (the "Bonds"). We have made a proposed determination that the interest paid to bondholders is not excludable from gross income under section 103 of the Internal Revenue Code. The enclosed agents report provides an explanation the facts, law, and analysis on which this proposed determination is based.

We encourage you to immediately contact the person named above to begin negotiations to resolve problems with the Bond Issue through a closing agreement. **This will be your last opportunity to conduct settlement negotiations with this office.**

If you choose to not pursue a closing agreement, you may formally respond to this proposed determination as follows:

- 1. Request an administrative appeal of your case to the Office of Appeals of the IRS.** The Office of Appeals is separate and independent of the IRS office that made this proposed adverse determination with respect to the bonds. The administrative Appeals process is explained in Revenue Procedure 99-35, 1999-41 I.R.B. 501.