

SIMON, REEVES & ROBERTS

ATTORNEYS AT LAW

J. STEPHEN SIMON
DOUGAL B. REEVES, JR.
JEAN REED ROBERTS
JANET H. ASHLEY
GREGG CLARKE GIBBONS

KIVA PROFESSIONAL PLAZA
7110 EAST McDONALD DRIVE, SUITE A
SCOTTSDALE, ARIZONA 85253-5480

TELEPHONES
AREA CODE 602
FIRM: 991-5121
MR. SIMON: 951-1536

August 16, 1989

J. Randall Jones, Esq.
Jones, Jones, Close & Brown
Suite 700, Valley Bank Plaza
300 South Fourth Street
Las Vegas, Nevada 89101-6026

Re: Camelback Inn Condominium, an Arizona
Horizontal Property Regime: PCB Electrical
Transformers

Dear Mr. Jones:

I direct this correspondence pursuant to our telephone conversation yesterday relating to the PCB litigation filed by your Firm and its Co-Counsel against Monsanto, General Electric and Westinghouse on behalf of Nevada Power Company.

Our Firm represents the Board of Directors of the Council of Co-Owners of the above referenced Condominium Association, which Co-Owners individually own the separate guestroom units and undivided interests in common areas comprising most of Marriott's Camelback Inn Resort, Paradise Valley, Arizona. A Condominium was established by Marriott Corporation after its purchase of the Resort and the Condominium Units were sold to numerous Co-Owners who each own one or more of the Units and a portion of the common areas. The Co-Owners from time to time sell their interests to third persons who then become new Co-Owners of the Condominium. Marriott Corporation owns a small portion of the Resort's property and manages it for the Co-Owners.

As mentioned during our telephone conversation our Client has been advised that in excess of twenty electrical transformers owned by our Client and located on its common areas contain PCB and must be replaced. A contract has been entered into with Westinghouse for removal and disposal of the PCB contaminated transformers and the

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replacement thereof at a cost of \$270,000 to the Condominium Association. From information obtained to this date it appears the PCB transformers were located on the property at the time the Condominium was formed and the initial Condominium Units sold to the separate Co-Owners and, probably-perhaps, at the time Camelback Inn was purchased by Marriott Corporation.

Our Client's Board of Directors is obviously concerned with this unexpected \$270,000 expenditure and from recent information believes the Condominium Association might be able to recover damages from Westinghouse who manufactured the PCB transformers. The President of our Client's Council of Co-Owners authorized me to contact you and subsequently to direct this correspondence.

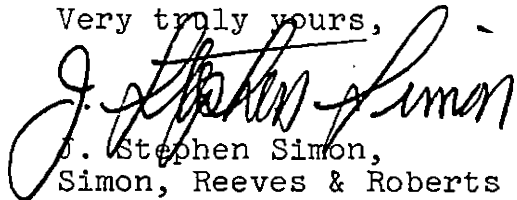
I understand your Firm and Co-Counsel are quite familiar with matters relating to possible liability in connection with the production, sale and installation of PCB contaminated electrical transformers and other equipment and have represented, and are representing, corporate and private parties in litigation and/or settlement of claims resulting from PCB damages. Further, you indicated your Firm and Co-Counsel are considering joining parties with PCB claims in one or several lawsuits for presentation of claims.

Our Client would appreciate your advice whether your Firm and Co-Counsel could represent it, in presenting, if you deem such appropriate, its claim against Westinghouse for the damages incurred by reason of the PCB contaminated electrical transformers at Camelback Inn. I understand you will require a period of time to consider such representation and related matters. I would appreciate your advice at an appropriate time, as to procedures being considered in respect of PCB claims on behalf of several (numerous) parties and whether your Firm could represent our Client along with your comments concerning procedures, including a representation agreement as to fees and estimated costs.

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Your kindness in our discussing this matter with me yesterday and in responding to my Client's inquiries is appreciated. Should you have questions please contact me at your convenience; please note, I will be on vacation August 25th through September 4th.

Very truly yours,


J. Stephen Simon,
Simon, Reeves & Roberts

JSS:klu

- cc: Mr. Clifford W. Murphy, President & Director
Camelback Inn Condominium
13230 Ferguson Lane
Bridgeton, Missouri 63044
- cc: Paul F. Umbeck, D.D., Vice-President & Director
Camelback Inn Condominium
2 South 060 Yvonne Lane
Wheaton, Illinois 60187
- cc: Richard E. Basile, Ph.D., Director
Camelback Inn Condominium
1800 South 14th Street
Las Vegas, Nevada 89104
- cc: Mr. Roy L. Huchinson, Director
Camelback Inn Condominium
7002 North 23rd Place
Phoenix, Arizona 85020
- cc: Gordon M. Trenholme, M.D., Director
Camelback Inn Condominium
219 Shenstone Road
Riverside, Illinois 60546