

HENDRICKS & LEWIS

999 THIRD AVENUE, SUITE 2675
SEATTLE, WASHINGTON 98104

telephone (206) 624-1933
facsimile (206) 583-2716
www.hllaw.com

FACSIMILE COVER SHEET

Please deliver the following pages to:

Name: Mr. Milton G. Rowland
Location: Spokane Asst. City Attorney
Fax. Tel. No.: 509-625-6277
From: Sheila Romanovich, Legal Assistant to O. Yale Lewis, Jr.
Total Number of pages (including cover sheet): 12
Time: 2:15 p.m. Date: April 26, 2001

If you do not receive all the pages, please call Greg Trevan at (206) 624-1933.

Original documents will be: sent to you held in our files

Attached, per your request to me by telephone today, please find Hendricks & Lewis' statement for services provided in January 2001.

IMPORTANT CONFIDENTIALITY NOTE: This facsimile contains confidential information which may also be legally privileged. If you are not the intended recipient or an authorized employee or agent thereof, any disclosure, distribution, copying or use of this information is strictly prohibited. If you received this transmission in error, please notify us immediately by telephone (collect) and return the original transmission to us at the above address. Thank you.

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February 8, 2001

The Honorable John Powers
Mayor of City of Spokane
Fifth Floor, Municipal Bldg.
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3303

Re: H&L January Billing Statement

Dear John:

Pursuant to Hank's instructions, which are consistent with the discussions you and I had earlier this week, enclosed please find our statement for services provided in January 2001.

If you have any questions, please call me.

Sincerely,

HENDRICKS & LEWIS



O. Yale Lewis, Jr.

Enclosures

cc: Mr. Henry Miggins

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February 8, 2001

City of Spokane
Attn: Director of Accounting
Fourth Floor, City Hall
808 West Spokane Falls Boulevard
Spokane, Washington 99201-3303

ACCOUNT SUMMARY

| | | | |
|------------------------|-------|------------------|--------------------|
| Prior Balance | | | \$89,957.07 |
| Current Services | | | |
| | Fees | \$29,308.00 | |
| | Costs | <u>\$ 955.75</u> | |
| Total Current Services | | | <u>\$30,263.75</u> |
| BALANCE DUE | | | \$119,220.82 |

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February 8, 2001

Billed through 01/31/01

Bill number 1028-00001-064 OYL

City of Spokane
Attn: Director of Accounting
Fourth Floor, City Hall
808 West Spokane Falls Boulevard
Spokane, WA 99201-3304

River Park Square Parking Garage

Balance forward as of bill number 058 dated 01/19/01 \$ 39,971.92

AGING SUMMARY

| | |
|-----------------------------|--------------|
| TOTAL CHARGES FOR THIS BILL | \$.00 |
| NET BALANCE FORWARD | \$ 39,971.92 |
| TOTAL BALANCE | \$ 39,971.92 |

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February 8, 2001

Billed through 01/31/01

Bill number 1028-00005-053 OYL

City of Spokane
Attn: Director of Accounting
Fourth Floor, City Hall
808 West Spokane Falls Boulevard
Spokane, WA 99201-3304

Spokane v. Walker

Balance forward as of bill number 046 dated 01/19/01 \$ 48,985.15

PROFESSIONAL SERVICES RENDERED

| | | |
|--------------|---|----------------------|
| 01/01/01 BBN | review and source-check second amended complaint | 3.50 hrs |
| 01/02/01 OYL | review final changes to second amended complaint; telephone conference with Ms. Siddoway re same and re various related issues; review transcript of August 31, 1998, City Council hearing; conference with KH re securities issues; review and revision of work plan and additional review of securities issues; review Sloane memorandum and cases cited therein | |
| 01/02/01 PAR | index and code documents from City of Spokane production to Developers | 3.60 hrs-- |
| 01/03/01 OYL | conferences with KH re various securities issues; review various defense administrative claims against the City and compare with provisions in the draft second amended complaint; telephone conference re discovery message with Mr. Weatherhead; telephone conference with Ms. Rogers re real estate tax issues and to confirm date of earlier newspaper article; begin review of Art. VIII, Section 7 cases in conjunction with amending the complaint | 5.90 hrs 5.30 hrs |

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City of Spokane

Bill number 1028-00005-053 OYL

| | | |
|--------------|--|----------|
| 01/03/01 PAR | index and code documents from City of Spokane production to Developers | 6.60 hrs |
| 01/03/01 KH | analysis of transaction documents in connection with securities analysis; draft portion of memorandum re same | 3.60 hrs |
| 01/04/01 OYL | review of Sloane/Rowland memorandum re Ordinance C31823 and cases cited therein; review of PDA 2001 budget; review various other documents in preparation for January 9 conference; conferences with KH re various securities issues; review transcript of August 31, 1998, City Council RPS hearing and locate documents showing discussion of bond proceeds and draft letter to Ms. Siddoway re same | 4.30 hrs |
| 01/04/01 PAR | index and code documents from City of Spokane production to Developers | 7.60 hrs |
| 01/04/01 KH | draft portions of memorandum re securities issues; conference with OYL re same; legal research re securities issues | 4.50 hrs |
| 01/04/01 DC | update correspondence, pleadings and documents; legal research re Rule 6-32 | .30 hrs |
| 01/05/01 OYL | continued review of cost of construction issues including telephone conferences, conferences and document review re same; review and supplement documents for inclusion in second amended complaint; review and revision of draft second amended complaint; review report notebook and exhibits in preparation for January 9 conference | 8.00 hrs |
| 01/05/01 PAR | index and code documents from City of Spokane production to Developers; update names on cast of characters list; telephone call to Washington State Supreme Court re incomplete audio tape of court proceeding | 6.60 hrs |
| 01/05/01 RWU | review and revise second amended complaint; review and select exhibits including Walker's answers to discovery, PDA resolutions and City Council transcript; conference with OYL re construction costs for RPS and garage | 1.50 hrs |

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Bill number 1028-00005-053 OYL

| | | |
|--------------|--|----------|
| 01/16/01 PAR | index and code documents from City of Spokane document production to Developers | |
| 01/16/01 KWC | review motion to intervene, compel, consolidate and stay; review and revision of second amended complaint; begin legal research on negligent misrepresentation, elements and evidentiary standard for same; further legal research on misrepresentation elements and difference between misrepresentation as cause of action and defense; legal research on innocent misrepresentation | 6.80 hrs |
| 01/17/01 SPA | review Walker documents; add to and revise Walker document index | 3.00 hrs |
| 01/17/01 OYL | telephone conference with county assessor and with Ms. Rogers re same; telephone conference with KWC re burden of proof and legal research re same | 3.00 hrs |
| 01/17/01 PAR | index and code documents from City of Spokane document production to Developers | .80 hrs |
| 01/17/01 DC | update correspondence, pleadings and documents | 4.80 hrs |
| 01/17/01 KWC | continue legal research on burden of proof for rescission or reformation based on misrepresentation both as cause of action and as defense; review of cases in other jurisdictions regarding negligent misrepresentation based on restatement second of torts or restatement second of contracts; further review of Washington law on same | .20 hrs |
| 01/17/01 BBN | review of status of document management; review of coding proposal; telephone conferences re same; draft memorandum to OYL re status; conference with OYL re same | 4.00 hrs |
| 01/18/01 SPA | review and revise cast list; revise Walker document index | 4.80 hrs |
| 01/18/01 OYL | conclude burden of proof analysis for various causes of action including conferences and review of KWC memorandum; attempted telephone conference and left message for Mr. Vial re Robideaux document production; review document management memorandum from BBN and conference with her re | 3.00 hrs |

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| | | |
|--------------|---|----------|
| 01/18/01 PAR | same; review of discretionary status; analysis of settlement methodologies index and code documents from document production by Walker Parking Consultants; update cast of characters list; review document types on index to City of Spokane document production to Developers | 1.60 hrs |
| 01/18/01 RWU | conference with OYL re discovery status | 6.90 hrs |
| 01/18/01 KWC | conference with OYL re suggested revisions to second amended complaint and results of legal research; draft memorandum re misrepresentation and evidentiary burden of proof | .10 hrs |
| 01/18/01 BBN | review and revision of memorandum to OYL re document management; telephone conference with Ms. Mayer re same; conferences with RLJ re workplan and forward planning; conferences with OYL re discovery and document issues | 3.00 hrs |
| 01/19/01 OYL | review letter from Ms. Siddoway re proposed stay and discovery order; review documents and direct assembly of certain documents for Ms. Siddoway; telephone conference with Ms. Rogers re RPS value assessments; review settlement methodologies | 2.90 hrs |
| 01/19/01 PAR | create index of discovery documents with details on due dates and answered request for production and interrogatories; review and revise document index for City of Spokane production to Developers; index and code documents from document production by Walker Parking Consultants | 1.50 hrs |
| 01/19/01 BBN | conferences with OYL re discovery and documents | 7.20 hrs |
| 01/22/01 DC | update correspondence, pleadings and documents | .50 hrs |
| 01/23/01 OYL | review discovery and data coding files and telephone conference with Ms. Siddoway re those and other issues | .40 hrs |
| | | .40 hrs |

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| | | |
|--------------|--|------------|
| 01/23/01 PAR | index and code documents produced by Walker Parking Consultants | |
| 01/24/01 OYL | conference with BBN re cessation and status of of document coding; telephone conferences and left telephone messages for Ms. Siddoway; additional conferences with BBN re document coding status | 6.30 hrs |
| 01/24/01 PAR | create master index of documents from various document productions; update cast of characters list; index and code document production by Walker Parking Consultants | .50 hrs |
| 01/24/01 BBN | conference with OYL and review status and plan for document transfer | 6.70 hrs |
| 01/25/01 OYL | telephone conference with Ms. Siddoway; review and analyze tax assessment information and telephone conferences re same; review letter from Mr. Hineline re discovery order and draft cover letter forwarding same to Ms. Siddoway | .30 hrs |
| 01/25/01 PAR | create master index of documents from various document productions | 1.40 hrs |
| 01/26/01 OYL | analysis and telephone conferences re tax assessment and Mr. Swinton's statements re sales tax revenue | 4.80 hrs |
| 01/26/01 PAR | create master index of documents from various document productions | 2.10 hrs |
| 01/26/01 DC | update correspondence, pleadings and documents | 6.40 hrs - |
| 01/31/01 OYL | conference with BBN; letter to Ms. Siddoway re documents and related issues | .30 hrs |
| | | .20 hrs |

Total fees for this matter 206.70 hrs 29,308.00

DISBURSEMENTS

| | | |
|---------|---|-------|
| 2/11/00 | Miscellaneous - tape of 12/6/00 Supreme Court hearing | 48.60 |
|---------|---|-------|

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| | | |
|-------------------------------------|--|-----------|
| 01/02/01 | Airfare Expenses - OYL 1/9/01 departure | 187.50 |
| 01/10/01 | Travel Expenses - OYL 1/10/01 The Spokane Club \$82.58 lodging & \$12.75 meal | 95.33 |
| 01/10/01 | Travel Expenses - OYL 1/10/01 meal | 17.49 |
| 01/12/01 | Copy Services | 73.50 |
| 01/26/01 | Copy Services | 116.31 |
| 01/26/01 | Copy Services | 296.02 |
| 01/31/01 | Travel Expenses - OYL 1/9/01 meal | 17.00 |
| 01/31/01 | Travel Expenses - cabfare 1/9-10/01 | 102.00 |
| 01/31/01 | Telephone | 2.00 |
| Total disbursements for this matter | | \$ 955.75 |

BY BILLING SUMMARY

| | | | |
|-----------------------------|------------|---------|-----------|
| Document Clerks | 2.10 hrs | 35 /hr | 73.50 |
| Kevin W. Crean | 10.00 hrs | 175 /hr | 1,750.00 |
| Katherine Hendricks | 10.10 hrs | 225 /hr | 2,272.50 |
| O. Yale Lewis, Jr. | 77.00 hrs | 225 /hr | 17,325.00 |
| Brenda B. Nixdorf | 15.40 hrs | 90 /hr | 1,386.00 |
| Paralegal | 76.60 hrs | 60 /hr | 4,596.00 |
| Sr. Paralegal | 9.50 hrs | 90 /hr | 855.00 |
| Randolph W. Urmston | 6.00 hrs | 175 /hr | 1,050.00 |
| TOTAL FEES | 206.70 hrs | \$ | 29,308.00 |
| TOTAL DISBURSEMENTS | | \$ | 955.75 |
| TOTAL CHARGES FOR THIS BILL | | \$ | 30,263.75 |
| NET BALANCE FORWARD | | \$ | 48,985.15 |
| TOTAL BALANCE | | \$ | 79,248.90 |

** ACTIVITY REPORT **

TRANSMISSION OK

| | |
|----------------|--------------|
| TX/RX NO. | 8882 |
| CONNECTION TEL | 915096256277 |
| CONNECTION ID | |
| START TIME | 04/26 14:12 |
| USAGE TIME | 04'15 |
| PAGES | 12 |
| RESULT | OK |

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1028-00005-053 OYL

| | | | |
|----------|-----|---|-----------|
| 01/05/01 | BBN | review of second amended complaint; conferences with OYL, RWU and DC re assembling exhibits thereto | |
| 01/08/01 | OYL | continued review and selection of documents for second amended complaint; review letter from court reporter re availability of hearing transcript; final review and revision of second amended complaint; review of Supreme Court hearing notebook in preparation for January 9 conference | 1.30 hrs |
| 01/08/01 | KH | continued drafting of memorandum to OYL re securities issues | 8.00 hrs |
| 01/08/01 | RWU | research hard construction costs for Nordstrom store; research HUD documents for construction costs; conference with OYL re same; review and revision of second amended claim re Walker claims | 2.00 hrs |
| 01/08/01 | BBN | conference with OYL re complaint and exhibits thereto; conference with DC re preparation of same | 1.50 hrs |
| 01/09/01 | OYL | review notebook; travel to Spokane; prepare for and attend conference with Mayor Powers, Mr. Connley and Ms. Siddoway; additional review of issues discussed | .40 hrs |
| 01/09/01 | DC | update correspondence, pleadings and documents | 10.00 hrs |
| 01/10/01 | OYL | telephone conferences with H&L office re various factual and legal research issues; telephone conference and conference with Ms. Siddoway; continued review of issues discussed with Ms. Siddoway and Mayor Powers; travel to Seattle; telephone conference with Ms. Rogers re RPS property assessments | .40 hrs |
| 01/10/01 | RWU | review discovery and administrative claims and Walker documents re disclosure of Walker's prior dealings with Developer and Developer's agents; prepare memorandum re same | 6.00 hrs |
| | | | 2.50 hrs |

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|----------|-----|---|----------|
| 01/10/01 | BBN | telephone conference with OYL re documents; telephone conferences with Ms. Mayer and Mr. White re cost of indexing and database work | 1.70 hrs |
| 01/11/01 | OYL | telephone conferences with tax assessor's office re various RPS valuation issues; analysis of same and comparison with official statement and various representations; review securities, HUD and IRS issues in light of possibility of less than promised Developer investments; telephone conferences with Ms. Siddoway; attempted telephone conference with Mayor Powers; telephone conference with Ms. Rogers re valuation issues | 8.00 hrs |
| 01/11/01 | DC | update correspondence, pleadings and documents; review of documents | .50 hrs |
| 02/01 | OYL | continued telephone conferences with tax assessor's office and comparison of that information with various representations of the Developers; telephone conference with Ms. Rogers re valuation issues; attempted telephone conference with Ms. Siddoway; outline issues for a letter to Mayor Powers and Ms. Siddoway | 7.30 hrs |
| 01/12/01 | RWU | review of Walker production for deposition exhibits | .40 hrs |
| 01/16/01 | SPA | conference with BBN re project status; review Walker document index draft; review project materials | 3.50 hrs |
| 01/16/01 | OYL | develop report; telephone conference with Ms. Siddoway re various issues raised on January 9; review of amended condominium plan for RPS and left telephone message with county assessor; review administrative claims of Walker and the Developers; legal research and conferences re evidentiary burdens for various issues; collect material and draft cover letter to Ms. Siddoway | 8.00 hrs |