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CITY OF NEWBERG
CITY RECORDER INDEX NO. 1695

September 24, 1999

Terrence D. Mahr
Newberg City Attorney's Office
115 S. Howard Street
P. O. Box 970
Newberg, OR 97132

Re: Locating Municipal Well(s) in Unincorporated Marion County
Representation of the City of Newberg
Request for Waiver of Likely Conflict

Dear Terry:

You have asked that our firm represent the City of Newberg in the matter of locating well heads in unincorporated Marion County. Specifically, you have asked that we advise and represent the City in any planning and land development applications with the County. As you know, from time to time, we may represent Marion County. However, these matters are unrelated to the requested representation of the City of Newberg. However, we must notify both of our clients of this situation and ask to obtain waivers.

The Oregon Code of Professional Responsibility governs Oregon Lawyers' conduct with respect to conflicts of interest. Specifically, DR 5-105 provides:

"(A) Conflict of Interest. A conflict of interest may be actual or likely.

"(1) An 'actual conflict of interest' exists when the lawyer has a duty to contend for something on behalf of one client that the lawyer has a duty to oppose on behalf of another client.

"(2) A 'likely conflict of interest' exists in all other situations in which the objective personal, business or property interests of the clients are adverse. A 'likely conflict of interest' does not include situations in which the only conflict is of a general economic or business nature.

"* * * * *

"(E) Current Client Conflicts Prohibition. Except as provided in DR 5-105(F), a lawyer shall not represent multiple current clients

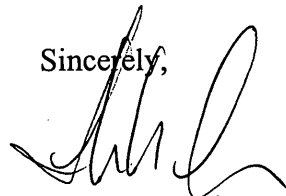
in any matters when such representation would result in an actual or likely conflict.

"(F) Current Client Conflicts Permissive Representation. A lawyer may represent multiple current clients in instances otherwise prohibited by DR-5-105(E) when such representation would not result in an actual conflict and when each client consents to the multiple representation after full disclosure."

We do not believe the current situation creates an actual conflict of interest as defined in DR 5-105(A)(1) but a likely conflict of interest probably does exist. I have previously spoken with the Marion County Counsel's office and fully expect them to waive any likely conflict. We do disclose this to you and to the extent that any likely conflict may exist, request that you likewise waive any objections to this likely conflict of interest. If you agree, please sign the enclosed copy of this letter and return it to me. If you have any questions or hesitation in this matter, please advise me. The other party will also be asked for a waiver.

Under the applicable ethical rules we are required to recommend that you seek independent legal advice to determine if consent should be given. If you have questions, please do not hesitate to contact me. Thank you for your consideration of this request.

Sincerely,



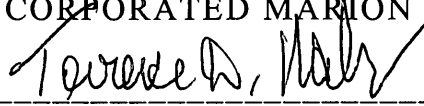
John M. Junkin

JMJ:meo

I UNDERSTAND THAT BULLIVANT HOUSER BAILEY HAS IN THE PAST AND FROM TIME TO TIME IN THE FUTURE, MAY REPRESENT MARION COUNTY IN OTHER MATTERS AND AGREE TO THEIR REPRESENTING THE CITY OF NEWBERG IN THE MATTER OF THE LOCATING OF MUNICIPAL WELL(S) IN UNINCORPORATED MARION COUNTY.

DATE

10/29/99


BY: Terrence D. Mahr, City Attorney
CITY OF NEWBERG