

**LETTER 5—PERSONAL/BUSINESS CONFLICT
BETWEEN ATTORNEY AND CLIENT**

Dear _____:

This letter confirms that we have discussed the purchase of the Williams Ranch as a mutual investment and that you have asked me to advise you in that transaction as your attorney. This letter also sets forth the conflict of interest that arises for me as your attorney because of this proposed business transaction and because of my other personal interests in the real property situation in Central Oregon.

The Oregon Disciplinary Rules prohibit an attorney from representing a client when the attorney's personal interests conflict with those of the client unless the client consents. Consequently, I can only act as your lawyer in this matter if you consent based upon full disclosure.

As you know, you have asked me to prepare the sales documents for this property transaction without charge, as part of my investment in the property. I have agreed to do so. Apart from this, our dollar investment and ownership will be equal.

Although our interests presently appear to be consistent, my interests in this transaction could at some point be different than or adverse to yours. If, for example, either of us is unable to pay our share of the mortgage, the other investor could wind up making those payments. One of us might also wish to sell when the other does not. In addition, an independent counsel might suggest [give examples, if possible].

My other personal interests might also conflict with yours. As you know, I represent X County regarding much of its zoning and condemnation work. The County represents more than 50 percent of my practice, and under no circumstances would I wish to take a position contrary to the County's best interests. Our property is in X County, and it is possible that at some future point the County might act in a way that we would normally want to object to as real property owners. I would not be in a position to do so, which means my personal interests could again be in conflict with yours.

I enclose an article, "Business Deals Can Cause Problems," that contains additional information. [See Form DR 5 to PLF Claims Made Plan.]

Please consider this situation carefully and decide whether or not you wish to make this investment with me and to consent to my representation of you in this transaction. In addition, the Oregon Disciplinary Rules require me to recommend that

you consult with another attorney in deciding whether or not your consent should be given. Whether or not you do so, however, is up to you.

If you have questions that you would like me to answer before you decide, please let me know. If you do decide to consent, please sign and date the enclosed extra copy of this letter in the space provided below and return it to me.

Very truly yours,

I hereby consent to the representation set forth above:

Dated: _____

Client