meyers | nave riback silver & wilson
professional law corporation

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Steve T. Mattas
Attorney at Law
415.421.3711

February 15, 2008

Michael Ogaz, City Attorney
City of Milpitas
455 E Calaveras Blvd.
Milpitas, CA 95035

RE: Conflict Waiver – Piercey Automotive

Dear Michael,

The purpose of this letter is to request that the City Council and the Redevelopment Agency Board consider granting Meyers, Nave, Riback, Silver and Wilson an informed written consent to represent Piercey Automotive Group (which includes Piercey Toyota) on issues associated with the potential development of off-site signs within the City of Milpitas. We presently represent the City of Milpitas in three litigation matters (Serio v. Milpitas, Hyat v. Milpitas and Milpitas v. Yen) and, on an as needed basis, various municipal law matters including weapons confiscation hearings. We have previously represented the City and Milpitas Redevelopment Agency as City Attorney and General Counsel to the Milpitas Redevelopment Agency and in that capacity advised the City on issues involving zoning code amendments and a redevelopment plan amendment related to off-site signs and also advised the City and Redevelopment Agency on processing of entitlements for the Piercey Toyota facility. For reference purposes, we have identified the City of Milpitas and the Milpitas Redevelopment Agency as "Milpitas" in this letter.

We have recently been asked to represent Piercey Automotive Group on various projects. One project involves Piercey's operations in the City of Milpitas. The specific project involves assisting Piercey Automotive with legal work associated with obtaining approvals for, financing and construction of off-site signs including electronic signs at locations within the redevelopment area adjacent to I-880 and I-680. We are writing to request Milpitas' informed written consent to our representation of Piercey Automotive Group in a new proposed matter.

As lawyers, we are governed by the California Rules of Professional Conduct. Rule 3-310(C) of the California rules of Professional Conduct provides as follows:

> Rule 3-310(C): A member shall not, without the informed written consent of each client:
>
> (1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or

(2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or

(3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

Rule 3-310(E): A member shall not, without the informed written consent of the client or former client, accept employment adverse to the client or former client whereby reason of the representation of the client or former client, the member has obtained confidential information material to the employment.

With regard to Rule 3-310(C), we believe we can competently represent Milpitas on issues not involving Piercey Automotive Group and Piercey Automotive Group while concurrently representing Piercey Automotive Group. The City of Milpitas and the Milpitas Redevelopment Agency are now represented by separate counsel on issues involving Piercey Automotive Group and its operations in Milpitas. Since we have a professional duty of undivided loyalty to each current client, we need the informed written consent of Milpitas so we can represent Piercey Automotive Group on the legal issues identified herein related to the City of Milpitas and the Milpitas Redevelopment Agency.

To further protect the interests of Milpitas, we will institute the following procedures. The attorneys and paralegals who work on any matter involving Piercey Automotive Group will be screened from any relevant files and any work done by Meyers Nave for the City or Redevelopment Agency that may involve Piercey Automotive Group as a potentially adverse party. Also, the attorneys working with City or Redevelopment Agency will not communicate any confidential information about their representation of City or Redevelopment Agency to anyone at our firm working for Piercey Automotive Group. By separate letter, we are similarly requesting Piercey Toyota's and Piercey Automotive Group's informed written consent.

With reference to rule 3-310(E), we do not believe that we have obtained any material confidential information from you that would be material to the current matter in which we have been asked to represent Piercey Automotive Group. In connection with our continued representation of Milpitas in the matters described above and for purposes of assisting you in determining whether or not to consent to such representation, we do not anticipate any actual or reasonably foreseeable adverse effects upon Milpitas particularly in light of the screening safeguards outlined above.

We request that the City of Milpitas and the Milpitas Redevelopment Agency consider this written request carefully. You may wish to confer with independent legal counsel regarding this consent, and should feel free to do so. If, after reviewing and considering the foregoing, the City of Milpitas and the Milpitas Redevelopment Agency consent to our continuing representation in the captioned matter, please sign the enclosed copy of this letter and return it to me as soon as possible.

Please do not hesitate to call me if you have any questions or concerns about the foregoing.

Very truly yours,

MEYERS, NAVE, RIBACK, SILVER & WILSON

Steve T. Mattas

Cc: James M. Casso
Conflicts Department

The City of Milpitas and the Milpitas Redevelopment Agency consent to the representation described above.

Dated:

The City of Milpitas and Milpitas Redevelopment Agency

By:
Its:

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