REPORT TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

Waiver of Conflict Agreement Between The City of San Diego and the Redevelopment Agency of The City of San Diego

On February 9, 1990, the law firm of Morrison & Foerster ("Special Counsel") filed a lawsuit on behalf of The City of San Diego ("City"), the Redevelopment Agency of The City of San Diego ("Agency") and the Centre City Development Corporation("CCDC") against Potentially Responsible Parties ("PRP"s) of petroleum pollution in the Marina Redevelopment Project Area and other possible sources of the pollution.

As the Agency is a property owner in the area where petroleum pollution has been discovered, it is a PRP pursuant to the Porter-Cologne Water Quality Control Act (California Water Code section 13000 et seq.) It is conceivable that other named PRPs and defendants in the lawsuit could name the Agency as a cross-defendant as PRPs are legally responsible for clean-up and remediation of "waste in the water." See Water Code section 13304(a).

The purpose of signing the Waiver of Conflict Agreement is to acknowledge that the City and Agency have knowledge of the potential conflict of interest and, to the extent legally responsible, will not bring legal action against the other. It specifically leaves open the possibility for the City to represent itself or retain another law firm to represent it should a conflict arise.

> Respectfully submitted, JOHN W. WITT City Attorney

ALT:pev:433.613.4(x043.1) RC-90-11