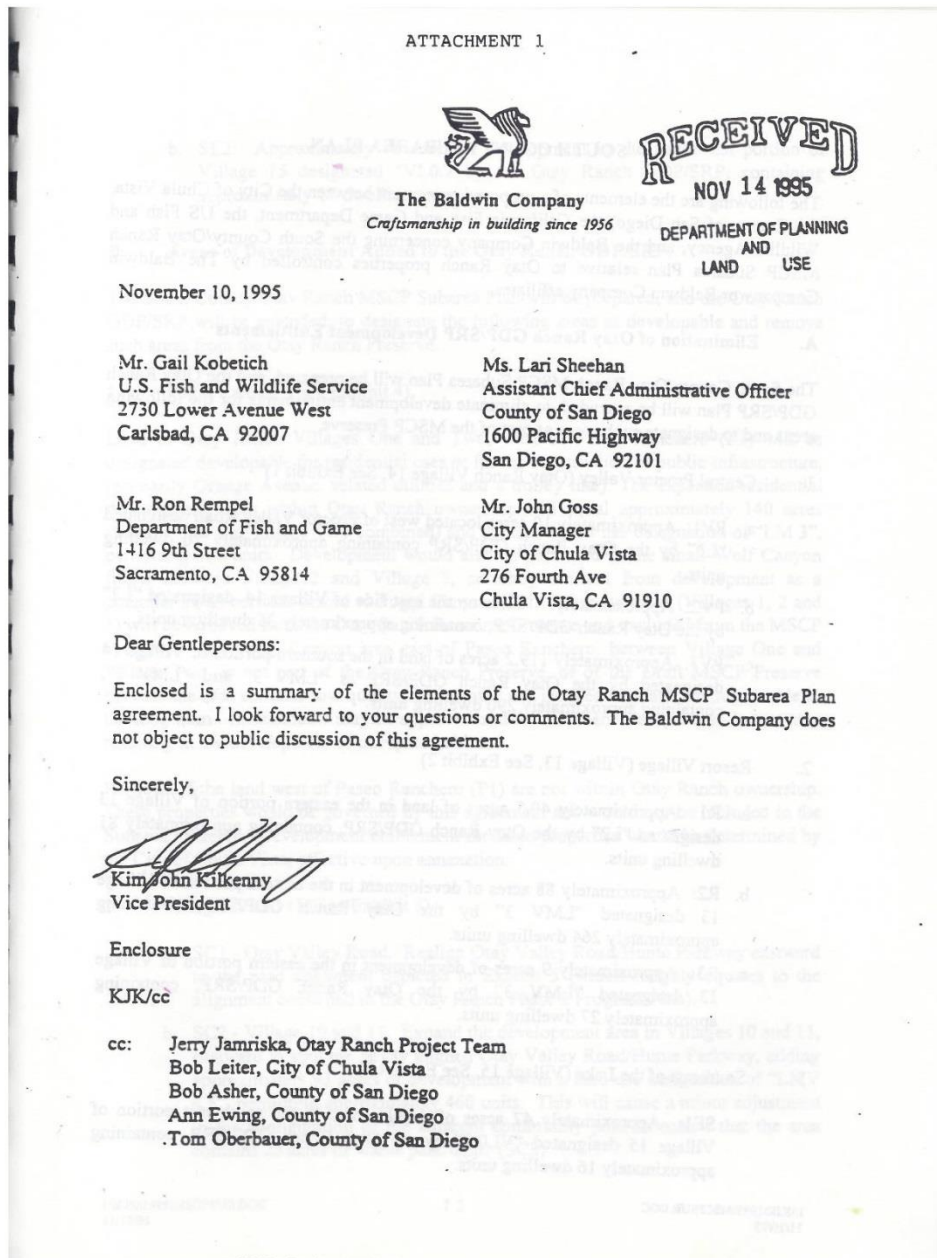


A-3.1 CALIFORNIA FISH AND WILDLIFE ATTACHMENT 1

Comment Letter A-3.1

Attachment 1
Baldwin Letter
November 10, 1995

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SOUTH COUNTY SUBAREA PLAN

The following are the elements of a proposed agreement between the City of Chula Vista, the County of San Diego, the California Fish and Game Department, the US Fish and Wildlife Agency, and the Baldwin Company concerning the South County/Otay Ranch MSCP Subarea Plan relative to Otay Ranch properties controlled by The Baldwin Company or Baldwin Company affiliates.

A. Elimination of Otay Ranch GDP/SRP Development Entitlements

The South County/Otay Ranch MSCP Subarea Plan will be prepared, and the Otay Ranch GDP/SRP Plan will be amended, to eliminate development entitlements for the following areas and to designate such areas as part of the MSCP Preserve.

1. Central Proctor Valley (Otay Ranch Village 14, See Exhibit 1)
 - a. PV1: Approximately 10 acres located west of Proctor Valley Road designated "L2" by the Otay Ranch GDP/SRP containing approximately 20 dwelling units.
 - b. PV2: Approximately 70 acres on the east side of Village 14, designated "L2" by the Otay Ranch GDP/SRP, containing approximately 35 dwelling units.
 - c. PV3: Approximately 119.2 acres of land in the southern portion of Village 14 designated by the Otay Ranch GDP/SRP as "LMV 3" and "LMV 2", containing approximately 290 dwelling units.
2. Resort Village (Village 13, See Exhibit 2)
 - a. R1: Approximately 40.5 acres of land in the eastern portion of Village 13 designated "L2" by the Otay Ranch GDP/SRP, containing approximately 81 dwelling units.
 - b. R2: Approximately 88 acres of development in the eastern portion of Village 13 designated "LMV 3" by the Otay Ranch GDP/SRP, containing approximately 264 dwelling units.
 - c. R3: Approximately 9 acres of development in the eastern portion of Village 13 designated "LMV 3" by the Otay Ranch GDP/SRP, containing approximately 27 dwelling units.
3. Southeast of the Lake (Village 15, See Exhibit 3)
 - a. SE1: Approximately 42 acres of development in the southwest portion of Village 15 designated "VL0.7" by the Otay Ranch GDP/SRP, containing approximately 16 dwelling units.

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- b. SE2: Approximately 48 acres of development in the southwest portion of Village 15 designated "VL0.7 by the Otay Ranch GDP/SRP, containing approximately 17 dwelling units.

B. Areas of Development Added to the Otay Ranch GDP/SRP.

The South County/Otay Ranch MSCP Subarea Plan will be prepared, and the Otay Ranch GDP/SRP will be amended, to designate the following areas as developable and remove such areas from the Otay Ranch Preserve.

1. Poggi Canyon, (See Exhibit 4)

Land in Otay Ranch Villages One and Two, west of Paseo Ranchero (P1) will be designated developable for residential uses or for the construction of public infrastructure, (primarily Orange Avenue, related utilities and a trolley line). The expanded residential development areas within Otay Ranch ownership will equal approximately 140 acres (Village One and Village Two combined) and contain a land use designation of "LM 3", permitting 420 units. Development would also be permitted in the small Wolf Canyon finger between Village 2 and Village 3, currently omitted from development as a potential avian corridor linked to Poggi Canyon (P2). All these areas (Villages 1, 2 and 3) will be removed from the Otay Ranch Resource Preserve and excluded from the MSCP Preserve. The Poggi Canyon area east of Paseo Ranchero, between Village One and Village Two, is not part of the Otay Ranch Preserve, or of the Draft MSCP Preserve because the area contains low quality, fragmented and isolated habitats, not sustainable in the long term. Entitlements may be approved and development may proceed in that area resulting in the development of occupied habitats.

Portions of the land west of Paseo Ranchero (P1) are not within Otay Ranch ownership. These properties would be governed by this agreement and would not be included in the Subarea Preserve. Development entitlement for these properties would be determined by the City of Chula Vista, effective upon annexation.

2. Village 10 and 11 (See Exhibit 5)

- a. SC1 - Otay Valley Road. Realign Otay Valley Road/Hunte Parkway eastward to the road alignment depicted in Exhibit 5 (which roughly equates to the alignment contained in the Otay Ranch Phase 2 Progress Plan).
- b. SC2 - Village 10 and 11. Expand the development area in Villages 10 and 11, eastward to abut the newly aligned Otay Valley Road/Hunte Parkway, adding approximately 93 acres of development with a land use designation of "LMV 4.5", permitting approximately 460 units. This will cause a minor adjustment in the configuration of the adjacent community park to ensure that the area contains 25 acres of viable park land. (SC3)

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3. Village Four (See Exhibit 6)
 - a. Rock Mountain. Expand the development area in Village Four to include approximately 70 acres roughly located on Rock Mountain and increase the permissible number of dwelling units within Village Four by 350 units (the location of new units will be determined by the land use jurisdiction through the GDP/SRP amendment process).
 4. Village Nine (See Exhibit 7)
 - a. South of Otay Valley Road. Add approximately 10 acres in three new development areas to Village Nine south of Otay Valley Road connecting the existing four development "blobs". The land use jurisdiction may reallocate Village Nine dwelling units to the area south of Otay Valley Road.
- C Other Considerations**
1. City of Chula Vista and the County of San Diego will decrease densities within the Otay Ranch transit village cores from an average of 18 dwelling units per acre to 14.5 dwelling units per acre, resulting in a decrease of 1,057 units (Villages 1, 5, 6 and 8).
 2. Draft the MSCP Subarea Plan and amend the Otay Ranch GDP/SRP and related documents to eliminate coastal sage scrub and maritime succulent scrub mitigation requirements for restoration.
 3. California Department of Fish and Game agrees to approve the establishment of a Habitat Maintenance District to fund the Otay Ranch Resource Preserve pursuant to the provisions of the Habitat Maintenance District Act.
 4. The parties agree to support the establishment of a federal wildlife refuge for the designated Otay Ranch open space areas east of the Otay Reservoir. Upon the establishment of such a refuge, the Fish and Wildlife Agency will be designated the Otay Ranch Preserve Owner/Manager for those portions of the Otay Ranch Preserve that lie within the refuge. The City and the County will thereafter require that Otay Ranch preserve land be conveyed to the Wildlife Refuge, consistent with the provisions of the Otay Ranch GDP/SRP, RMP and Preserve Conveyance Plan. Land conveyed to the Wildlife Refuge shall be the maintenance responsibility of the Fish and Wildlife Agency or its designee, without financial assistance from assessment districts or other financing or exaction mechanisms imposed by the City of Chula Vista or the County of San Diego.
 5. The parties agree that the initial Otay Ranch Preserve Financing Plan program will be established to generate sufficient revenues to maintain the entire Otay Ranch Preserve without the creation a Wildlife Refuge. However, if a

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Wildlife Refuge assumes maintenance responsibility for preserve land, the first priority for revenues diverted from maintenance of refuge land shall be for Otay Ranch Preserve Owner/Manager tasks within the western portions of the Preserve, which were not initially funded through the Phase 2 RMP finance mechanism (specifically the establishment and maintenance of a Nature Interpretive Center and research and education programs associated with the Nature Interpretive Center and the Otay Valley Regional Park).

6. The Sensitive Resource Study (SRS) area contained within the Otay Ranch Resort Village (Village 13) shall be removed from the Otay Ranch GDP/SRP and State and Federal agencies shall not object to development of such areas pursuant to the Otay Ranch GDP/SRP/SRP.
7. The State and Federal Resource Agencies agree to issue necessary "take permits" for the development of Otay Ranch consistent with the land use entitlements contained in the Otay Ranch GDP/SRP as modified through the implementation of this agreement.

D. Implementation Process

This agreement shall be implemented through the following process:

1. Subarea Plan. The City of Chula Vista and the County of San Diego shall proceed with the development of their respective MSCP Subarea Plans which incorporate the Otay Ranch Planning Area. The Subarea Plans area shall reflect the provisions of the Otay Ranch GDP/SRP as proposed for modification by this agreement. For those areas for which it is proposed that current Otay Ranch development entitlements be eliminated (Section A above), the Subarea Plan shall provide that take permits will not be authorized. For those areas for which it is proposed that additional areas of development be authorized (Section B above), the Subarea Plan shall provide that take permits will be authorized. The Subarea Plan text shall also incorporate the provisions of "Other Considerations" as discussed in Section C above.
2. MSCP Process. The Subarea Plans shall be submitted to the City of San Diego for inclusion in the revised MSCP, including necessary environmental review.
3. SPA One. The City of Chula Vista and the County of San Diego shall continue processing the Otay Ranch SPA One application and related documents (including but not limited to the SPA One tentative map, the Chula Vista Sphere of Influence, the initial Otay Ranch annexation, the Otay Ranch Overall Design Plan and Otay Ranch Phase 2 RMP).
4. General Plan Amendment. Soon after approval of the Otay Ranch SPA One Land Plan, tentative map and the annexation of SPA One into the City of

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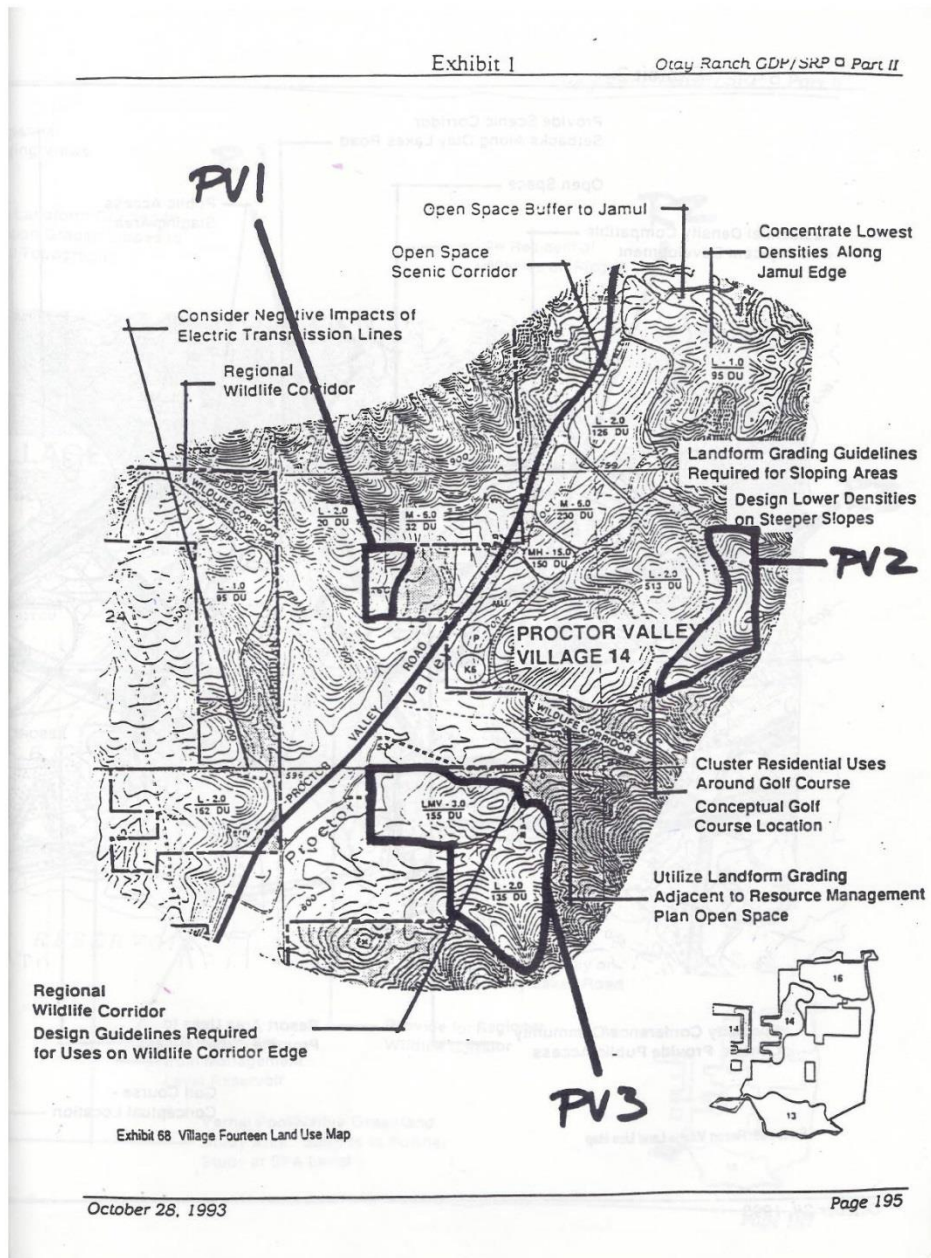
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Chula Vista, the Baldwin Company shall initiate a General Plan Amendment applications through the City of Chula Vista and the County of San Diego seeking plan amendments to implement the components outlined in A, B, and C above. It is understood that as a private applicant, the applicant shall pay full cost recovery fees for the processing of the General Plan Amendments.

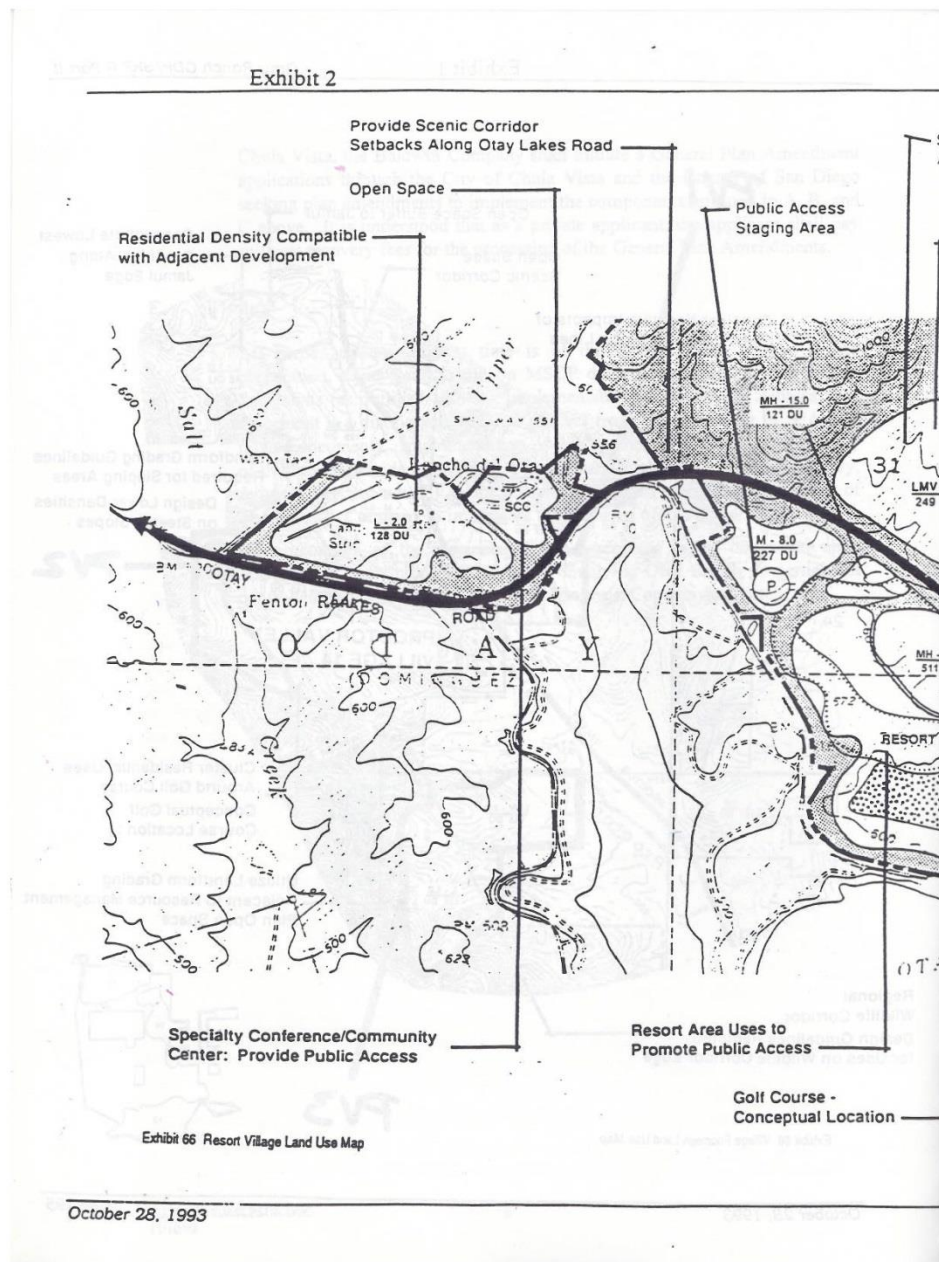
E. Timing

1. All parties understand that time is of the essence, with respect to the preparation, review and action on MSCP documents and SPA One related documents (as outlined above). Implementation of the MSCP Subarea Plan agreement is a distinct and separate process from the processing of SPA One related documents. Implementation of this agreement does not require delay of the timely consideration of SPA One related applications. To the contrary, failure to proceed with SPA One related applications jeopardizes the ability of The Baldwin Company to implement the elements of this agreement.
2. Implementation of the elements of this agreement is not dependent upon resolution of outstanding MSCP issues involving Otay Ranch properties not controlled by The Baldwin Company or Baldwin Company affiliates.

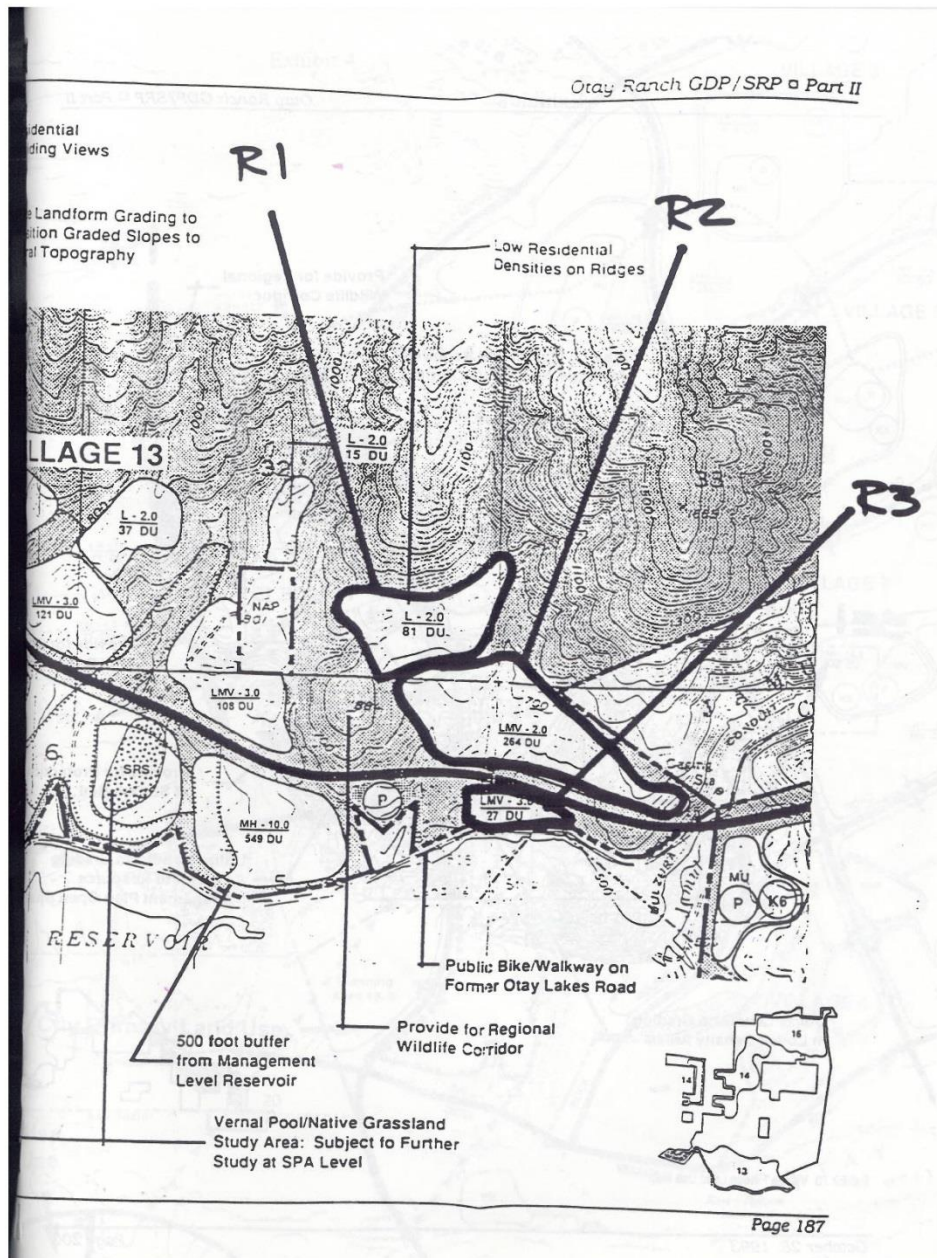
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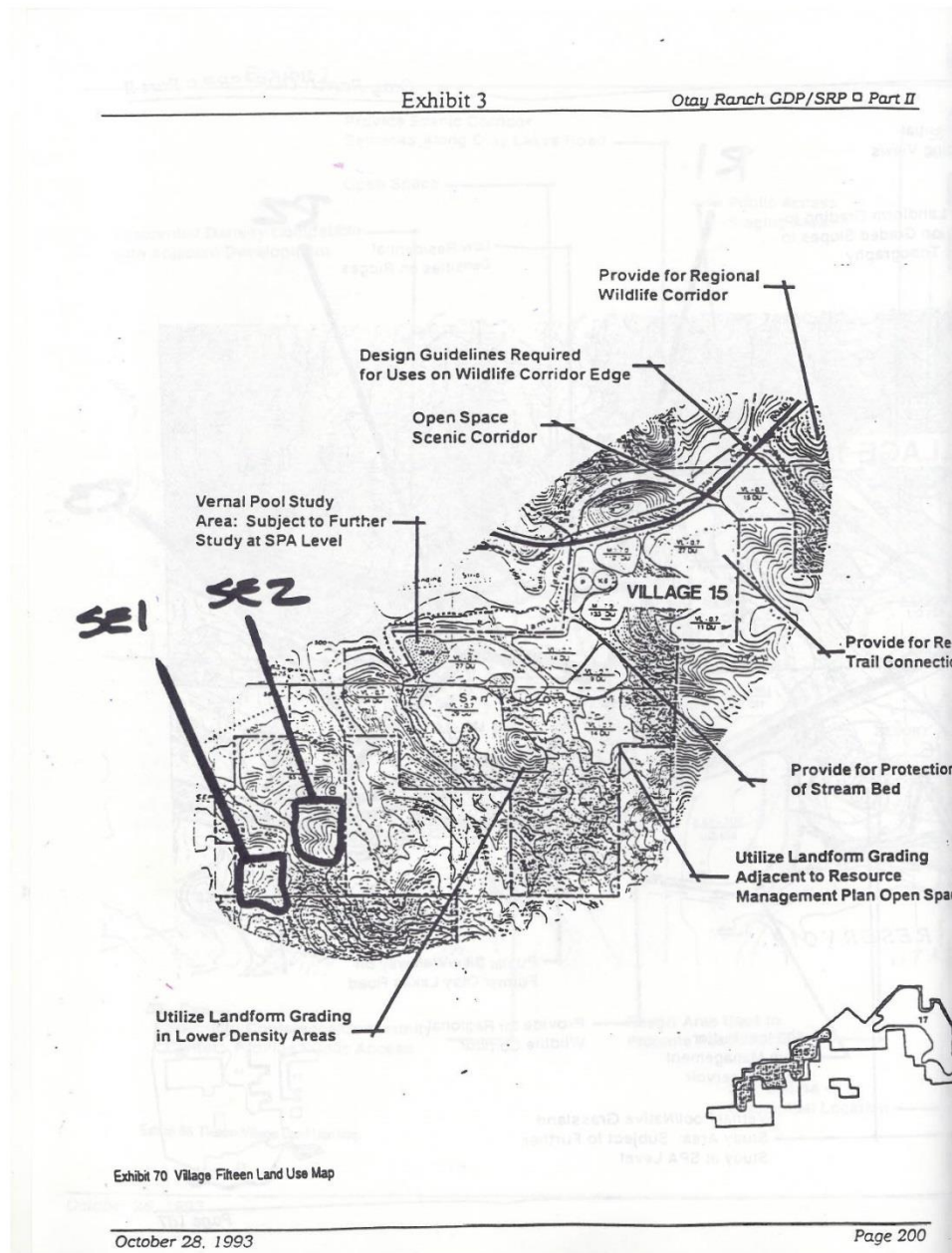
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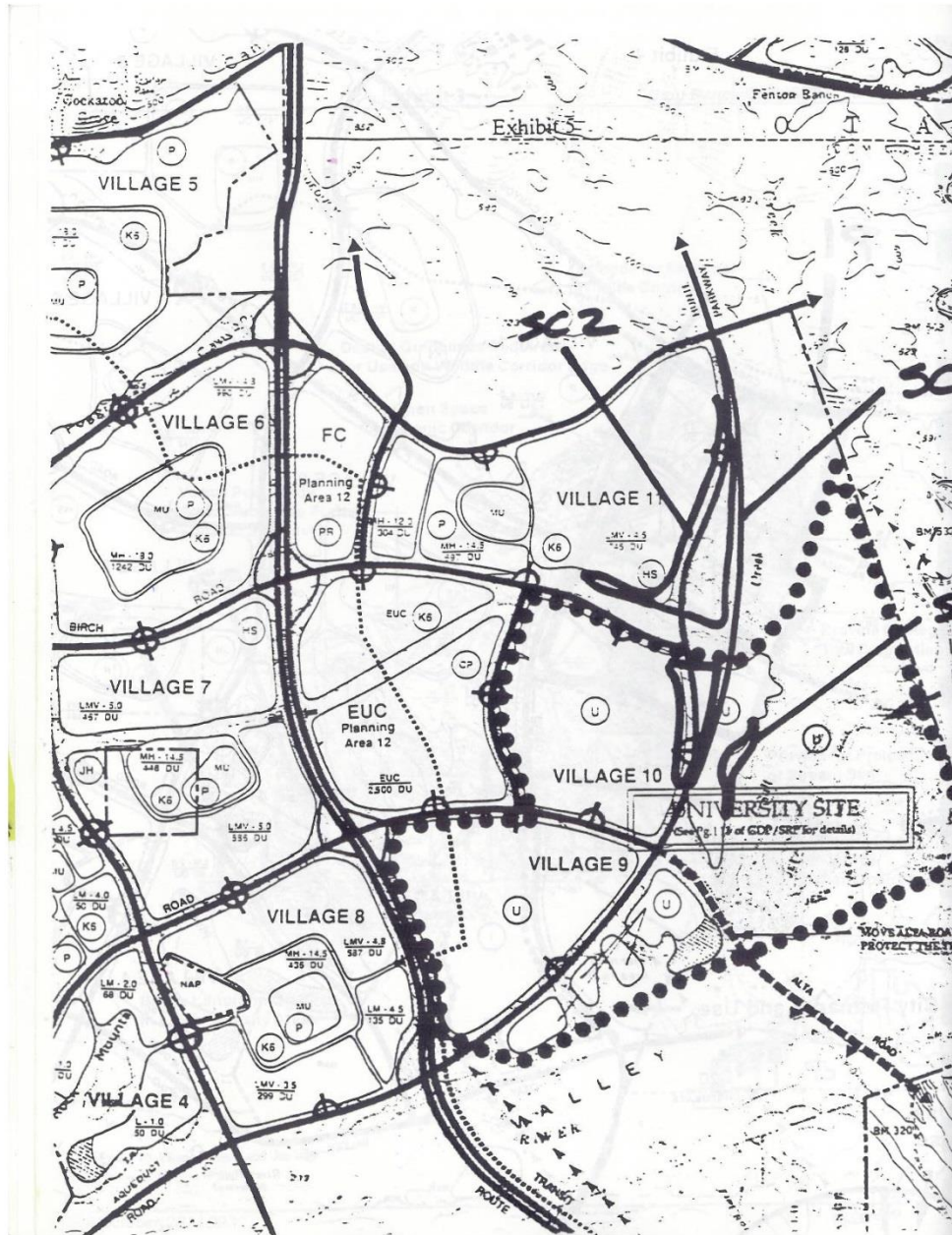
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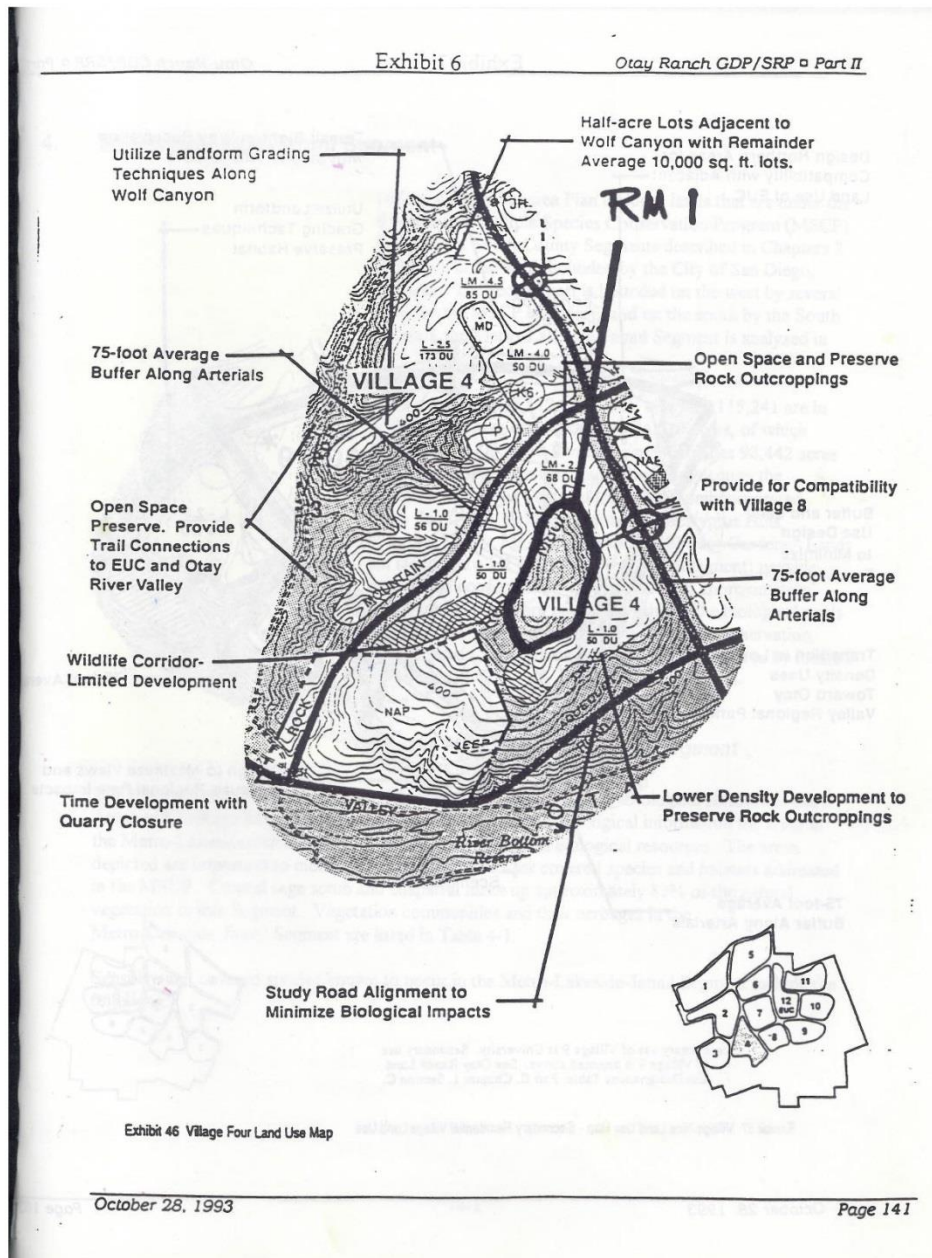
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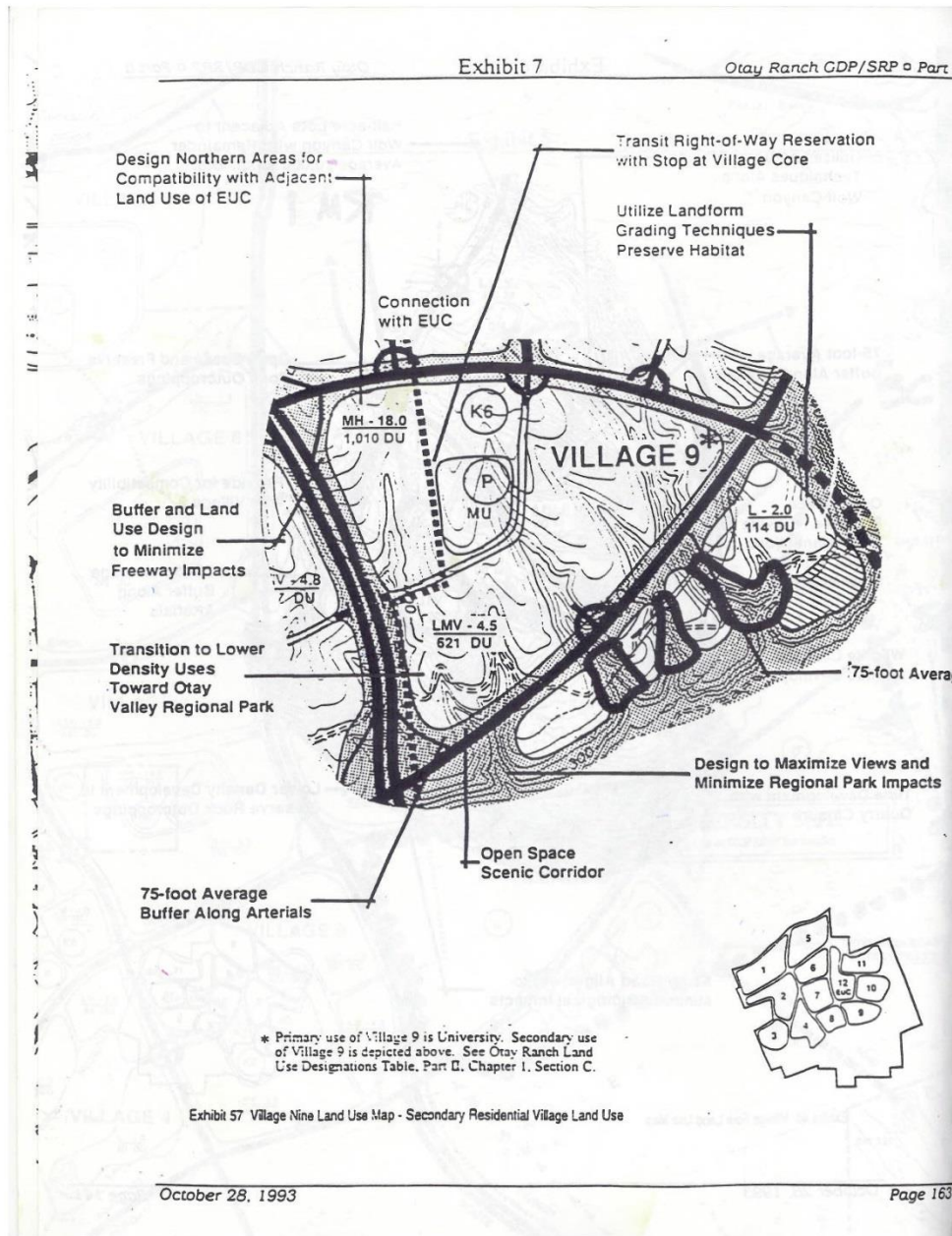
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