

Recording Requested By
and
When Recorded Mail To:

City Clerk
City of Chula Vista
276 Fourth Avenue
Chula Vista, California 91910

EXEMPT FROM RECORDER'S FEES
Pursuant to Government Code ' 6103

(ABOVE SPACE FOR RECORDER'S USE ONLY)

**AGREEMENT REGARDING CONSTRUCTION OF
NEIGHBORHOOD PARK P-1 IN OTAY RANCH VILLAGE 3
AND A PORTION OF COMMUNITY PARK P-2 IN OTAY RANCH VILLAGE 4**

THIS AGREEMENT REGARDING THE OBLIGATION TO SATISFY THE PARK OBLIGATIONS OF VILLAGE 3 TO CONSTRUCT PARKS IN A PORTION OF OTAY RANCH VILLAGE 3 AND A PORTION OF OTAY RANCH VILLAGE 4 (Agreement) is made as of this ____ day of _____ 20__ (Effective Date), by and between the CITY OF CHULA VISTA, a California municipal corporation and charter city (City), HOMEFED VILLAGE III MASTER, LLC, a Delaware limited liability company (referred to herein as “Master Developer” or “HomeFed”), with reference to the following facts:

I. RECITALS

WHEREAS, Otay Ranch is a master planned community within the City of Chula Vista that consists of various “Villages.” A portion of Otay Ranch, called Otay Ranch Village 3 North and a Portion of Village 4 (Village 3) , will consist of a mixture of residential, retail, industrial, employment, civic, and park land uses; and

WHEREAS, Master Developer owns 100 percent of the Village 3 residential units. The legal description of the approximately 436-acre Village 3 (Master Developer Property) owned by Master Developer, which is the subject of this Agreement, is shown on Exhibit A-1 and described on Exhibit A-2 attached hereto.

WHEREAS, The City's Parklands and Public Facilities Ordinance [Chula Vista Municipal Code Chapter 17.10 *et seq.*] (CVMC 17.10), as amended, requires that development projects provide land and improvements for neighborhood and community parks and recreational facilities, allows for a credit against the payment of fees or dedication of land if the subdivider provides park and recreational improvements, and permits the City to require a combination of dedication and payment of in-lieu fees if the City determines that the combination would better serve the public.

WHEREAS, Approximately 12.2 acres of Parkland is required of Master Developer. This figure is based upon the persons per household factors established in CVMC 17.10.040 of 3.52 persons per single family dwelling unit and 2.61 persons per multifamily dwelling unit, the CMVC requirement to provide 3.0 acres per 1,000 residents, and the planned 813 detached units and 457 attached units to be constructed in Village 3.

WHEREAS, the Village 3 SPA allows for off-site dedication of park sites within the Village 4 (P-2) Community Park.

WHEREAS, Development Fees (defined below) for Village 3, Master Developer will satisfy a portion of its park requirements by providing a Neighborhood Park in Village 3, as shown conceptually on Exhibit B in “Turnkey” condition (defined below), pursuant to the terms and conditions of this Agreement.

WHEREAS, Additionally, Development Fees for Village 3, Master Developer will satisfy the remaining portion of its park requirements, beyond those requirements met by providing a Neighborhood Park in Village 3 in “Turnkey” condition, by providing a portion of a Community Park P-2 in Village 4, conceptually shown on Exhibit C, pursuant to the terms and conditions of this Agreement.

WHEREAS, This Agreement does not increase or decrease any park obligations but instead clarifies responsibility for the delivery of completed parks by addressing the park design, park construction, bonding, reimbursements, and the level of amenities to be provided.

WHEREAS, City desires to allow Master Developer to manage the process, including paying consultants, with City reviewing and approving plans and participating in the design process to the extent that the City considers appropriate to ensure that City design principles, standards and approach to the long term success of the parks are met; and

WHEREAS, The City’s Director of Development Services has reviewed the proposed Project for compliance with the California Environmental Quality Act (CEQA) and has determined that the Project was adequately covered in previously adopted/certified Final Environmental Impact Report for the Otay Ranch University Villages Project - (FEIR 13-01).

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

II. DEFINITIONS

In addition to terms defined in the Recitals, the following terms shall have the indicated definitions throughout this Agreement:

“**Bid Documents**” means the documents prepared by Master Developer to let a Parks construction contract pursuant to CVMC Chapter 2.56.

“**Budget**” means the total of Development Fees (defined below) assessed for residential building permits in Village 3.

“**Commence Construction**” means a construction permit or other such approval necessary to commence construction has been issued by the City and construction staging has begun.

“**Community Park**” means Park P-2 as shown on Exhibit C and as more particularly described in the Village 3 North and a Portion of Village 4 Sectional Planning Area (SPA) Plan.

“**Community Park Budget**” means the share of the Budget allocated to construction of the Community Park (P-2) in Village 4.

“**Completion of Construction**” means that a park has been completed to the reasonable satisfaction of City's Director of Public Works or designee, exclusive of the Maintenance Establishment Period.

“**Construction Costs**” means all of the costs of providing a Park, including: design costs; labor and materials; project management, administration and supervision (including in-house time); and maintenance costs during any required establishment and warranty period.

“**CVMC**” means the Chula Vista Municipal Code.

“**Development Fees**” means the ‘development’ portion of the Parkland Acquisition and Development (PAD) fees that the Master Developer is obligated to pay pursuant to CVMC 17.10.

“**Maintenance Establishment Period**” means the period of time between Completion of Construction and turnover of the Neighborhood Park to the City in which the contractor is responsible for maintaining the Neighborhood Park to ensure that the plant material is fully established before the Neighborhood Park opens for public use. The duration of this period and maintenance operations will be specified in the contract documents for the Neighborhood Park project, subject to adjustment as determined by the City's Director of Public Works, or designee, in their sole discretion.

“**Master Developer**” means HOMEFED VILLAGE III MASTER, LLC. Master Developer, who will construct park improvements, has or shall, convey interests in portions of Village 3 to home builders or developers.

“**Neighborhood Park**” means Park P-1 (7.5 net acres) as shown on Exhibit B and as more particularly described in the Village 3 North and a Portion of Village 4 Sectional Planning Area (SPA) Plan.

“**Neighborhood Park Budget**” means the share of the Budget allocated to construction of the Neighborhood Park (P-1) in Village 3.

“**Park Improvements**” means the improvements per the City-approved park construction documents.

“**Park Master Plan**” means the Master Plan as defined in the Chula Vista Landscape Manual (Part 3 – *Public City Requirements*, Section 1 – *Submittals*) and as recommended by the Parks and Recreation Commission and approved by the City Council.

“**Revised Community Park Budget**” means the Community Park Budget, as adjusted pursuant to Section 4.1.

“**Revised Neighborhood Park Budget**” means the Neighborhood Park Budget, as adjusted pursuant to Section 3.2.

“**Turnkey**” means designed and constructed by the Master Developer consistent with the provisions of the Chula Vista Landscape Manual, relevant SPA Plans, Park Master Plans, and related Development Services Department specifications and policies in effect on the date of this Agreement, and ready for use without any further improvements required as determined by the Director of Development Services.

III. PROVISION OF TURNKEY NEIGHBORHOOD PARK (P-1)

3.1 Right to Provide. Master Developer shall satisfy the CVMC 17.10 parkland acquisition and development requirements for Village 3 by constructing the Neighborhood Park (P-1) in Village 3 in “Turnkey” condition. Master Developer may elect to provide amenities beyond those associated with a typical City park, provided that those amenities do not result in a maintenance cost per acre in excess of a prototypical park. Development fee credit associated with greater amenities installed at Master Developer’s election shall be subject to the approval of the Director of Development Services, or designee, with approval by the City, not to be unreasonably withheld.

3.2 Neighborhood Park Budget. The Neighborhood Park Budget is the share of the Budget allocated to the construction of the Neighborhood Park (P-1) in Village 3, proportional to the ratio of neighborhood park acres to total required parkland acres for Village 3. Budget shall be amended annually, consistent with the annual index-based on adjustment of in-lieu development fees authorized by CVMC 17.10.110, until such time as the contract is executed for construction of the Neighborhood Park.

3.3 Insufficient Credits. To the extent that Master Developer’s Development Fees exceed the costs of the Turnkey Parks provided by Master Developer, Master Developer shall be responsible for paying the balance of the Development Fees as required by CVMC 17.10 within 60 days of a written notice to the Developer

3.4 Turnkey Park Development. Master Developer shall construct Park Improvements, pursuant to CVMC 17.10.040 and 17.10.050, on the following terms:

3.4.1 Park Design and Approval of Construction Documents. Master Developer shall use City’s customary procedures to design, and obtain City approval of the designs of the Parks. Park Master Plan design and design approval shall be consistent with the Village 3 North and a Portion of 4 SPA Plan for Neighborhood Park P-1, CVMC 17.10 and the City’s Landscape Manual. The Master Plan shall be processed through the following steps:

(a) Master Developer shall enter into an agreement with a landscape architect to design Park Master Plans and to prepare Park construction documents for the Neighborhood Park (P-1) to the satisfaction of the Director of Development Services.

(b) In order to facilitate the Park Master Plan and Construction Document process and milestones identified in the City's Landscape Manual, City and Master Developer shall hold a scoping meeting at the beginning of the design process for the P-1 Park to confirm the design intent of the particular Park(s) and to identify applicable City requirements prior to initiating design work. The P-1 Park shall be designed to have a Construction Cost equal to its fair share of the Budget.

3.4.2 Coordination. City and Master Developer acknowledge the need for close coordination during the design phase to ensure the final approved documents reflect the intent of the City's Parks and Recreation Master Plan, the Parks and Recreation Element of the City's General Plan and the SPA plan(s), and other applicable City requirements. City and Master Developer also acknowledge that refinement to the process may be appropriate over the term of this Agreement to improve the design, review, delivery and ongoing operation of the Village 3 P-1 Park.

3.4.3 Level of Improvements. The Improvements for the P-1 Park provided pursuant to this Agreement shall be in Turnkey condition and consistent with the SPA Plan. As adjacent land uses are defined, Master Developer or City may propose that facilities to be provided within the P-1 Park be modified or rearranged to complement adjacent land uses. Such changes are subject to review and approval by the Director of Development Services, or designee.

3.4.4 Construction/Timing of Neighborhood Park (P-1) in Village 3. Master Developer shall start the design for the Village 3 Neighborhood Park not later than certificate of occupancy for the 391st residential unit. Master Developer shall not commence construction until City has approved the Bid Documents and Budget for the Neighborhood Park. Master Developer shall complete construction of the Neighborhood Park not later than the point when Development Fees equal 100% of the Neighborhood Park Budget (782nd residential unit), or as approved by the Development Services Director or designee. Master Developer shall pursue that construction diligently to completion and in accordance with the timeframes set forth in the Bid Documents, which have been reviewed and approved by the City's Director of Development Services, or designee.

3.5 Dedication. Upon recordation of the first final map for Village 3, Master Developer shall provide an Irrevocable Offer of Dedication (IOD) to the City for the portion of the Neighborhood Park described on Exhibit B.

IV. PROVISION OF COMMUNITY PARK (P-2)

4.1 Community Park Budget. The Community Park Budget shall be revised annually, consistent with the annual index-based adjustment of in-lieu development fees authorized by CVMC 17.10.110, until such time as the bond is posted for the development of the Community Park.

4.2 Community Park Bond. Prior to the building permit issuance for the 782nd residential unit, Master Developer shall post a bond in a form acceptable to the City's Director of Development Services, or designee, and in the amount equal to 110% of the preliminary Community Park Budget. Said bond will be considered full satisfaction of the park obligation per 17.10.

4.3 Community Park Offer of Dedication. Upon recordation of the first Final Map for Village 3, Master Developer shall provide an Irrevocable Offer of Dedication (IOD) to the City (Exhibit E) for the portion of the Community Park shown on Exhibit D.

V. BOUNDARY ADJUSTMENTS

The parties agree that minor adjustments to Park boundaries may be appropriate to optimize the interface with adjacent development. All such adjustments shall be subject to City review and approval. Nothing in this section shall be construed as allowing any reduction in the overall acreage of Parks required under CVMC 17.10 for the actual development of the Property, but additional acreage provided may result in a credit at City's discretion.

VI. DOCUMENTATION OF COSTS

Master Developer shall, within sixty (60) days of Completion of Construction, provide City, for its review and approval, all documentation City reasonably requires to evidence the completion and costs of the Neighborhood Park. Master Developer shall, within sixty (60) days of Completion of Maintenance Establishment Period, provide City, for its review and approval, all documentation City reasonably requires to evidence the satisfactory completion of the Maintenance Establishment Period and final costs of the Neighborhood Park.

VII. COST OVERRUNS

Following establishment of the Park Budget, including contingencies, upon discovery of any Project cost overruns (including but not limited to initial construction bids, change orders, etc.) the parties shall meet and confer in good faith to eliminate or reduce such cost overrun, through value engineering or other means.

VIII. TITLE

City shall accept fee title to each Park pursuant to its customary procedures.

IX. TITLE/REMOVAL OF ENCUMBRANCES

If the Director of Development Services determines, in his/her sole discretion, that usable open space and Park use would not be consistent with any easements located within a Park, Master Developer understands and agrees that in order for the City to accept fee title to each Park and provide credits for Park land then the subject Park land must be free and clear of such inconsistent easements, liens and encumbrances.

9.1 Neighborhood Park (P-1) in Village 3. Neighborhood Park (P-1) and any related encumbrances shall be offered for dedication with Final Map.

9.2 Community Park (P-2) in Village 4. No later than thirty (30) calendar days prior to the City's acceptance of the IOD, Master Developer shall remove all liens and encumbrances to the satisfaction of the Director of Development Services, or designee. Master Developer shall provide the City with an updated Title Report for all Park land to be dedicated (15) calendar days prior to City's acceptance of the IOD. Master Developer understands and agrees that if it fails to remove all liens and encumbrances in the time frames set forth herein, the City shall not accept fee title nor provide credit for Park on land subject to easements. In addition, Master Developer shall not pledge the rights to this Agreement as security for any of its other obligations.

X. SECURITY

Developer herein shall post security, acceptable to the City for the Community Park (P-2) Development Fee obligation of Village 3. City may use that security to complete construction of such Parks should Master Developer fail to meet its obligations to do so. City may reduce and release these securities pursuant to City's customary procedures and schedules pro rata upon completion of the

Community Park (P-2) in Village 4 - City shall release 90% of said security upon construction of entire Community Park (P-2), and the final 10% upon a successful maintenance period, or as approved by City Manager or designee.

XI. PUBLIC WORKS

When constructing, or entering into any contract relating to the design or construction of a Park, a Park Improvement or any other park or recreational improvements required by this Agreement, Master Developer shall comply with City Charter Section 1009, CVMC Chapter 2.56, the City's policies and procedures governing competitive bidding for public works projects, and all other applicable local, state and federal requirements in effect at the time the bidding and contracting for, or construction of, the Improvements takes place.

XII. CHANGES

City reserves its right to amend CVMC 17.10, SPA Plan(s) and Parks Master Plan, subject to state and federal law and to the existing statutory development agreement affecting Village 3, including First Amendment to Restated and Amended Pre-Annexation Development Agreement between SSBT LCRE V, LLC, a Delaware limited liability company, and the City of Chula Vista, a political subdivision of the State of California, dated December 2, 2014, and recorded on January 14, 2015 as document number 2015-0015680 in the Official Records of San Diego County Recorder. The Parties agree that, should any changes in state or federal law result in one or more provisions of this Agreement no longer being enforceable, the Parties shall meet and confer regarding amending the Agreement accordingly. The required CVMC 17.10 fee obligations and values are subject to periodic updates.

XIII. CITY ACTION

If the City Council finds that the proposed design of a Park within the Master Developer Property is inconsistent with the SPA Plan(s), Master Developer shall have the opportunity to re-design the Park and submit the revised design for the City Council's consideration.

XIV. MISCELLANEOUS PROVISIONS

14.1 Notices. All notices and demands given pursuant to this Agreement shall be written. They shall be deemed served (i) immediately, upon personal delivery; (ii) the next business day, if sent prepaid by recognized overnight service such as FedEx for delivery the next business day; or (iii) three (3) business days after deposit in the United States mail, certified or registered mail, return receipt requested, first-class postage prepaid. Until notice of a change of address is properly given, notice shall be given:

If to City: City of Chula Vista
Attn: City Manager
276 Fourth Avenue
Chula Vista, California 91910

With a copy to: Office of the City Attorney
Attn: City Attorney
276 Fourth Avenue
Chula Vista, California 91910

If to Master Developer: HomeFed Village III Master, LLC
193 Wright Place, Suite 220
Carlsbad, California 92008
Attn: General Manager

With a copy to: Otay Land II, LLC
193 Wright Place, Suite 220
Carlsbad, California 92008
Attn: General Manager

With a copy to: Allen Matkins Leek Gamble Mallory & Natsis, LLP
501 West Broadway, 15th Floor
San Diego, California 92101
Attn: Jeff Chine

14.2 Captions. Captions in this Agreement are inserted for convenience of reference. They do not define, describe or limit any term of this Agreement.

14.3 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties regarding the subject matter hereof. No prior or contemporaneous oral or written representations, agreements, understandings and/or statements regarding its subject matter shall have any force or effect. This Agreement is not intended to supersede or amend any other agreement between the parties unless expressly noted. However, all previous written agreements, such as supplemental subdivision improvement agreements, by and between the parties relating to park obligations, as well as City's Parks and Recreation Master Plan and Landscape Manual, remain in full force and effect except to the extent they conflict with this Agreement.

14.4 Scope. This Agreement applies only to the Master Developer Property; it shall not relieve developers other than the Master Developer (and its subsidiary entities, merchant builders and other buyers of portions of the Master Developer Property) from any responsibility to meet park development obligations per CVMC 17.10.

14.5 Contents of Agreement. All recitals set forth above and all exhibits attached hereto are part of this Agreement.

14.6 Severability. If any provision of this Agreement or its particular application is held invalid or unenforceable, the remaining provisions of this Agreement, and their application, shall remain in full force and effect, unless a party's consideration materially fails as a result.

14.7 Recordation. The City may record this Amendment in the Office of the County Recorder of San Diego County, California.

14.8 Preparation of Agreement. No inference, assumption or presumption shall be drawn from the fact that a party or its attorney drafted this Agreement. It shall be conclusively presumed that all parties participated equally in drafting this Agreement.

14.9 Authority. Each party warrants and represents that it has legal authority and capacity to enter into this Agreement, and that it has taken all necessary action to authorize its entry into this Agreement. Each individual signing this Agreement on behalf of an entity warrants that his/her principal has duly authorized him/her to sign this Agreement on its behalf so as to bind his/her principal.

14.10 Modification. This Agreement may not be modified, terminated or rescinded, in whole or in part, except by written instrument duly executed and acknowledged by the parties hereto, their successors or assigns.

14.11 Successors.

14.11.1 In the event that Master Developer transfers or assigns its interest in the Master Developer Property in whole or in part, to any person or entity during the Term of this Agreement, any such transferee or assignee shall be bound by the terms and conditions of this Agreement, as applicable to the portion of the Master Developer Property acquired by the transfer or assignment. Notwithstanding the foregoing, no assignment or transfer shall relieve the Master Developer from any of its obligations under this Agreement without prior written consent by the City, which consent shall not be unreasonably withheld.

14.11.2 Master Developer's design, construction and payment obligations hereunder may be performed or reimbursed, in whole or in part, by a community facilities district or similar financing district, subject to approval by City.

14.11.3 Compliance with this Agreement shall be deemed to satisfy Master Developer's CVMC 17.10 and SPA Plan obligations relating to Parks. Once all Parks and their associated improvements have been constructed and dedicated, as required by this Agreement, all Park dedication and improvement requirements for the Master Developer Property shall be

deemed complete and the obligation shall be removed from title, as to Master Developer and any merchant builders developing within the Master Developer Property.

14.11.4 Notwithstanding any other provision of this Agreement:

(a) When any individual lot has been finally subdivided and sold, leased, or made available for lease to a member of the public or any other ultimate user, and a certificate of occupancy has been obtained for the building(s) on the lot, that lot and its owner shall have no further obligations under and shall be released from this Agreement.

(b) Upon the conveyance of any lot, parcel, or other property, whether residential, commercial, or open space, to a homeowners' association, property owners' association, or public or quasi-public entity, that lot, parcel, or property and its owner shall have no further obligations under and shall be released from this Agreement.

14.12 Term. Unless terminated earlier in accordance with this Agreement, this Agreement shall remain in effect until, but shall automatically terminate upon, City acceptance of all the Parks per the terms of this Agreement; provided, however, that the provisions of Section 8.15 (Indemnification) shall survive termination of this Agreement.

14.13 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action arising under or relating to this Agreement shall be brought only in the federal or state courts located in San Diego County, State of California, and if applicable, the City of Chula Vista, or as close thereto as possible. Venue for this Agreement, and performance hereunder, shall be the City of Chula Vista.

14.14 Administrative Claims Requirements and Procedures. No suit or arbitration shall be brought arising out of this Agreement against the City unless a claim has first been presented in writing and filed with the City and acted upon by the City in accordance with the procedures set forth in Chapter 1.34 of the CVMC, as same may from time to time be amended (the provisions of which are incorporated by this reference as if fully set forth herein), and such policies and procedures used by City in the implementation of same.

14.15 Indemnification. Master Developer shall indemnify, protect and hold the City, its officers, employees, agents and independent contractors, free and harmless from any liability, costs, injury, including death, or damage of any kind or nature, relating to, arising out of, or alleged to be the result of the acts, omissions, negligence or willful misconduct of Master Developer or Master Developer's employees, subcontractors or other persons, agencies or firms for whom Master Developer is legally responsible, (collectively, "Master Developer"), relating to or arising from Master Developer's activities contemplated under this Agreement, excepting only those claims for damages arising from the active negligence or willful misconduct of the City. Master Developer shall defend, at its own expense, including attorneys' fees, the City, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions of Master Developer. The City may, in its discretion, participate in the defense of any such legal claim, action or proceeding at its own expense with the understanding that Master Developer's attorneys shall be lead counsel and City's attorneys shall, to the maximum extent feasible, cooperate with Master Developer's attorneys.

14.16 Insurance. Master Developer agrees that Master Developer, landscape architects and contractors hired by Master Developer to complete a Turn Key Park shall have the following insurance:

14.16.1 Minimum Scope and Limit of Insurance.

(a) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an “occurrence” basis, including products-completed operations, personal & advertising injury, with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(b) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

(c) Workers’ Compensation: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

(d) Professional Liability (Errors and Omissions): Insurance appropriate to the Contractor’s profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

14.16.2 Proof of Insurance Coverage.

(a) Certificates of Insurance. Master Developer shall demonstrate proof of coverage herein required, prior to the commencement of services required under this Agreement, by delivery of Certificates of Insurance/Policy Endorsements demonstrating same, and further indicating that the policies may not be canceled without at least thirty (30) calendar days written notice to the Additional Insured. However, failure to obtain the required documents prior to the work beginning shall not waive the Master Developer’s obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

14.16.3 Additional Insured Status.

(a) The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used). Specifically, endorsement must not exclude Products / Completed Operations.

14.16.4 Primary Coverage.

(a) For any claims related to this contract, the Master Developer's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Master Developer's insurance and shall not contribute with it.

14.16.5 Notice of Cancellation.

(a) Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

14.16.6 Waiver of Subrogation.

(a) Master Developer hereby grants to City a waiver of any right to subrogation which any insurer of said Master Developer or Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Master Developer agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

14.16.7 Deductibles and Self-Insured Retentions.

(a) Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Master Developer to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

14.16.8 Acceptability of Insurers.

(a) Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

14.16.9 Claims Made Policies.

(a) If any of the required policies provide claims-made coverage:

(i) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.

(ii) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

(iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Master Developer must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

14.16.10 Special Risks or Circumstances.

(a) Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

14.17 Non-liability of City Officials and Employees. No member, official, employee or consultant of the City shall be personally liable to Master Developer or its successor-in-interest in the event of any default or breach by City, or for any amount which may become due to Master Developer or to its successor-in-interest, or on any obligations under the terms of this Agreement.

14.18 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be the original and all of which shall constitute one and the same document.

14.19 Remedies. Notwithstanding Section 3.4.4 herein, City shall retain the right to any and all remedies in law or equity, including the right to withhold the issuance of building permits should Master Developer not have begun the design for the Village 3 Neighborhood Park prior to the issuance of the certificate of occupancy for the 391st residential unit.

[End of page. Signature page follows this page.]

IN WITNESS WHEREOF, this Agreement is executed by the City of Chula Vista acting by and through its City Manager pursuant to Resolution No. _____, authorizing such execution, and by Master Developer as of the day and year first set forth above.

CITY

HOMEFED/MASTER DEVELOPER

CITY OF CHULA VISTA, a California charter city and municipal corporation

HOMEFED VILLAGE III MASTER, LLC, a Delaware limited liability company

By: _____
Gary Halbert, City Manager

By: _____ *

ATTEST:

OTAY LAND

HOMEFED OTAY LAND II, LLC, a Delaware limited liability company

By: _____
Donna Norris, City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
Glen R. Googins, City Attorney

By: _____

* Signatories to provide signature authority for signatory.

Exhibit A-1

Plat of Master Developer Property

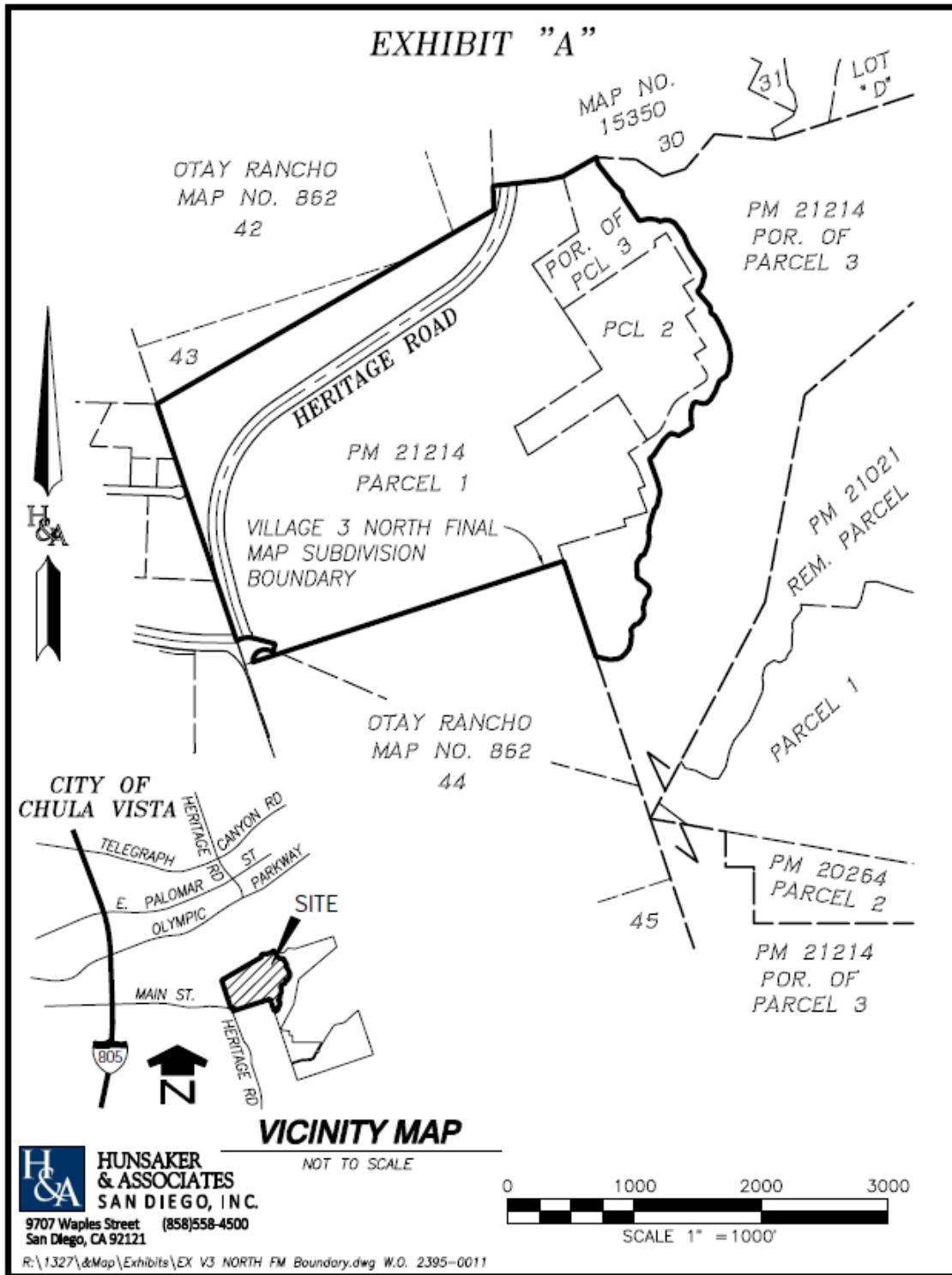


Exhibit A-2

EXHIBIT "B"
LEGAL DESCRIPTION

PARCELS 1, 2 AND 3 OF PARCEL MAP NO. 21214, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON JANUARY 29, 2015 AS INSTRUMENT NO. 2015-700022 OF OFFICIAL RECORDS. TOGETHER WITH HERITAGE ROAD AS SHOWN ON SAID PARCEL MAP.

EXCEPTING ALL THAT PORTION OF PARCEL 3 LYING EASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHEAST CORNER OF SAID PARCEL 1; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID PARCEL 3 NORTH 60°06'49" EAST, 301.89 FEET (RECORD N60°06'49"E, 301.89' PER SAID PARCEL MAP) TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID NORTHERLY BOUNDARY SOUTH 12°54'00" EAST, 54.20 FEET; THENCE SOUTH 38°07'00" EAST, 202.50 FEET; THENCE SOUTH 50°34'00" EAST, 30.10 FEET; THENCE SOUTH 44°28'00" EAST, 58.20 FEET; THENCE SOUTH 11°24'00" EAST, 37.30 FEET; THENCE SOUTH 34°00'00" EAST, 229.80 FEET; THENCE NORTH 70°32'00" EAST, 20.00 FEET; THENCE NORTH 81°47'00" EAST, 57.00 FEET; THENCE SOUTH 86°45'00" EAST, 58.00 FEET; THENCE SOUTH 65°23'00" EAST, 35.60 FEET; THENCE NORTH 75°10'00" EAST, 40.90 FEET; THENCE SOUTH 85°33'00" EAST, 36.40 FEET; THENCE SOUTH 60°54'00" EAST, 44.30 FEET; THENCE SOUTH 36°37'00" EAST, 118.50 FEET; THENCE SOUTH 24°11'00" EAST, 111.00 FEET; THENCE SOUTH 32°36'00" EAST, 205.30 FEET; THENCE SOUTH 09°23'00" EAST, 43.80 FEET; THENCE SOUTH 16°46'00" WEST, 84.70 FEET; THENCE SOUTH 33°39'00" WEST, 55.70 FEET; THENCE SOUTH 41°03'00" EAST, 150.40 FEET; THENCE SOUTH 08°35'00" EAST, 55.50 FEET; THENCE SOUTH 54°40'00" EAST, 39.70 FEET; THENCE SOUTH 29°46'00" EAST, 48.80 FEET; THENCE SOUTH 26°54'00" EAST, 60.50 FEET; THENCE SOUTH 16°35'00" EAST, 17.90 FEET; THENCE SOUTH 28°40'00" EAST, 58.50 FEET; THENCE SOUTH 21°21'00" EAST, 68.80 FEET; THENCE SOUTH 07°30'00" EAST, 84.80 FEET; THENCE SOUTH 04°43'00" WEST, 59.50 FEET; THENCE SOUTH 09°42'00" WEST, 67.20 FEET; THENCE SOUTH 30°02'00" WEST, 42.50 FEET; THENCE SOUTH 54°52'00" WEST, 59.50 FEET; THENCE SOUTH 21°02'00" WEST, 92.00 FEET; THENCE SOUTH 30°12'00" WEST,

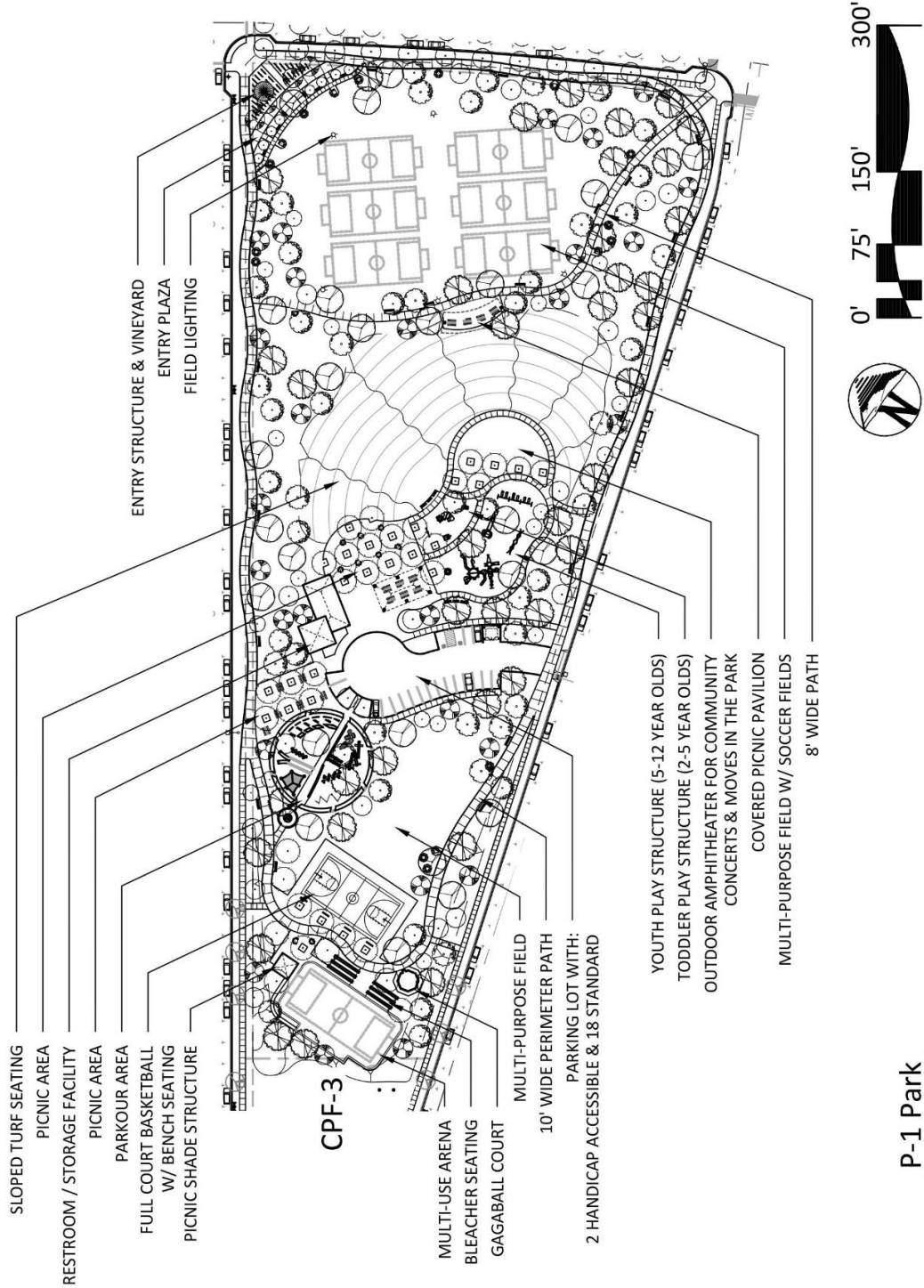
72.30 FEET; THENCE SOUTH 48°57'00" WEST, 40.70 FEET; THENCE SOUTH 78°11'00" WEST, 27.50 FEET; THENCE NORTH 78°27'00" WEST, 65.40 FEET; THENCE SOUTH 53°16'00" WEST, 21.20 FEET; THENCE SOUTH 16°48'00" WEST, 61.80 FEET; THENCE SOUTH 02°11'00" EAST, 74.30 FEET; THENCE SOUTH 06°57'00" EAST, 53.90 FEET; THENCE SOUTH 56°58'00" WEST, 122.40 FEET; THENCE NORTH 71°40'00" WEST, 63.60 FEET; THENCE SOUTH 57°14'00" WEST, 34.00 FEET; THENCE SOUTH 43°21'00" WEST, 47.00 FEET; THENCE SOUTH 33°29'00" WEST, 149.20 FEET; THENCE SOUTH 48°08'00" WEST, 38.70 FEET; THENCE SOUTH 19°37'00" EAST, 200.54 FEET; THENCE SOUTH 12°24'14" EAST, 63.30 FEET; THENCE SOUTH 00°19'55" EAST, 25.46 FEET; THENCE SOUTH 16°35'48" WEST, 29.03 FEET; THENCE SOUTH 11°24'10" WEST, 69.14 FEET; THENCE SOUTH 39°15'00" WEST, 34.50 FEET; THENCE SOUTH 17°04'00" WEST, 131.20 FEET; THENCE SOUTH 09°15'00" WEST, 52.80 FEET; THENCE SOUTH 13°15'00" EAST, 39.30 FEET; THENCE SOUTH 11°35'00" WEST, 67.30 FEET; THENCE SOUTH 20°39'00" WEST, 82.00 FEET; THENCE SOUTH 88°39'00" WEST, 22.10 FEET; THENCE SOUTH 31°09'00" WEST, 70.00 FEET; THENCE SOUTH 03°08'00" EAST, 119.90 FEET; THENCE SOUTH 60°13'00" EAST, 28.60 FEET; THENCE SOUTH 51°09'00" EAST, 71.60 FEET; THENCE SOUTH 31°37'00" EAST, 25.40 FEET; THENCE SOUTH 0°54'00" EAST, 29.10 FEET; THENCE SOUTH 18°37'00" WEST, 27.80 FEET; THENCE SOUTH 36°23'00" WEST, 42.20 FEET; THENCE SOUTH 14°40'00" WEST, 63.80 FEET; THENCE SOUTH 04°38'00" EAST, 61.80 FEET; THENCE SOUTH 19°32'00" WEST, 22.40 FEET; THENCE SOUTH 38°48'00" WEST, 56.10 FEET; THENCE SOUTH 70°35'00" WEST, 31.30 FEET; THENCE SOUTH 41°07'00" WEST, 45.20 FEET; THENCE SOUTH 06°41'00" EAST, 50.70 FEET; THENCE SOUTH 07°05'00" WEST, 65.50 FEET; THENCE SOUTH 21°11'00" WEST, 45.60 FEET; THENCE SOUTH 36°42'00" WEST, 52.10 FEET; THENCE SOUTH 51°38'00" WEST, 36.80 FEET; THENCE SOUTH 67°50'00" WEST, 35.30 FEET; THENCE SOUTH 85°19'00" WEST, 59.30 FEET; THENCE NORTH 76°32'00" WEST, 110.62 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL 3, SAID POINT LYING 791.78 FEET SOUTHERLY ALONG SAID WESTERLY BOUNDARY FROM THE NORTHERLY TERMINUS OF THAT CERTAIN COURSE SHOWN AND DESCRIBED ON SAID PARCEL MAP AS "N18 ° 37'59"W, 2139.53'", ALSO BEING THE POINT OF TERMINUS.

DOUGLAS B. STROUP P.L.S. 8553
HUNSAKER & ASSOCIATES SAN DIEGO, INC.



Exhibit B

Village 3, Park P-1 Conceptual Plan



P-1 Park

Exhibit C

Village 4, Park P-2 Conceptual Plan

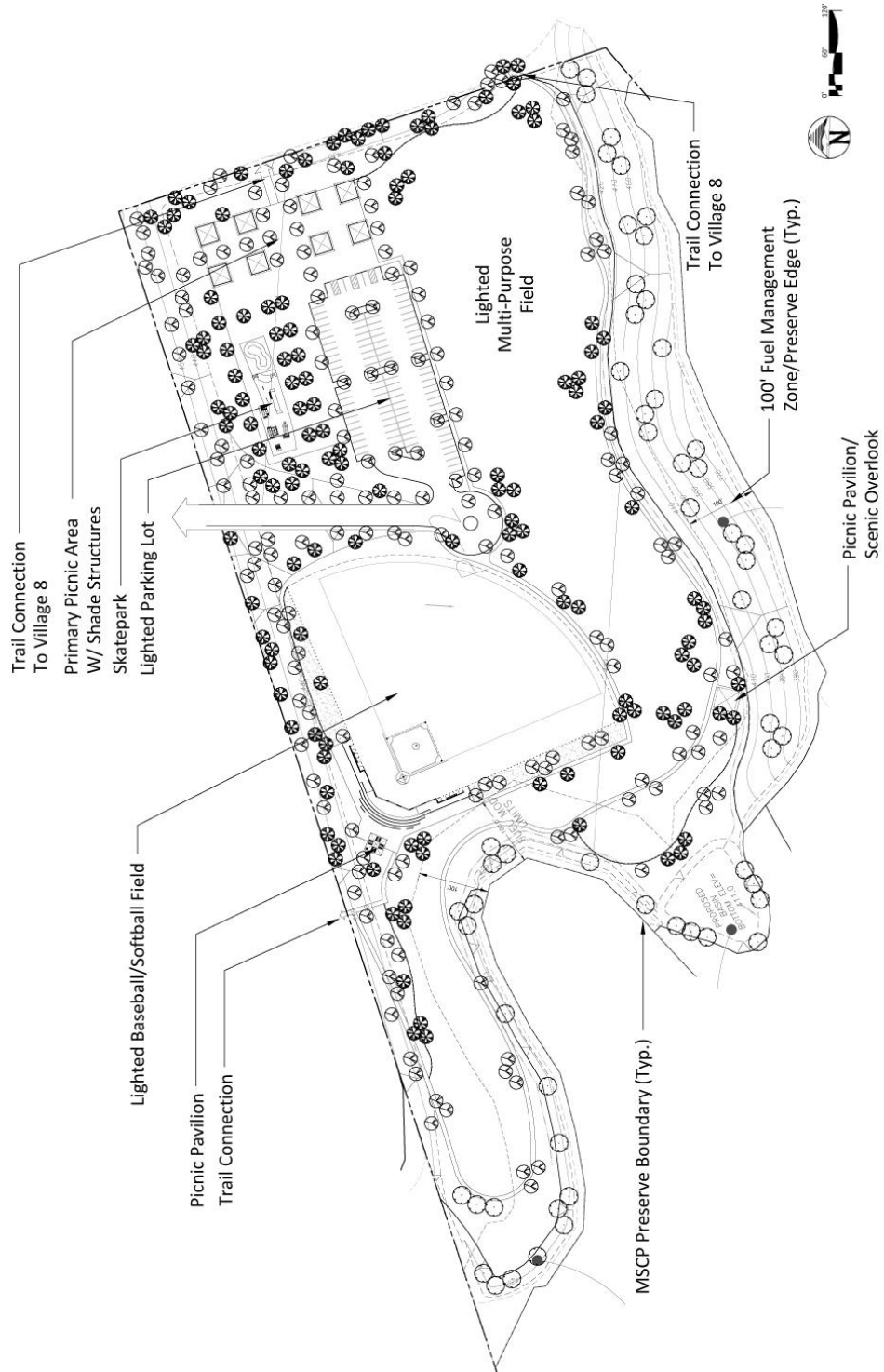


Exhibit D

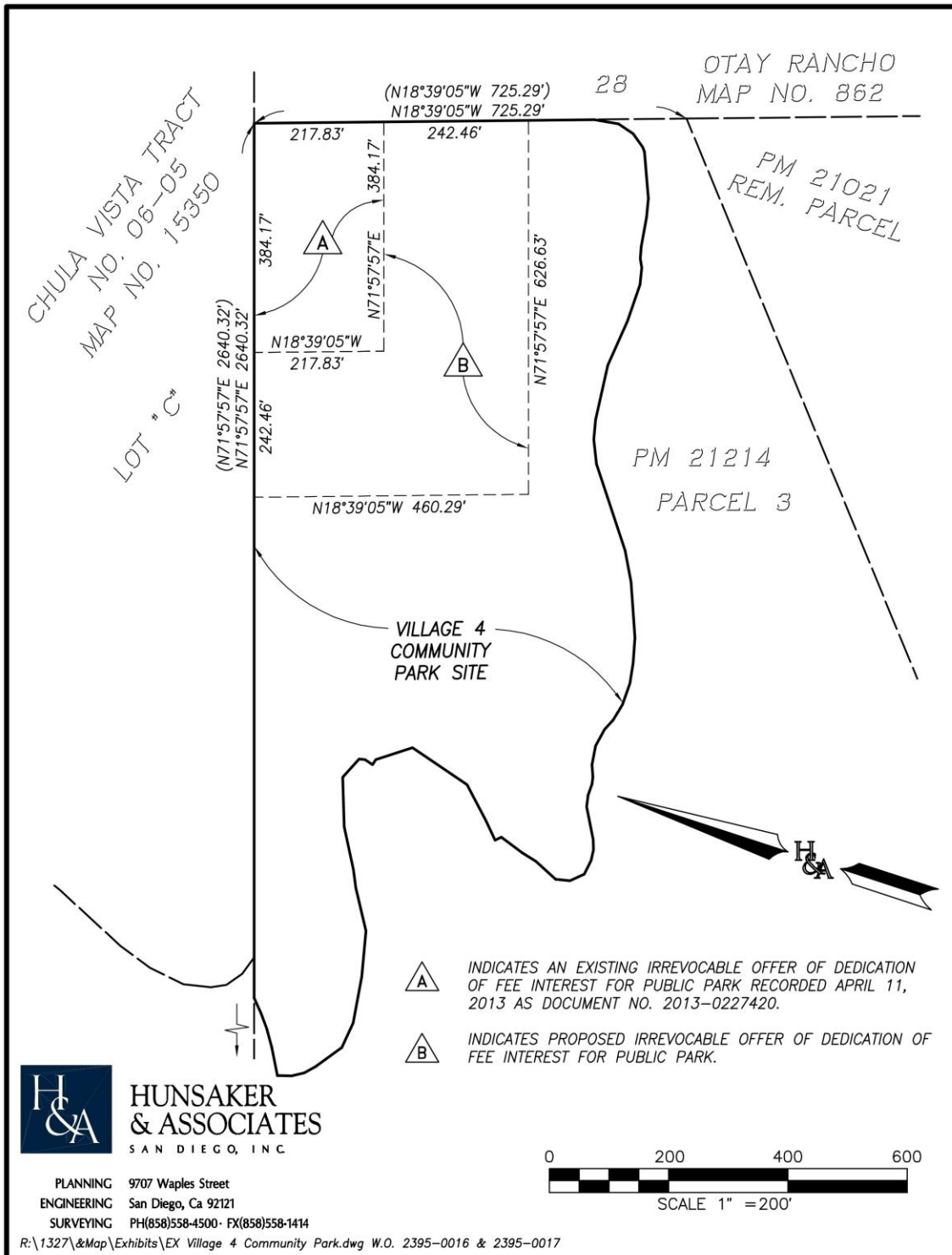


Exhibit E-1

Irrevocable Offer of Dedication – P-2 Park

*Recording Requested by and
Please Return to:*

City Clerk
City of Chula Vista
P.O. Box 1087
Chula Vista, CA 91912

*This Instrument Benefits City Only.
No fee is required.*

This Space for Recorder's Use Only

APN(s) 646-060-27

C.V. File No. _____

**IRREVOCABLE OFFER
OF DEDICATION OF FEE INTEREST**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **HOMEFED VILLAGE III MASTER, LLC**, a Delaware limited liability company, represents that, as the owner(s) of herein-described real property, *(in the case of multiple owners, collectively referred to as "Grantor")*, Grantor hereby makes an Irrevocable Offer of Dedication of fee interest to THE CITY OF CHULA VISTA, A MUNICIPAL CORPORATION, the hereinafter described real property for the following public purpose:

PUBLIC PARK PURPOSES

The real property referred to above is situated in the City of Chula Vista, County of San Diego, State of California and is more particularly described as follows:

**SEE ATTACHED: EXHIBIT A FOR LEGAL DESCRIPTION
EXHIBIT B FOR PLAT**

This Offer of Dedication is made pursuant to Section 7050 of Government Code of the State of California and may be accepted at any time by the City Clerk of the City of Chula Vista.

This Offer of Dedication of fee interest shall be irrevocable and shall be binding on the Grantor, its heirs, executors, administrators, successors and assigns.

SIGNATURE PAGE

Signed this _____ day of _____, 20_____

Grantor Signatures: HOMEFED VILLAGE III MASTER, LLC,
a Delaware limited liability company

By: _____

Name:

Title:

By: _____

Name:

Title:

(Notary Acknowledgment Required for Each Signatory)

This is to certify that the interest in real property offered herein to the City of Chula Vista, a governmental agency, is hereby acknowledged by the undersigned, City Clerk, on behalf of the Chula Vista City Council pursuant to authority conferred by Resolution No. 15645 of the Chula Vista City Council adopted on June 5, 1990, and the grantee(s) consent(s) to the recordation thereof by its duly authorized officer.

By: _____

DONNA NORRIS, CMC, City Clerk

Date: _____

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which the certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____, before me, _____, a Notary Public,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which the certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____, before me, _____, a Notary Public,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

Exhibit E-2

**EXHIBIT "A"
LEGAL DESCRIPTION**

THAT PORTION OF PARCEL 3 OF PARCEL MAP NO. 21214, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON JANUARY 29, 2015, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID PARCEL 3; THENCE ALONG THE EASTERLY LINE THEREOF SOUTH 18°39'05" EAST, 217.83 FEET (RECORD "N18°39'05"W" PER SAID PARCEL MAP) TO THE TRUE POINT OF BEGINNING, ALSO BEING THE SOUTHEAST CORNER OF THAT CERTAIN IRREVOCABLE OFFER OF DEDICATION IN FEE INTEREST FOR PUBLIC PARK PURPOSES GRANTED TO THE CITY OF CHULA VISTA PER DOCUMENT RECORDED APRIL 11, 2013 AS DOCUMENT NO. 2013-0227420; THENCE CONTINUING ALONG SAID EASTERLY LINE SOUTH 18°39'05" EAST, 242.46 FEET; THENCE LEAVING SAID EASTERLY LINE SOUTH 71°57'57" WEST, 626.63 FEET; THENCE NORTH 18°39'05" WEST, 460.29 FEET TO A POINT ON THE NORTHERLY LINE OF SAID PARCEL 3; THENCE ALONG SAID NORTHERLY LINE NORTH 71°57'57" EAST, 242.46 FEET TO THE NORTHWEST CORNER OF SAID IRREVOCABLE OFFER OF DEDICATION; THENCE LEAVING SAID NORTHERLY LINE ALONG THE WESTERLY AND SOUTHERLY LINE OF SAID IRREVOCABLE OFFER OF DEDICATION SOUTH 18°39'05" EAST, 217.83 FEET; THENCE NORTH 71°57'57" EAST, 384.17 FEET TO THE TRUE POINT OF BEGINNING.

THE HEREINABOVE DESCRIBED PARCEL OF LAND CONTAINS 4.70 ACRES, MORE OR LESS.

DOUGLAS B. STROUP P.L.S. 8553
HUNSAKER & ASSOCIATES SAN DIEGO, INC.




Exhibit E-3

EXHIBIT "B"

SHEET 1 OF 2 SHEETS

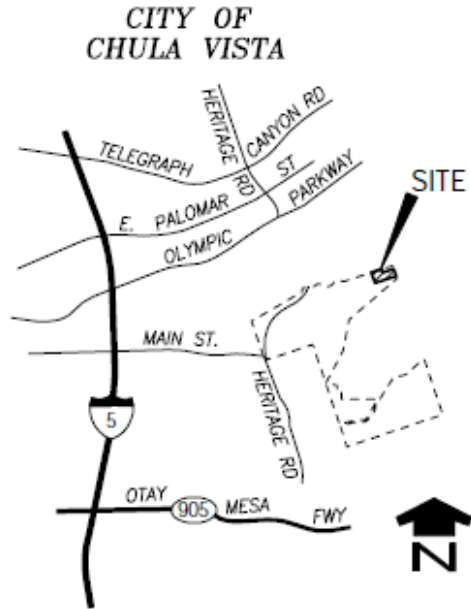
LEGEND:

 INDICATES IRREVOCABLE OFFER OF DEDICATION OF FEE INTEREST FOR PUBLIC PARK PURPOSES. AREA = 4.70 AC., MORE OR LESS

P.O.C. INDICATES POINT OF COMMENCEMENT.


T.P.O.B. INDICATES TRUE POINT OF BEGINNING.

() INDICATES RECORD DATA PER PM 21214.



VICINITY MAP
NOT TO SCALE

EXISTING EASEMENT LEGEND:

 INDICATES AN EXISTING IRREVOCABLE OFFER OF DEDICATION OF FEE INTEREST FOR PUBLIC PARK RECORDED APRIL 11, 2013 AS DOCUMENT NO. 2013-0227420.



PLANNING 1017 Waples Street
ENGINEERING San Diego, Ca 92101
SURVEYING PH:619/556-4300 FAX:619/556-1414

DOUGLAS B. STROUP L.S. 8553



R:\1327\Map\Easements\EP V3 Public Park IOD SHT 01.dwg[Nov-15-2016:09:24 W.O. 2395-0011

Exhibit E-4

