

**Affordable Housing Agreement
Term Sheet
[Otay Ranch Village 2]
For Negotiation Purposes Only
March 3, 2016**

The following terms are proposed:

1. Parties

- 1.1 Baldwin & Sons LLC (“Developer”)
- 1.2 City of Chula Vista, a chartered municipal corporation (“City”)

2. Definitions

2.1 Property. That certain property located at the Chula Vista Olympic Training Center (“OTC”) as shown on the attached **Exhibit A**.

2.2 Project. 100 bed athlete housing project with fixtures, appliances, meeting rooms, storage lockers, and associated facilities, along with a stand-alone day-user shower, restroom and locker facility (at a to be determined location at the OTC), and attendant landscaping (collectively, the “Project”), as generally shown in attached **Exhibit B**.

2.3 Developer’s Existing Affordable Housing Obligation. Based on the maximum “build-out,” Developer’s current inclusionary housing obligations are estimated to be as follows: (1) Village 2 consists of 165 Low Income units and 172 Moderate Income units and (2) PA 12 consists of 30 Low Income Units and 30 Moderate Income Units, totaling 195 Low Income and 202 Moderate Income Units.

3. City Provision to Developer of Affordable Housing Credits

3.1 Affordable Housing Credits. Upon completion of the Project as provided in Section 4, below, Developer shall receive credit against Developer’s Existing Affordable Housing Obligations, described in Section 2.3, as follows: 100 Low Income Housing Units (the “OTC Housing Credit”).

3.2 Developer’s Residual Affordable Housing Obligation. After offsetting the OTC Housing Credit against Developer’s Existing Affordable Housing Obligation, Developer shall still be obligated to provide or pay in-lieu fees for 95 Low Income Housing Units and 202 Moderate Income Housing Units (the “Residual Affordable Housing Obligation”). Developer shall be obligated to satisfy its Residual Affordable Housing Obligation in accordance with the triggers and otherwise consistent with the terms of the previously executed inclusionary housing agreement for Village 2. Such

obligation shall be secured by a recorded covenant with respect to Village 2, on a parcel (to be identified) reasonably approved by City and adequate to support the development of housing units equivalent to the Residual Affordable Housing Obligation.

3.3 Additional Requirement. The City's approval of the Project and credit towards the Developer's Affordable Housing Obligation is based upon the assumptions and information presented by the Developer and filed with the Affordable Housing Review Application for the Project as submitted and reviewed by the City's Development Services Housing Division. It is expected that any substantive revisions in such assumptions and information which would lead to a material change in the Project (for example, material changes in amenities, unit count, or development costs), may therefore proportionally reduce or increase the level of credit towards Developer's existing Affordable Housing Obligations.

4. Developer's Provision to City of OTC Affordable Housing Project.

4.1 Developer shall obtain all required City permits, construct and deliver the Project to City fully ready for occupancy and use by OTC athletes by on or before July 1, 2017. City agrees to work with developer to expedite the Project permitting process in order to achieve this Project delivery date. Developer shall secure all financing necessary for the development and construction of the Project, including payment of any applicable City building fees and a proportionate amount of the development component of the City's PAD fee. The completion of the Project shall also be secured by Developer to the satisfaction of the City.

4.2 Developer shall diligently pursue and exercise its best efforts to complete the Project by July 1, 2017. Developer shall agree to terms that secure and ensure timely completion of the Project, including, in substantial form, the following:

"In order to ensure that the Developer can timely complete the Project, Developer shall submit its design building plans for review by the City in order to allow for issuance of the Project building permits by July 1, 2016. Provided the timely submission of the aforementioned design documents by Developer and timely issuance of building permits by the City as stated herein, the following shall apply: If the Project is not delivered on or before July 1, 2017, Developer's credits will be reduced five (5) credits each month (including partial months) and until full Project delivery occurs, but the total credit loss shall not exceed twenty (25) credits. Once the loss of 25 credits has occurred, then Developer shall provide 100 off-site and ready for occupancy beds within a five mile radius of the OTC ("Off-Site Beds") for OTC resident athlete use until the Project is delivered to the City. Developer may also, in lieu of a loss of credits, opt to provide the Off-Site Beds for the period after July 1, 2017 until the Project is delivered to the City.

4.3 Developer will construct the Project using high quality designs and materials approved in advance by City. The Project will be owned and operated by City. Upon

transfer to the City, Developer shall have no further responsibility for the operation or the maintenance thereof, provided however, Developer shall provide warranties consistent with City requirements or practices for City facilities, including “Bumper to Bumper” and patent/latent construction defect warranties. The completed project shall be free of any encumbrances, liens or any outstanding costs or debts arising from or related to the Project.

4.4 The City and Developer will work together and use their reasonable and good faith efforts to ensure timely completion of the Project. The City and Developer shall also meet and confer to establish protocols to ensure that impacts of construction of the Project to OTC operations, including OTC resident’s training, are minimized as much as reasonably possible.

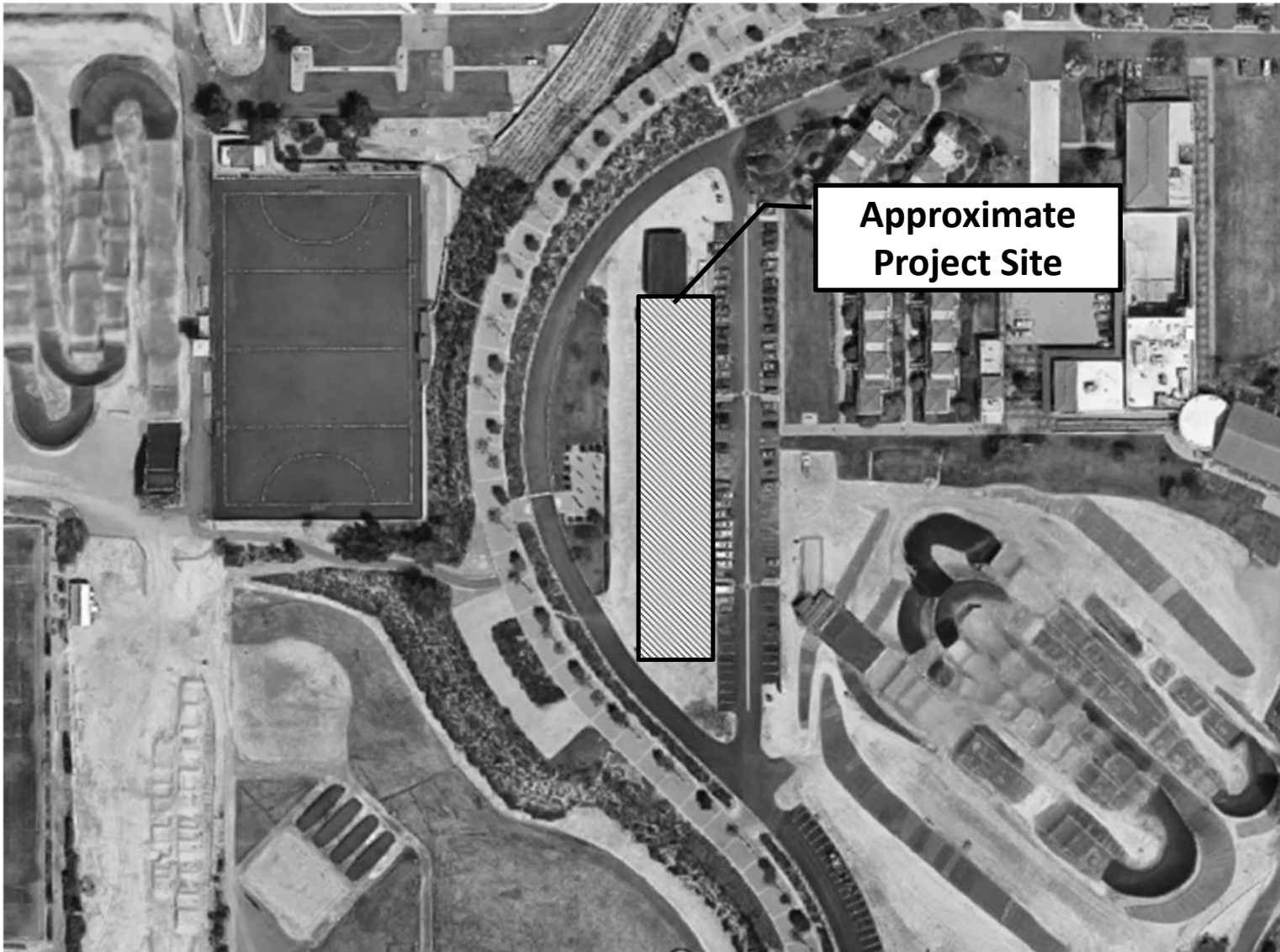
4.5 In the event the City and OTC agreement is terminated, the Project may be terminated by the City. In this case, the City and Developer shall meet to reach mutual agreement to provide Developer a pro-rated inclusionary housing credit for work they have completed on the Project and, if appropriate, provide additional time for developer to implement its residual affordable housing obligations. Developer shall also undertake steps to ensure the Project is secured and rendered safe should it not be completed.

EXHIBIT A

Property Description

Location

Exhibit



**Approximate
Project Site**

EXHIBIT B

Project Description

Floor Plans for Housing
Concept Elevations

PROJECT DATA

	SPACE	AREA	LEVEL 1	LEVEL 2	TOTAL KEYS	TOTAL BEDS	TOTAL SF
PRIVATE SPACES	UNIT A (4BEDS)	760	5	5	10	40	7,600
	UNIT B (2 BEDS)	660	4	6	10	20	6,600
	UNIT C (4 BEDS)	1,020	5	5	10	40	10,200
	TOTAL		14	16	30	100	24,400
PUBLIC SPACES	MULTI PURPOSE	1,230	1	0			1,230
	MEETING ROOM	660	1	0			660
	LAUNDRY ROOM	960	1	0			960
	TOTAL						2,850
	SUB TOTAL						27,250
	CIRCULATION						3,620
	TOTAL AREA						30,870 SF

JWDA

ARCHITECTURE/PLANNING/INTERIOR DESIGN
Joseph Wong Design Associates
2359 Fourth Ave. San Diego, CA 92101-1606
Phone (619) 233-6777 Fax (619) 237-0541

PROJECT NAME:

ATHLETE HOUSING

PROJECT ADDRESS:

CHULA VISTA, CA

REVISIONS

NO.	DESCRIPTION	NO.	DESCRIPTION
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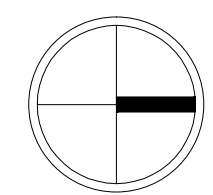
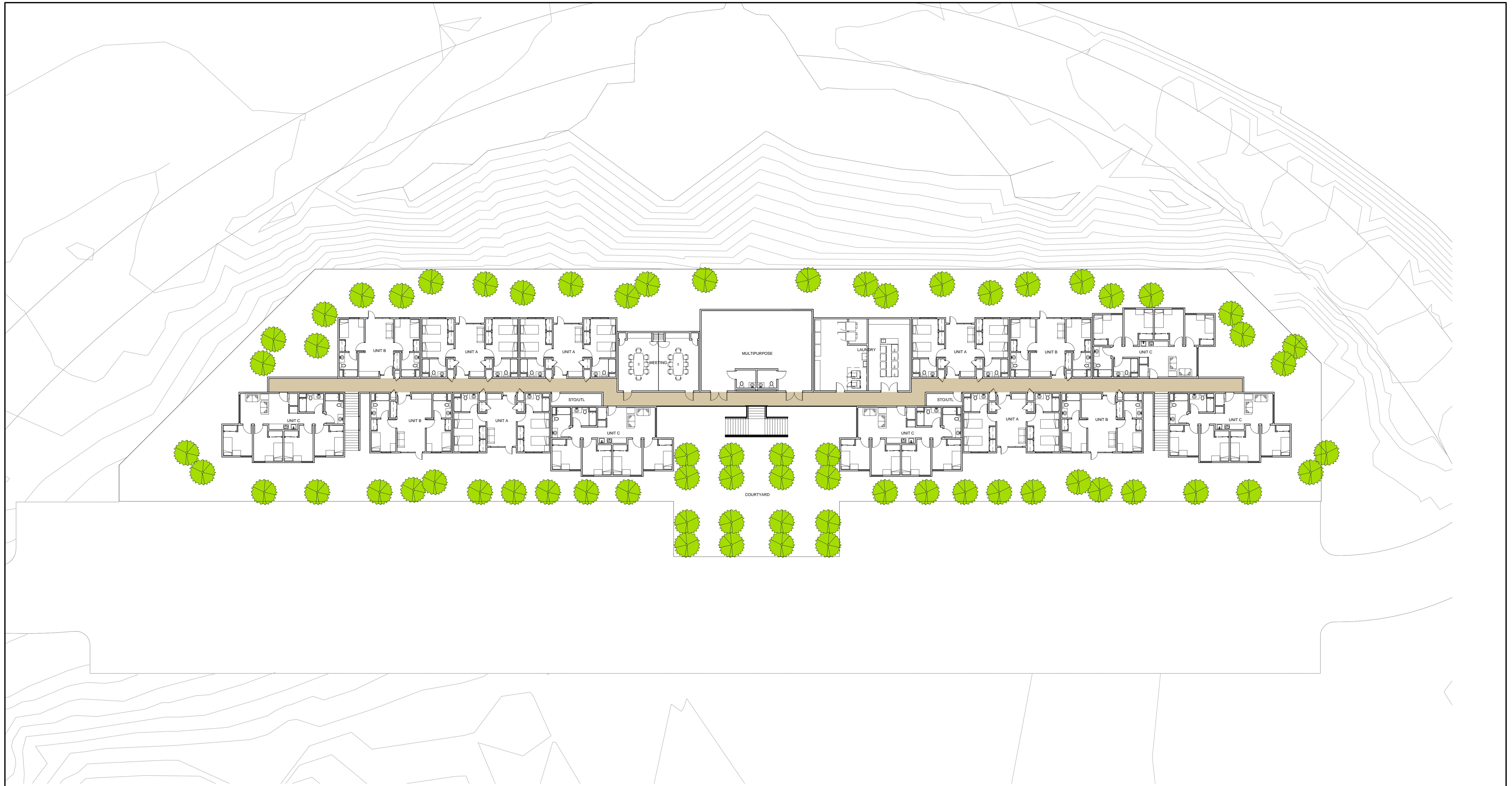
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LEVEL 1
SC 1/16"=1'-0"

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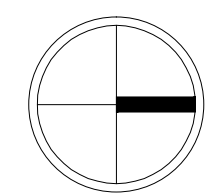
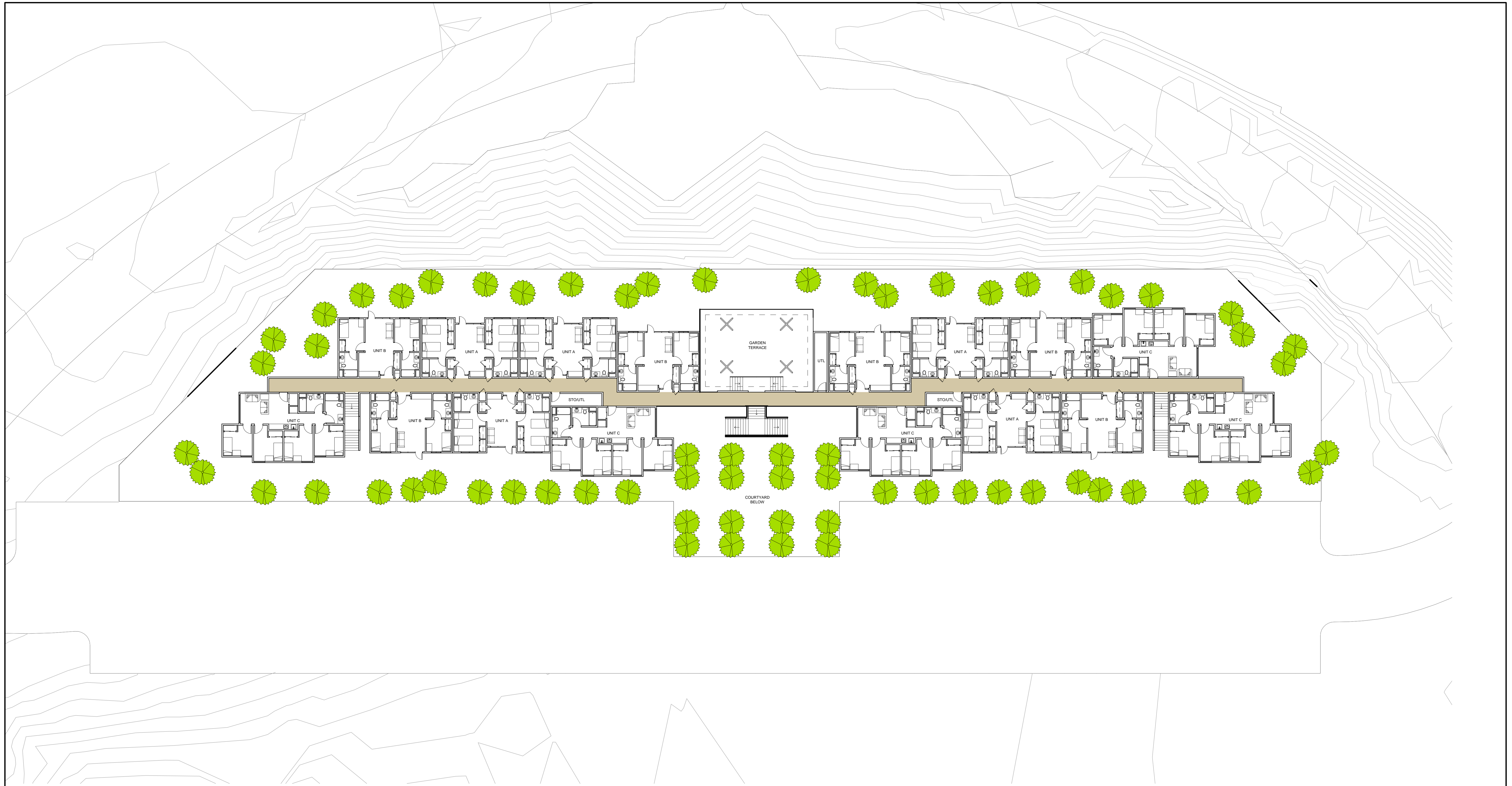
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LEVEL 2
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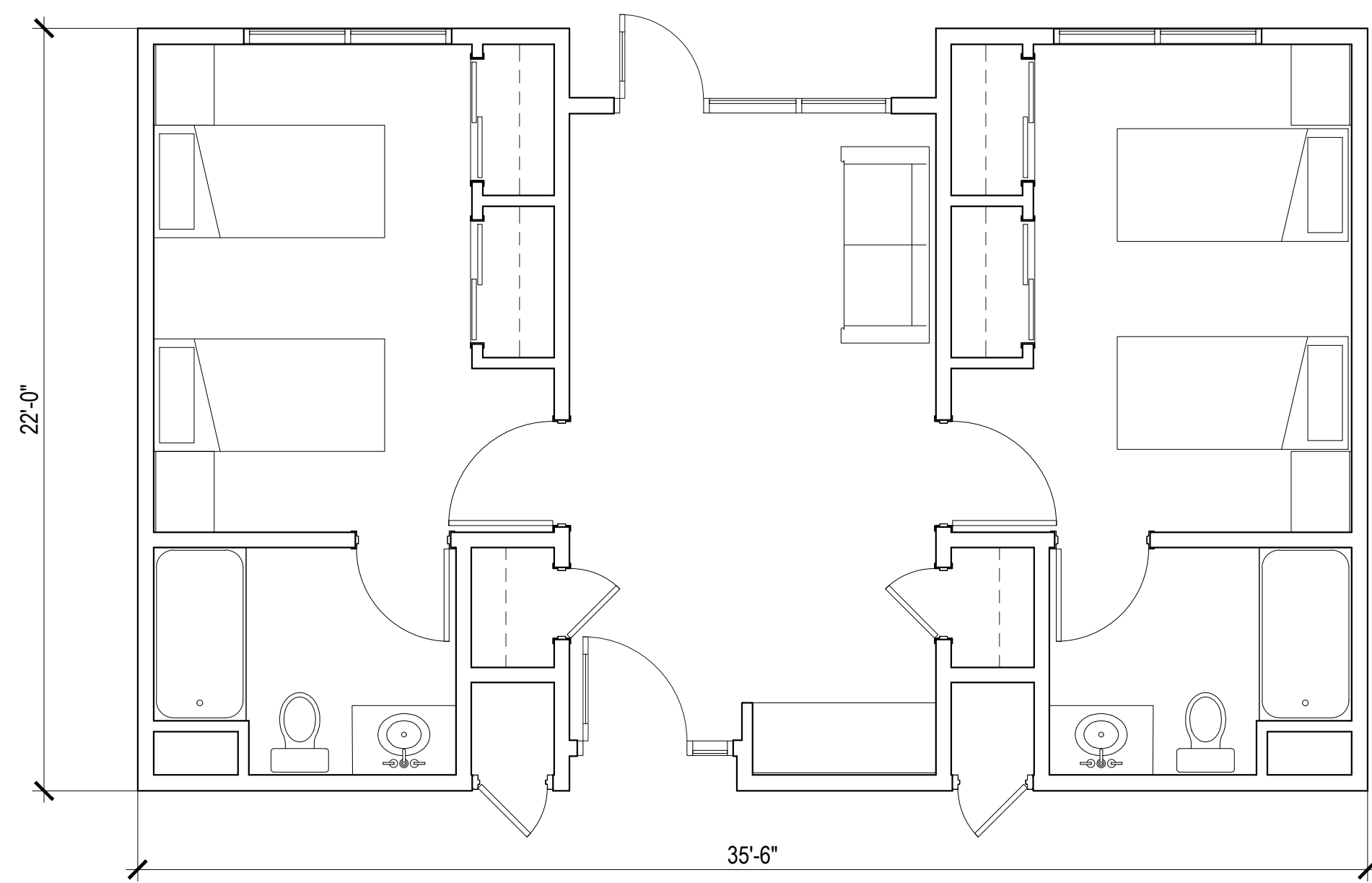
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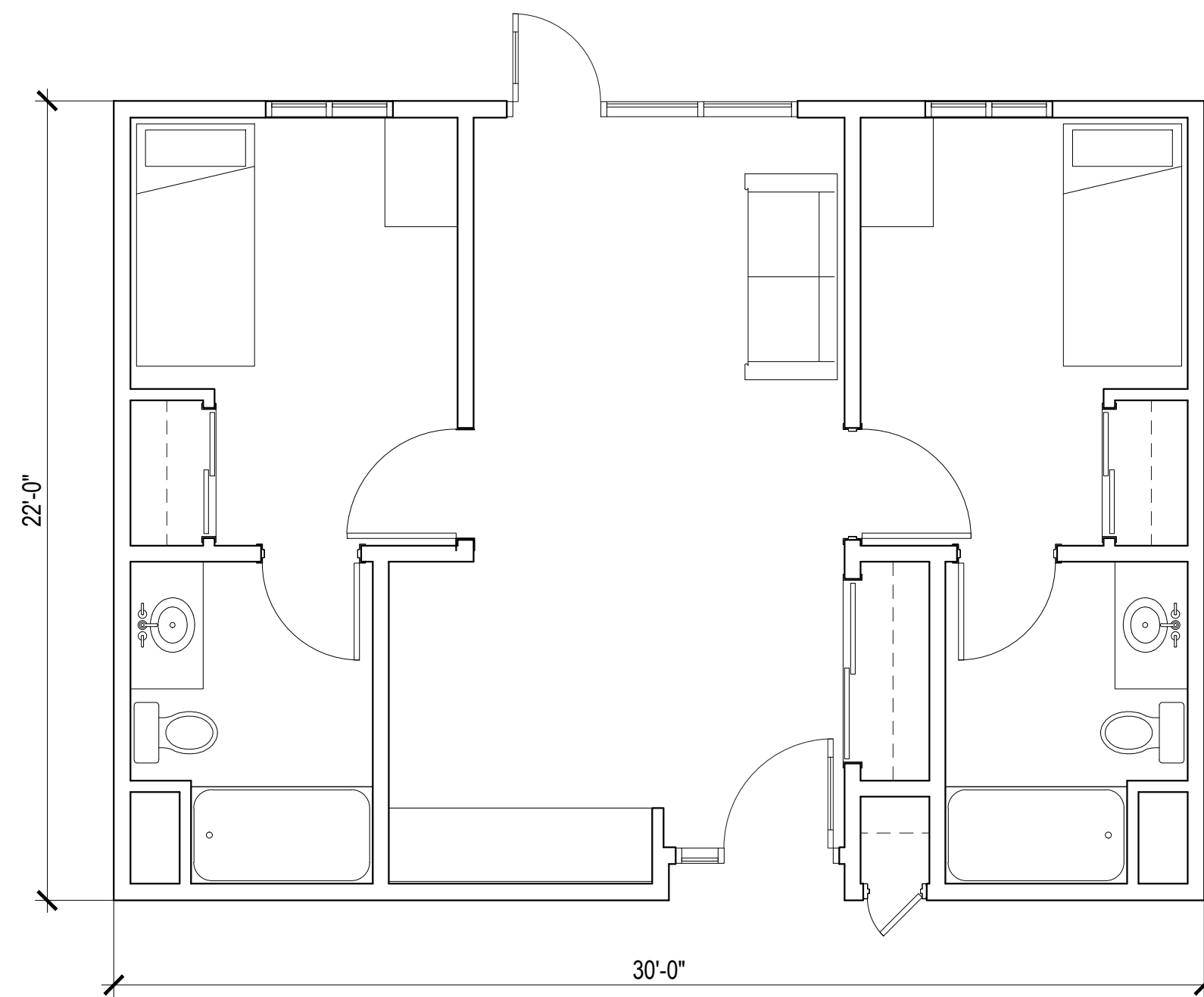
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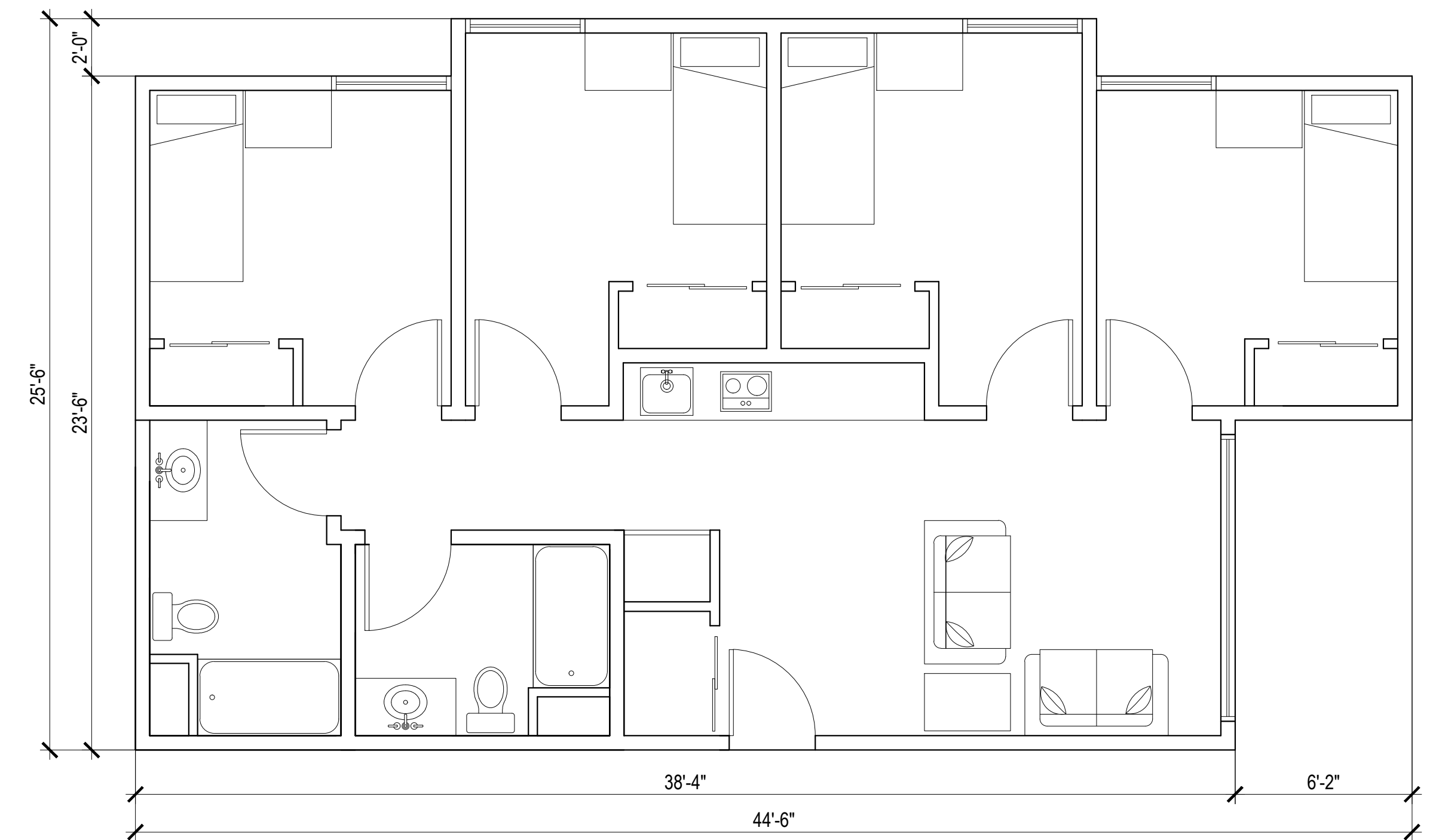
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UNIT A
760 SF



UNIT B
660 SF



UNIT C
1,020 SF

SC 1/4"=1'-0"

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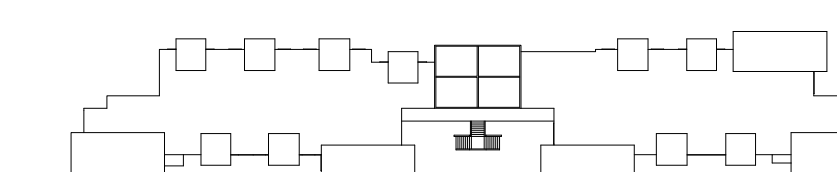
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KEY PLAN

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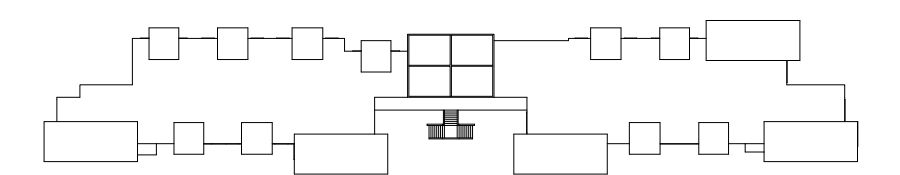
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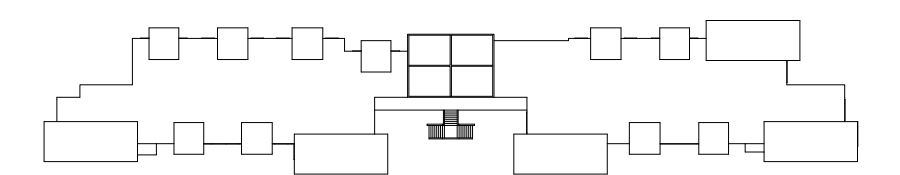
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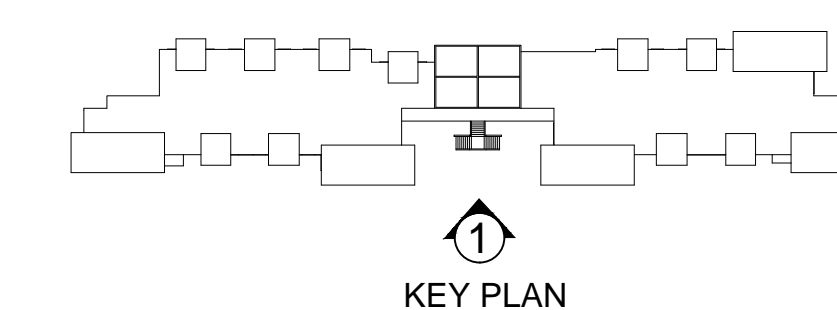
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