May 4, 1992

Douglas Wheeler, Secretary  
The Resources Agency  
1416 Ninth Street  
Sacramento, CA 95814

Boyd Gibbons, Director  
California Department of Fish & Game  
1416 Ninth Street, Room 1311  
Sacramento, CA 95814

Re: Enrollment in Natural Community Conservation  
Planning Program for Coastal Sage Scrub Habitat

Dear Secretary Wheeler and Director Gibbons:

This letter responds to your invitation for landowners to enroll in the voluntary Natural Community Conservation Program (NCCP) and proposes to enroll certain lands owned by Rancho del Rey Partnership (Partnership) in the NCCP.

As background information, Partnership is the owner of the 405 acres of land described as Rancho del Rey Phase III (Project) and depicted on Attachment A (Map). Attachment A also includes references to the approved grading plans for the Project, which specifically identify the 109 acres of coastal sage scrub habitat (CSS Habitat) which will remain undeveloped.

Over the past several years, Partnership has participated with the United States Fish and Wildlife Service (FWS), the California Department of Fish and Game (DFG) and the City of Chula Vista (City) in the preparation of a mitigation plan for the California Gnatcatcher (Gnatcatcher) and CSS Habitat which will allow the development of the Project. As confirmed by the attached letter from FWS (Attachment B), the mitigation plan for the Project will form the basis for a Section 10a permit if the California gnatcatcher becomes a federally listed endangered species. Partnership is confident that similar recognition of the adequacy of the mitigation plan will be forthcoming from DFG.

The mitigation plan, as defined by the certified Environmental Impact Report for the Project, provides for the permanent conservation of 117 acres (109 acres of undisturbed plus 8 acres of revegetated) of CSS Habitat within the Project boundaries and the permanent protection of a minimum of 187 acres offsite. Even though the mitigation plan appears to duplicate the purpose and intent of the NCCP, Partnership wants to continue to work with all interested parties to solve the Gnatcatcher and CSS Habitat issue. Accordingly, Partnership hereby enrolls the Project in the NCCP subject to the following:
1. The Proposed Conserved Habitat as shown on the attached Map will be protected and conserved during the NCCP planning period (ending November of 1993 or earlier);

2. The areas approved for development by the City as designated on the Map for development will not be conserved and will be developed during and after the NCCP planning period;

3. In the event of a conflict between the terms of the City's enrollment and the terms set forth in this letter, this letter will control; and

4. This enrollment may be terminated under the terms and conditions of paragraph 5 of the "Natural Communities Conservation Planning/Coastal Sage Scrub Enrollment Agreement for Landowners and Land Management Agencies" attached to Joseph E. Bodovitz's April 3, 1992 NCCP Advisory Committee Memo which would limit or contain development of the laws discussed in paragraph 2 above.

Please confirm the acceptance by DFG and The Resources Agency of the enrollment of Rancho del Rey Phase III and the Proposed Conserved Habitat, as further described by the mitigation plan, with the understanding and reservations as specified herein by signing and returning a copy of this letter to us.

We wholeheartedly support and encourage your forward looking efforts and appreciate the opportunity to be a part of them.

Respectfully,

RANCHO DEL REY PARTNERSHIP,
a California general partnership

BY: McMILLIN COMMUNITIES, INC.
a California corporation, General Partner

BY: ________________________________
Kenneth Baumgartner, Executive Vice President

BY: ________________________________
Craig Fukuyama, Vice President
BY: HOME CAPITAL CORPORATION
    a California corporation, General Partner

By [Signature]

By [Signature]

CF/klg
Enclosure

Accepted and Agreed:

May ____, 1992

Douglas Wheeler,
Secretary of The Resources Agency

Boyd Gibbons
NCPP Program Manager
Director of California Department of Fish and Game