

### **Fourth Amendment to DDA – Description of Changes**

The Fourth Amendment to the DDA proposes the following:

- **Section 1.2.2 (Updated Development Program).** Sets forth the updated development program.
- **Section 1.2.5(a) (Conversion and Transfer).** Includes language that any Commission approved transfers of Units from the Shipyard Site to Candlestick Point as authorized under the Redevelopment Plans will be automatically reflected in Section 1.2.2.
- **Section 1.4 (Development Process).** Amendment removes the Sub-Phase Application and Approval requirement from the planning process.
- **Sections 1.7 and 1.8 (Schedule of Performance).** Clarifies that Developer does not need to submit a Complete Major Phase Application by a certain Outside Date.
- **Section 2 (Term).** Implements SB 143 by establishing the redevelopment plan time limit for Candlestick Point and the Shipyard Site for establishing and incurring loans, advances, or indebtedness, and receipt of property tax revenues:
  - For Candlestick Point, the time limit for establishing loans, advances, and indebtedness for Zone 1 of Project Area B shall be 30 years from the 2024 Plan Amendment Date. Solely for the purpose of using property tax revenues generated from Zone 1 of the BVHP Project Area to fund Qualified Project Costs and other costs necessary to complete the enforceable obligations in Phase 2 of the HPS Project Area, the time limit for establishing loans, advances, and indebtedness shall be a) 30 years from the 2024 Plan Amendment Date, b) plus an additional 15 years, which represents the “Anticipated Navy Delay”.
  - For Candlestick Point, the time limit to repay indebtedness and receive property taxes for Zone 1 of Project Area B shall be 45 years from the 2024 Plan Amendment Date. Solely for the purpose of using property tax revenues generated from Zone 1 of the BVHP Project Area to fund Qualified Project Costs and other cost necessary to complete the enforceable obligations in Phase 2 of the HPS Project Area, the time limit for repayment of indebtedness and receipt of property taxes shall be a) 45 years from the 2024 Plan Amendment Date, b) plus an additional 15 years, which represents the Anticipated Navy Delay.
  - For the Shipyard Site, the time limit for establishing loans, advances, and indebtedness in connection with Phase 2 of the HPS Project Area shall be a) 30 years from Initial HPS Transfer Date, b) plus 15 years which represents the Anticipated Navy Delay.
  - For the Shipyard Site, the time limit to repay indebtedness and receive property taxes for Phase 2 of the HPS Project Area shall be a) 45 years from the Initial HPS Transfer Date, b) plus 15 years which represents the Anticipated Navy Delay.

- **Sections 3.1, 3.2, 3.3, and 3.4 (Project Phasing).** Remove the Sub-Phase Application and Approval requirement from the planning process.
- **Section 3.4.1 (Order of Major Phases).** Memorializes the Commission's prior approval of the 2019 Major Phase Application and Schematic Design Applications for Blocks CPS 6A, 8A, and 9A and CPN 2A, 10A, and 11A. Clarifies that Developer may amend the Approved Major Phase Application as necessary and that any remaining vertical permitting requirements for Blocks with an Approved Schematic Design shall be consistent with the DRDAP, as amended, subject to terms of the applicable Assignment and Assumption Agreement.
- **Section 3.4.3 (Elimination of Sub-Phases).** Section clarifies that the parties intend to interpret the DDA and all Exhibits in a manner consistent with agreement that the Project will no longer be divided into Sub-Phases and the DDA does not require the submittal or approval of Sub-Phase Applications.
- **Section 16.3.3 (Certain Exclusive Remedies).** Clarifies Agency's remedy if Developer fails to Complete Infrastructure that has already been Commenced is an action on the improvement security provided to the City pursuant to the CP/HPS Subdivision Code. Establishes alternative remedy in the event no improvement security has been provided to the City.
- **Section 21.13 (Recordkeeping).** Removes reference to Major Phase Increment Allocation Amount which is no longer applicable.
- **Section 26.4 (Adequate Security).** Clarifies Developer is only required to provide Adequate Security upon transfer of real property under the DD where no final map has been approved and recorded and no improvement security has been provided to the City.
- **Section 26.7 (Final Public Improvements).** Delete Section 26.7 in its entirety.
- The Fourth Amendment further establishes a process for Developer and OCII to prepare an amended and restated DDA that incorporates the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment to the DDA.