

EXHIBIT 1 TO THE THIRD AMENDMENT

Amendments to Below-Market Rate Housing Plan

1. Definitions. The following definition of CP-02 Senior BMR Project is hereby added to section 1 of the Below-Market Rate Housing Plan and the definition of Inclusionary Unit set forth in section 1 of the Below-Market Rate Housing Plan is hereby deleted and replaced with the definition of same as follows:

“**CP-02 Senior BMR Project**” means a Residential Project developed within Sub-Phase CP-02 that contains one hundred and five (105) Units serving seniors ages 62 and older and with household incomes up to sixty percent (60%) of AMI (and including one (1) manager’s unit) and including the recorded restrictions as set forth in Section 3.4(a), subject to such revisions thereto as are Approved by the applicable Vertical Developer and the Agency (including to conform with the requirements related to such Residential Project as contemplated hereby and to provide that such restrictions will apply for the life of the Residential Project, as more particularly described therein).

“**Inclusionary Unit**” means (i) a Unit for which the rental charge or purchase price is Affordable with an AMI Percentage that is equal to a minimum of eighty percent (80%) and a maximum of one hundred twenty percent (120%), and includes the recorded restrictions as set forth in Section 3.4(a) or (ii) a Unit in the CP-02 Senior BMR Project.

2. Minimum and Maximum Affordability. Section 2.2(b)(1) of the Below-Market Rate Housing Plan is hereby deleted and replaced with the following:

(1) Inclusionary Units and Workforce Units. When Developer Transfers a Market Rate Lot, it shall have the right to determine in its sole and absolute discretion the number of Units, Inclusionary Units and Workforce Units designated for each such Lot, so long as, unless otherwise Approved in the sole and absolute discretion of the Agency Director: (i) no less than five percent (5%) and no more than twenty percent (20%) of the Units on such Market Rate Lot are Inclusionary Units; provided, however, that if Developer Transfers a Market Rate Lot for development of the CP-02 Senior BMR Project, then the number of Inclusionary Units designated for the Market Rate Lot(s) Transferred for the development of one (1) other Residential Project in Sub-Phase CP-02 (the “**CP-02 Market Rate Project**”) may be less than five percent (5%); (ii) no more than forty percent (40%) of the Units on such Market Rate Lot are Workforce Units; (iii) Developer otherwise satisfies the requirements of Section 2.5; and (iv) if Developer decreases the percentage of Inclusionary Units or Workforce Units on a Lot from the number that was identified in a Sub-Phase Approval, it shall notify the Agency of the proposed alternative location of such Inclusionary or Workforce Units. If the applicable Lot is designated to include Additional Units, then the provisions of this Section 2.2(b)(1) shall not apply with respect to such Additional Units (which, for the avoidance of doubt, shall not be counted for purposes of the foregoing restrictions) and instead the provisions of Section 2.2(b)(3) shall apply with respect to such Units (and the Additional Inclusionary Units).

3. Additional Units. Section 2.2(b)(3) is hereby added to the Below-Market Rate Housing Plan as follows:

(3) Additional Units. When Developer Transfers a Market Rate Lot, it shall have the right to determine in its sole and absolute discretion the number of Additional Units designated for each such Lot, so long as, unless otherwise Approved in the sole and absolute discretion of the Agency Director, (i) no less than five percent (5%) and no more than twenty percent (20%) of the Units on such Market Rate Lot are Additional Inclusionary Units, (ii) if Developer decreases the percentage of Inclusionary Units or Workforce Units on a Lot from the number that was identified in a Sub-Phase Approval, it shall notify the Agency of the proposed alternative location of such Inclusionary or Workforce Units and (iii) when Developer has obtained Unit Credits equal to fifty percent (50%) of the Total Units (or 5,250), Developer shall have identified, pursuant to this Section 2.2(b)(3), the location of nine (9) Additional Inclusionary Units. The Additional Units and Additional Inclusionary Units shall not constitute part of the “Total Units” for purposes of this Below-Market Rate Housing Plan and without limiting the above shall not be tracked for purposes of the BMR Checkpoint Requirements applicable to the Project, but shall be separately identified in the applicable Assignment and Assumption Agreements and tracked in the Housing Data Table and applicable Project Data Tables. Sections 3.2, 3.4(a), 3.4(b), 3.5, 3.7(a) and 6 of this Below-Market Rate Housing Plan shall apply to the Additional Inclusionary Units and, solely for purposes of such Sections, the Additional Inclusionary Units shall be deemed to be “Inclusionary Units”. The Additional Inclusionary Units are also described on the Below-Market Rate Table for information purposes only.

4. Comparability. Section 3.2(a) of the Below-Market Rate Housing Plan is hereby deleted and replaced with the following:

(a) Comparability. Inclusionary Units and Market Rate Units in the same Residential Project with the same Household Size shall be substantially similar in size, exterior appearance and overall quality of construction. Inclusionary Units’ interior features need not be the same as or equivalent to those of the Market Rate Units, as long as such features are of good quality and are consistent with the Redevelopment Requirements and, in the case of the CP-02 Senior BMR Project, substantially comparable in quality to the Agency Affordable Units. Inclusionary Units in a Residential Project may be Rental Units or Sale Units, as determined by Developer or Vertical Developer, as applicable, in their respective sole and absolute discretion, so long as the Market Rate Units in that Residential Project are the same (i.e., all Rental Units or all Sale Units, as applicable).

5. CP-02 Senior BMR Project. Section 3.2(c) is hereby added to the Below-Market Rate Housing Plan as follows:

(c) CP-02 Senior BMR Project Completion. If Developer elects for the CP-02 Senior BMR Project to be developed, Developer shall ensure, subject to Excusable Delays, that the CP-02 Senior BMR Project is Completed, ready for occupancy, and marketed no later than the same for the CP-02 Market Rate Project.

6. Vertical Development Parking Requirements. Section 3.5(c)(2) of the Below-Market Rate Housing Plan is hereby deleted and replaced with the following:
 - (2) Priority With Fewer Parking Spaces than Units. Where the Parking Spaces are fewer in number than the number of Units within the Residential Project, the Parking Spaces offered to renters or purchasers of Inclusionary Units and Workforce Units shall be offered in the following order of priority within each applicable AMI Percentage: (i) to renters or purchasers with three (3) or more bedrooms or to renters or purchasers who are Certificate of Preference holders, (ii) to renters or purchasers with two (2) bedrooms, (iii) to renters or purchasers with one (1) bedroom or less, (iv) to renters or purchasers of the Market Rate Units within the Residential Project and (v) in the discretion of Vertical Developer or, if applicable, the applicable homeowners association, to the general public.
7. Parking in CP-02 Senior BMR Project. Section 3.5(d) is hereby added to the Below-Market Rate Housing Plan as follows:
 - (d) Parking in CP-02 Senior BMR Project. Notwithstanding anything in this Below-Market Rate Housing Plan to the contrary, the CP-02 Senior BMR Project shall not be subject to the requirements of Section 3.5(a) or (b). The Vertical Developer may choose in its discretion to bundle parking spaces in the CP-02 Senior BMR Project, and shall offer parking spaces free of charge at a ratio of at least one space for every two Units within the CP-02 Senior BMR Project.
8. Below-Market Rate Table.
 - (i) Replacement. The Below-Market Rate Table attached to the Below-Market Rate Housing Plan as exhibit F-A thereto is hereby deleted and replaced by Exhibit 1-1 hereto.
 - (ii) Revisions Related to CP-02 Senior BMR Project. If Developer Transfers a Market Rate Lot for development of the CP-02 Senior BMR Project, then effective as of the date of such Transfer the Agency and Developer shall Approve a revision to the Below-Market Rate Table to (i) add the CP-02 Senior BMR Project to the Below-Market Rate Table (including the 104 Units therein (not including the manager's unit) and the AMI Percentage applicable thereto), (ii) reduce the number of Inclusionary Units with an AMI Percentage equal to 80%-100% by 104 Units, (iii) reduce the number of Inclusionary Units with an AMI Percentage equal to 120% by 57 Units, and (iv) add a new tier of Inclusionary Units with an AMI Percentage equal to 101%-119% (with an average AMI Percentage equal to 110%) by 57 Units.
9. Replacement of Housing Map. The Housing Map for the Non-Stadium Alternative attached to the Below-Market Rate Housing Plan as exhibit F-B thereto is hereby deleted and replaced by Exhibit 1-2.

EXHIBIT 1-1 TO THE THIRD AMENDMENT

EXHIBIT F-A

Below-Market Rate Table

AMI Percentage	Type of Below-Market Rate Unit	Percentage of Total Units	Number of Below-Market Rate Units¹
0 – 60%	Alice Griffith Replacement Units	Alice Griffith Percentage	256
0 – 60%	Agency Affordable Units	Agency Percentage	1,388
80 – 100% ²	Inclusionary Units	3.45%	363
120%	Inclusionary Units	4.25%	446
140%	Workforce Units	4.25%	446
141% – 160% ³	Workforce Units	4.25%	446
Total Below-Market Rate Units		31.86%	3,345

¹Assuming 10,500 Total Units.

² Units in this tier must be on average Affordable with an AMI Percentage equal to ninety percent (90%).

³ Units in this tier must be on average Affordable with an AMI Percentage equal to one hundred fifty percent (150%).

“**Alice Griffith Percentage**” means the number, expressed as a percentage, that is equal to two hundred fifty six (256) divided by the Total Units. For example, assuming ten thousand five hundred (10,500) Total Units, the Alice Griffith Percentage would equal two and forty for hundredths percent (2.44%) ($256/10,500 = 0.0244$).

“**Agency Percentage**” means the number, expressed as a percentage, that is equal to fifteen and sixty six hundredths percent (15.66%) *less* the Alice Griffith Percentage. For example, assuming ten thousand five hundred (10,500) Total Units, the Agency Percentage would equal thirteen and twenty two hundredths percent (13.22%) ($15.66\% - 2.44\% = 13.22\%$).

ADDITIONAL INCLUSIONARY UNITS:

AMI Percentage	Type of Below-Market Rate Unit	Percentage of Additional Units	Number of Additional Inclusionary Units
80%	Additional Inclusionary Units	10.5%	18

EXHIBIT 1-2 TO THE THIRD AMENDMENT

EXHIBIT F-B

Housing Map

[ATTACHED

HOUSING MAP - EXHIBIT F-B

NON-STADIUM ALTERNATIVE



Hunters Point North

Lot	Subsidized Agency Affordable Units	Alice Griffith Replacement Units	Workforce Units
6	130	0	0
13	0	0	100
17	90	0	0

Hunters Point South

46	135	0	0
48	0	0	105

Alice Griffith

1	29	93	0
2	35	58	0
4	35	56	0
5	12	19	0
7	60	0	0
9	115	5	0
11	0	0	100
12	0	0	86
14	12	12	0
15	10	13	0
18	0	0	51

Candlestick Point North

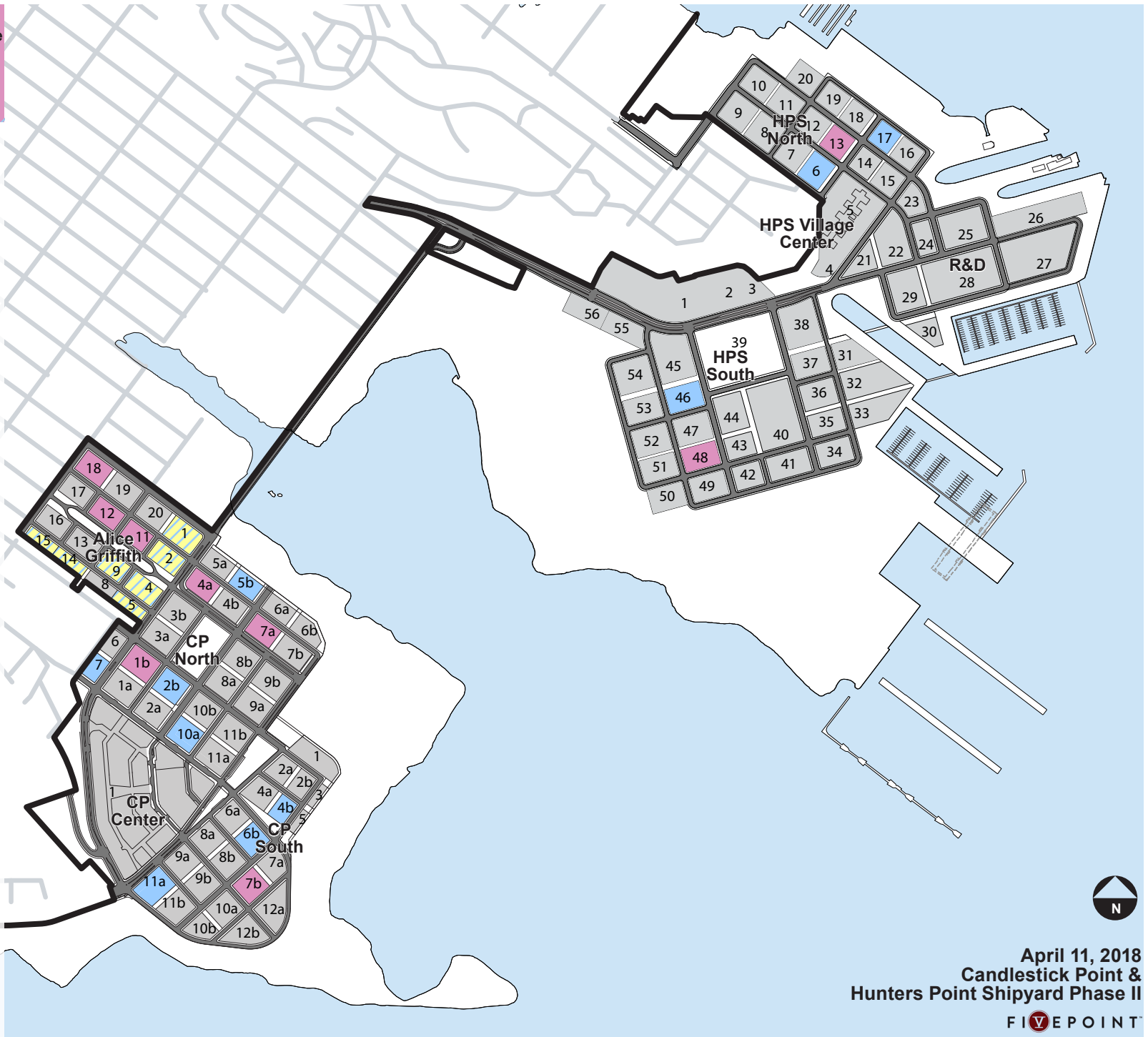
1b	0	0	110
2b	130	0	0
4a	0	0	100
5b	68	0	0
7a	0	0	120
10a	156	0	0

Candlestick Point South

4b	90	0	0
6b	105	0	0
7b	0	0	120
11a	176	0	0



Note: The unit counts per block may be adjusted at the time of development, but the total number of Subsidized Agency Affordable Units, Alice Griffith Replacement Units and Workforce Units will not change, all as more particularly described in (and governed by) the Below-Market Rate Housing Plan.



April 11, 2018
Candlestick Point & Hunters Point Shipyard Phase II

