

DEVELOPER FEE AGREEMENT
(967 Mission)

THIS DEVELOPER FEE AGREEMENT ("Agreement"), dated for reference purposes only as of _____, 2026, is made and entered into by and among the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "**City**"), **JOHN STEWART COMPANY**, a California corporation, acting by and through its wholly owned affiliate, JSCO Development Services LLC, a California limited liability company ("**JSCo**"), and **BAYVIEW HUNTERS POINT MULTIPURPOSE SENIOR SERVICES, INC.**, a California nonprofit public benefit corporation ("**BHPMSS**"), and together with **JSCo**, the "**Developer**").

RECITALS

A. Developer formed 967 Mission, LP, a California limited partnership ("**Borrower**"), which has acquired or is about to acquire a leasehold interest in real property located at 967 Mission Street, San Francisco (the "**Land**"), on which Borrower intends to construct ninety-five (95) units of low-income housing, including one (1) unrestricted manager's unit (the "**Project**").

B. The City is providing financing for a portion of the construction costs of the Project, including financing to cover construction cost overruns and related soft costs (the "**Loan**"). The City's financing is or will be evidenced by, among other documents, that certain Amended, Restated and Consolidated Loan Agreement, dated as of the date of this Agreement, as may be amended from time to time (the "**Loan Agreement**"). Definitions and rules of interpretation set forth in the Loan Agreement apply to this Agreement.

C. Under that certain Loan Agreement entered into by and between the City and Developer, dated as of December 6, 2023, the City previously committed \$550,000 to Borrower to pay to Developer to perform services related to predevelopment activities for the Project.

D. Under an agreement with Borrower, Developer will perform services for the development of the Project, for which Developer will receive developer fees for the Project in the allowed amounts set forth in MOHCD's Developer Fee Policy dated October 16, 2020, as it may be amended from time to time ("**Developer Fee Policy**"). The Developer Fee Policy is incorporated herein by this reference.

E. As a condition to the City's financing for the Project, Developer has agreed with the City to restrict the use of developer fees in accordance with this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the City's agreement to provide financing for the Project, the parties agree as follows:

1. Definitions. Capitalized terms not defined in this Agreement will have the same meanings as set forth in the Loan Agreement.

2. Amount and Payment Schedule.

(a) Developer will be entitled to receive a maximum of Four Million Eight Hundred Ninety-Five Thousand and no/100 Dollars (\$4,895,000) (the “**Developer Fees**”) for the services it shall render for the development and completion of the Project, subject to the terms and conditions of this Agreement and the Developer Fee Policy.

(b) Developer will receive payment of the Developer Fee as specified below:

Total Developer Fee:	\$4,895,000	
Project Management Fee Paid to Date:	\$550,000	
Amount of Remaining Project Management Fee:	\$550,000	
Amount of Fee at Risk (the " At Risk Fee "):	\$2,094,800	
Amount of Fee Deferred (the " Deferred Fee "):	\$1,700,000	
Amount of General Partner Equity Contribution (the “ GP Equity ”):	\$200	Both a Source and Use
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management Fee:	Amount Paid at Milestone	Percentage
Acquisition/Predevelopment Start [PAID]	\$165,000	15%
Predevelopment Start [PAID]	\$36,500	3.3%
Predevelopment – Takeout HAF Loan [PAID by HAF]	\$128,500	11.7%
Submission of CDLAC/TCAC Application [PAID]	\$220,000	20%
Construction Milestone #1: At Construction Closing	\$220,000	20%
Construction Milestone #2: During Construction	\$220,000	20%
Project Close-Out (City Approval of Project Completion Report, 100% Lease-up, City Approval Final Cost Certification, Submission of PIS Application)	\$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee:		
95% Lease-up and draft cost certification upon completion	\$418,960	20%

At Stabilization/Conversion Closing/Final Cost Certification	\$1,047,400	50%
Project close-out	\$628,440	30%

(c) Two Million Ninety-Four Thousand Eight Hundred and No/100 dollars (\$2,094,800.00) of the Developer Fee (the “**At-Risk Fee**”) will be available to cover any development costs that exceed the Project’s budget (“**Cost Overruns**”), including any contingency, that has been approved by the City. Developer will receive the amount of the At-Risk Fee that remains after payment of such Cost Overruns.

(d) Provided that Cost Overruns do not exceed the At-Risk Fee, One Million Seven Hundred Thousand and No/100 dollars (\$1,700,000.00) of the Developer Fee (the “**Deferred Fee**”) will be paid to Developer on each Payment Date from the distribution of up to fifty percent (50%) of Residual Receipts over a fifteen (15) year operating period commencing on the Conversion Date until the earlier of: (i) the date the Deferred Fee has been fully paid, or (ii) the fifteenth (15th) anniversary of the Conversion Date; provided, however, if the Deferred Fee has not be fully paid by the fifteenth (15th) Anniversary, then on the fifteenth (15) Anniversary any outstanding Deferred Fee balance shall be repaid from the DSC/DF Reserve (as defined below). If Cost Overruns exceed the At-Risk Fee, and the Borrower requests additional capital funds from the City, the Deferred Fee will be reduced by the amount of the capital funds for Cost Overruns approved by the City, but not more than the amount of the Deferred Fee. In addition, prior to or contemporaneously with the paydown of the construction loan and conversion to permanent financing, the Borrower will fund a reserve in the amount of [\$ ____] (the “**DSC/DF Reserve**”) from the proceeds of the conversion equity installment. Borrower may draw on the DSC/DF Reserve to pay Deferred Fee in accordance with Borrower’s Partnership Agreement.

2. Eligible Uses of Developer Fee. Developer agrees to limit the use of Developer Fee to pay only for activities related to affordable housing as follows:

(a) Developer’s organizational capacity building and maintenance programs; working capital; housing development production and related programs; physical improvements to existing housing owned or sponsored by Developer; increasing housing operations and asset management activities; improving tenant improvements or commercial space in existing housing owned or sponsored by Developer; funding community facilities associated with existing housing owned or sponsored by Developer providing supplemental tenant rental assistance for existing housing owned or sponsored by Developer; or programs supporting the welfare of residents residing in existing housing owned or sponsored by Developer; and

(b) predevelopment, preconstruction and construction costs, including reasonable administrative expenses, of future affordable housing development sponsored by Developer in San Francisco.

3. Disallowed Developer Fees. Developer will pay to the City or, with the City's prior written consent, use for the Project the amount equal to the portion of the Developer Fee, if any, used in violation of this Agreement within three (3) years of the date of final disbursement.

4. Reporting Requirement. Upon written request from the City, Developer will provide the City with an annual report no later than 120 days after the end of Developer's fiscal year providing specific detail as to the use of any portion of the Developer Fees that was paid during the reporting period.

5. Term. This Agreement will terminate after the City has approved Developer's accounting of its use of Developer Fees.

6. Public Disclosure.

(a) Developer understands and agrees that under the City's Sunshine Ordinance (S.F. Admin. Code, Chapter 67) and the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*), this Agreement and any and all records, information and materials submitted to the City hereunder are public records subject to public disclosure. Developer hereby authorizes the City to disclose any records, information and materials submitted to the City in connection with this Agreement. Further, Developer specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Developer's performance under this Agreement as a passive meeting.

(b) By executing this Agreement, BHPMSS agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code. BHPMSS agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the San Francisco Administrative Code. BHPMSS further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. BHPMSS acknowledges that its failure to comply with any of the provisions of this Section will constitute an event of default under this Agreement.

7. Amendment. This Agreement may not be amended except by an instrument in writing signed by the parties.

8. Controlling Document. In the event of any inconsistency between this Agreement and the terms of any financing from the City with respect to the Project, this Agreement will control.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

"DEVELOPER"

JSCO Development Servicers LLC,
a California limited liability company

By: John Stewart Company,
a California corporation, its manager

By: _____
Jack D. Gardner,
Chairman of the Board

Bayview Hunters Point Multipurpose
Senior Services, Inc., a California
nonprofit public benefit corporation

By: _____
Catherine V. Davis,
Executive Director

"CITY"

CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation,
represented by the Mayor, acting by and
through the Mayor's Office of Housing and
Community Development

By: _____
Daniel Adams, Director
Mayor's Office of Housing and
Community Development

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: _____
Vincent Brown
Deputy City Attorney