



September 25, 2025

Katy Nomura
Assistant Town Manager
Town of Los Gatos
110 East Main Street
Los Gatos, CA 95030

Re: Proposal Real Estate Brokerage Services

Dear Ms. Nomura:

Kosmont Real Estate Services ("KRES") dba Kosmont Realty, a licensed California brokerage firm (Department of Real Estate License #02058445), ("KR" or "Consultant"), is pleased to present this proposal to the Town of Los Gatos ("Client" or "Owner") for real estate brokerage services.

This proposal serves as an agreement ("Agreement") when executed and returned by Client to KR.

I. BACKGROUND AND OBJECTIVE

Client is requesting assistance with the sale and disposition of certain Town owned property, particularly 4 Tait Avenue (APN 510-44-054).

KR is a duly licensed brokerage services firm by the California Department of Real Estate and its insurance coverage is premised on compliance with State licensing regulations. KR and Client can enter into a brokerage arrangement and implement HCD compliance and the sale of properties, as appropriate.

KR proposes the following Scope of Services accordingly.

II. SCOPE OF SERVICES

Approach to Scope of Services: The prospective assignment and consulting services that KR will provide will be of a relatively limited scope and duration, and advisory in nature. KR will be making recommendations only, which advise the Client, including its elected officials, appointed officials and staff, which they can accept or reject. None of KR's staff will act in a capacity as an elected official, nor appointed official, nor as staff, nor as serving in a "designated" position.

Task 1: Preliminary Due Diligence

KR will conduct initial pre-sale/disposition property due diligence to identify existing market conditions and constraints affecting the potential marketability, sale, and development (e.g., zoning, adjacent uses, site configuration, known environmental condition) of the Property and evaluate and identify the preferred approach for the Property. There may be certain aspects of the disposition strategy that require specialized expertise for which City may need to separately retain, such as applicability and implementation of conservation easement tax benefits to a prospective buyer.

Task 2: Real Estate Brokerage Services

In compliance with the statutory and procedural disposition requirements of the California SLA and pursuant to Department of Real Estate (DRE) licensing requirements, Owner and KR may enter into or authorize a direct, indirect and/or a cooperative broker relationship with other private sector and/or brokerages/brokers, as desired by Owner and mutually agreed upon to leverage KR's collective expertise/resources, market knowledge, and transaction based relationships to successfully sell the properties, while enabling and assisting brokerage activity by any and all brokers/brokerage service firms involved in the SLA exposure and disposition process, to maintain compliance with the sale regulations set forth by the SLA.

As such, KR can be flexibly engaged, as directed by Owner and mutually agreed upon, to perform brokerage tasks/assignments with and independent of other brokerages services firms retained by Owner or private sector entities, in soliciting, selecting, and negotiating with a preferred buyer(s)/developer(s) to effectuate the sale of the properties. These brokerage activities could include structuring presentations and negotiations with the California Department of Housing and Community Development (HCD) to achieve notice of determination(s) and related sale procedural approvals, negotiation of purchase agreement documentation; coordination of escrow, title, and ultimate sale; and other transaction-based activities as may be required to close the transaction (as mutually agreed upon between KR and Owner). Compensation may include a share of commissions and/or fees as may be applicable and agreed upon.

As properties are identified by the City, KR will represent the owner in the sale of these properties.

III. SCHEDULE AND REQUIRED DATA

Consultant is prepared to commence work upon receipt of executed Agreement. Client will provide KR with appropriate existing property data including appraisals, market data, and/or other relevant data deemed appropriate by KR.

IV. COMPENSATION

Compensation for Task 1 is estimated at \$5,000 for professional services (hourly) fees at Consultant's billing rates as shown on Attachment A. Compensation for Task 2 Real Estate Brokerage Services is detailed in the Exclusive Authorization to Sell Agreement (see Attachment A). If a transaction closes and KR's commission is greater than the minimum commission, as available, the amount paid for Task 1 due diligence can be credited against the commission owed in excess of the minimum commission.

For the convenience of Kosmont's clients, we offer a secure credit card payment service. The credit card payment link is: <https://kosmont.paidyet.com> and there are two ways to make a secure credit card payment:

1. Fill in the "**Make a Payment**" form when you go to the link (<https://kosmont.paidyet.com>), or
2. Call Kosmont Companies' accounting desk (424) 297-1072 to make a credit card payment

KR is prepared to commence work upon receipt of executed Agreement.

V. OTHER PROVISIONS

A. Termination. Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party. Payment for fees accrued through the date of termination shall be remitted in full.

B. Mediation. Mediation. Should any dispute arise out of this Agreement, any party may request that it be submitted to mediation. The parties shall meet in mediation within 30 days of a request. The mediator shall be agreed to by the mediating parties; in the absence of an agreement, the parties shall each submit one name from mediators listed by either the American Arbitration Association, the California State Board of Mediation and Conciliation, or other agreed-upon service. The mediator shall be selected by a blind draw.

No party shall be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall last until agreement is reached by the parties but not more than 60 days, unless the maximum time is extended by the parties. The party determined to be the prevailing party will be entitled to reimbursement of all cost.

C. Attorneys' Fees. In the event of any legal action, arbitration, or proceeding arising out of an alleged breach of this Agreement, the party prevailing in such legal action, arbitration, or proceeding shall be entitled to recover reasonable attorneys' fees, expenses and costs, as well as all actual attorneys' fees, expenses and cost incurred in enforcing any judgment entered.

D. Authority. Each of the parties executing this Agreement warrants that persons duly authorized to bind each such party to its terms execute this Agreement.

E. Further Actions. The parties agree to execute such additional documents and take such further actions as may be necessary to carry out the provisions and intent of this Agreement.

F. Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party.

G. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

H. Entire Agreement; Amendments and Waivers. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and any and all prior discussions, negotiations, commitments and understanding, whether written or oral, related hereto are superseded hereby. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver of such provisions unless otherwise expressly provided. Each party to this Agreement has participated in its drafting and, therefore, ambiguities in this Agreement will not be construed against any party to this Agreement.

I. Severability. If any term or provision of this Agreement shall be deemed invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and in force to the fullest extent permitted by law.

J. Notices. All notices, requests, demands and other communications which may be required under this Agreement shall be in writing and shall be deemed to have been received when transmitted; if personally delivered, if transmitted by telecopier, electronic or digital transmission method, upon transmission; if sent by next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express), the day after it is sent; and if sent by certified or registered mail, return receipt requested, upon receipt. In each case, notice shall be sent to the principal place of business of the respective party. Either party may change its address by giving written notice thereof to the other in accordance with the provisions of this paragraph.

K. Titles and Captions. Titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

L. Governing Law. The statutory, administrative and judicial law of the State of California (without reference to choice of law provisions of California law) shall govern the execution and performance of this Agreement.

M. Venue. In the event that suit shall be brought by any Party to this agreement, the parties agree that the venue shall be exclusively vested in the state courts of the County of Santa Clara.

N. Counterparts. This Agreement may be executed in one or more counterparts, each of which constitutes an original, and all of which together constitute one and the same instrument. The signature of any person on a telecopy of this Agreement, or any notice, action or consent taken pursuant to this Agreement shall have the same full force and effect as such person's original signature.

O. Disclaimer. Consultant's financial analysis activities and work product, which may include but is not limited to pro forma analysis and tax projections, are projections only. Actual results may differ materially from those expressed in the analysis performed by Consultant due to the integrity of data received, market conditions, economic events and conditions, and a variety of factors that could materially affect the data and conclusions. Client's reliance on Consultant's analysis must consider the foregoing.

Consultant services outlined and described herein are advisory services only. Any decisions or actions taken or not taken by Client and affiliates, are deemed to be based on Client's understanding and by execution of this Agreement, acknowledgement that Consultant's services are advisory only and as such, cannot be relied on as to the results, performance and conclusions of any investment or project that Client may or may not undertake as related to the services provided including any verbal or written communications by and between the Client and Consultant.

Client acknowledges that Consultant's use of work product is limited to the purposes contemplated within this Agreement. Consultant makes no representation of the work product's application to, or suitability for use in, circumstances not contemplated by the scope of work under this Agreement.

P. Limitation of Damages. In the event Consultant is found liable for any violation of duty, whether in tort or in contract, damages shall be limited to the amount Consultant has received from Client.

Q. Force Majeure. Consultant shall not be liable for failure or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by significant circumstances beyond its reasonable control, including, without limitation: epidemic; acts of God; earthquakes; fires; floods; wars; civil or military disturbances; acts of terrorism; sabotage; strikes; riots; wide-spread power failures and wide-spread internet failure. Contractual performance and deadline(s) shall be extended for a period equal to the time lost by reason of the delay.

R. Expiration of Proposal for Services. If this Agreement is not fully executed by the parties within thirty (30) days from the date of this letter, this proposal shall expire.

S. Not an agreement for Legal Services or Legal Advice. This Agreement does not constitute an agreement for the performance of legal services or the provision of legal advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.

[signature page follows]

VI. ACCEPTANCE AND AUTHORIZATION

If this Agreement is acceptable to Client, please execute two copies of the Agreement and return both originals to Kosmont Realty. Upon receipt of both signed contracts, we will return one fully executed original for your files. Kosmont will commence work upon receipt of executed Agreement.

Read, understood, and agreed to this

____ Day of _____ 2025

Town of Los Gatos

By: _____
(Signature)

Name: _____
(Print Name)

Its: _____
(Title)

Kosmont Real Estate Services doing business as "Kosmont Realty"

By: _____
(Signature)

Name: Larry J. Kosmont, CRE®

Its: President

ATTACHMENT A

SAMPLE EXCLUSIVE AUTHORIZATION TO SELL AGREEMENT

The Exclusive Authorization to Sell incorporates, by reference, the following attached documents:

Exhibit A: Schedule of Commissions

The Town of Los Gatos ("Owner" or "Seller") hereby grants to Kosmont Real Estate Services, doing business as Kosmont Realty ("Broker") the exclusive right to sell certain property owned by the Owner and identified in the list below ("Properties") for a period commencing on _____ and ending at midnight on _____.

The price and terms of the sale shall be as follows:

In consideration of this Authorization and Broker's agreement to diligently pursue the procurement of a purchaser for the Properties, or a purchaser and lessees for the Properties, Owner agrees to pay Broker a commission as set forth in the attached Schedule of Commissions, which is made a part of this Agreement.

Owner shall pay said commission to Broker if: (a) the Properties or any interest therein is sold, transferred or conveyed by or through a Broker, Owner or any other party prior to the expiration of this Authorization or any extension hereof; or (b) a purchaser is procured by or through Broker, Owner or any other party who is ready, willing and able to purchase the Properties or any interest therein on terms reasonably acceptable to Owner prior to the expiration of this Authorization or any extension hereof; or (c) any contract for the sale, transfer or conveyance of the Properties or any interest therein is made directly by Owner prior to the expiration of this Authorization or any extension hereof; or (d) the Properties are withdrawn from sale without the written consent of Broker or made unmarketable by Owner's voluntary act during the term of this Authorization or any extension hereof; or (e) within one hundred eighty (180) days after the expiration of this Authorization or any extension hereof, the Properties or any interest therein is sold, transferred, or conveyed to any person or entity with whom Broker has negotiated or to whom Broker has exposed or shown the Properties prior to such expiration in an effort to effect a transaction provided that such buyer, person or entity to whom Broker has negotiated with or has shown the Properties has been clearly and expressly identified in writing on such list which Broker shall have mailed to Owner at the address below stated within thirty (30) days following such expiration.

If during the terms of this authorization or any extension hereof an escrow is opened or negotiations involving the sale, transfer, or conveyance of the Properties has commenced and is continuing, then the term of this Authorization shall be extended for a period through the closing of such escrow, the termination of such negotiations or the consummation of such transaction, provided this authorization would otherwise have expired during such period.

Owner agrees that Broker shall be included as a party to any escrow opened for the sale of the Properties and the terms of said escrow shall provide that Broker shall have the right to request the escrow holder

to make payment to Broker in the amount of Broker's commission as set forth on the Schedule of Commissions attached hereto from any sale proceeds and/or deposits held in escrow.

Owner agrees to cooperate with Broker in effecting a sale of the Properties and immediately to refer to Broker all inquiries of any party interested in the Properties. All negotiations are to be through Broker. Owner agrees to pay all customary escrow, title and revenue charges and to execute such documents as may be necessary to affect a sale of the Properties. Broker is authorized to accept a deposit from any prospective purchaser. Broker is further authorized to advertise the Properties and shall have the exclusive right to place a sign or signs on the Properties if, in Broker's opinion, such would facilitate the sale or leasing thereof.

It is understood that it is illegal for either Owner or Broker to refuse to present, sell to any person because of race, color, religion, national origin, sex, marital status or physical disability.

Owner warrants that it is the owner of record of the Properties or has the legal authority to execute this Authorization. Owner agrees to hold Broker harmless from any liability or damages arising from any incorrect information supplied by Owner or any information which Owner fails to supply. Owner acknowledges receipt of a copy of this Authorization and the attached Schedule of Commissions, which Owner has read and understands.

DISPUTE RESOLUTION.

Broker and Owner agree to attempt to resolve any claim or controversy by submission to non-binding mediation. Mediation shall be commenced by providing the opposing party with a written notice of the dispute or claim within 30 days of the event giving rise to the dispute or claim or within 30 days after discovery of the conditions giving rise to the dispute or claim, whichever is later. The written notice to the other party shall summarize the basis of the dispute or claim and describe the relief sought. Within 15 calendar days thereafter, if the parties have not reached a mutually satisfactory resolution, the disputing party shall have 15 additional calendar days to submit the dispute to non-binding mediation at the offices of Judicial Arbitration & Mediation Services, Inc. (JAMS) in the county where the Property is located. The parties may agree on a retired judge from the JAMS panel as a mediator. If the parties are unable to agree, JAMS will provide a list of three (3) available judges and each party may strike one. The remaining judge will serve as the mediator. Within 15 calendar days of commencement of mediation, each party agrees to produce any and all documents relied upon to prove or defend their claims. The assessment of the mediator shall be an appealable result, but only if the appealing party files a court action within 30 days after the mediator's assessment is rendered. Each party shall bear its own costs of mediation including its own attorneys' fees and related costs, and each party shall pay an equal share of the costs of the mediator's fees and expenses.

By signing below, Seller and Buyer acknowledge that they have read, understand, accept and have received a copy of this Agreement.



Owner:
Town of Los Gatos

Signature:

Print Name:

Date:

Address:

Telephone:

Broker:
Kosmont Real Estate Services, a
California corporation
CA DRE #: 02058445

Signature:

Print Name:

Larry J. Kosmont

Date:

Address:

1601 N. Sepulveda Blvd., #382
Manhattan Beach, CA 90266

Telephone:

(424) 297-1070

EXHIBIT A
SCHEDULE OF COMMISSIONS (for Brokerage Services)

Kosmont Real Estate Services, doing business as Kosmont Realty ("Broker") is hereby employed as the agent for the Town of Los Gatos ("Owner" or "Seller") in connection with the:

☒ Sale ☐ Lease ☐ Sublease ☐ Other

of that certain property owned by the Owner and referred to by Owner as:

(hereinafter referred to as "Properties")

Owner agrees to pay Broker, in consideration for their brokerage services relative to the above referenced Properties, a commission computed as follows:

A. SALES, EXCHANGES, AND OTHER TRANSFERS

1. KR's share of the commission when KR serves as the listing or selling broker (representing the seller or buyer, respectively) is as follows:

Real Property:

- 3.00% of the gross sales price (or independently appraised value of the parcel, whichever is greater) for transactions less than \$5,000,000;
 - 2.50% of the gross sales price (or independently appraised value of the parcel, whichever is greater) for transactions equal to or greater than \$5,000,000, and less than \$10,000,000;
 - 2.00% of the gross sales price (or independently appraised value of the parcel, whichever is greater) for transactions equal to or greater than \$10,000,000, and less than \$25,000,000;
 - 1.5% of the gross sales price (or independently appraised value of the parcel, whichever is greater) for transactions equal to or greater than \$25,000,000, and less than \$35,000,000;
 - 1.00% of the gross sales price (or independently appraised value of the parcel, whichever is greater) for transactions equal to or greater than \$35,000,000.
2. Commission structure above would serve as a minimum commission amount as mutually agreed upon between Client and KR. If there is another participating broker representing the other party in a given transaction, that broker's commission would be in addition to the amounts above (typically, though not always an amount equal to the percentages listed above).
 3. For long-term ground leases (generally in excess of 50 years) the commission amount shall be based on the independently appraised value of the property being conveyed.

4. **Minimum Commissions:** In either or any transaction scenario, Kosmont will receive a minimum commission of \$40,000.
5. **Due Diligence Credit:** If a transaction closes and KR's commission is greater than the minimum commission, as available, the amount paid for Task 1 due diligence can be credited against the commission owed in excess of the minimum commission. *(For example: if KR's commission is \$43,000, Client can receive a Task 1 due diligence credit of up to \$3,000; if KR's commission is \$48,000 for the transaction, Client can receive a Task 1 due diligence credit of up to \$5,000.)*
6. **Commissions** shall be paid through escrow upon the closing of sales and exchange transactions; absent an escrow; commissions shall be paid upon recordation of a deed or upon delivery of such deed or other conveyance if recordation is deferred more than one month thereafter. In the event of a contract or agreement of sales, joint venture agreement, business opportunity or other transaction not involving the delivery of a deed, commissions shall be paid upon execution and delivery of the instrument of conveyance or establishment of the entitlement of ownership.

Miscellaneous:

The provisions hereof are subject, however, to the terms and provisions of any Exclusive Authorization to Sell to which this Schedule may be attached, and which is executed by the parties hereto.

The parties hereto intend for this Exclusive Authorization to Sell and Schedule of Commissions to satisfy the requirements of the Civil Code, Business and Professions Code, and regulatory requirements relative to verifying Broker's authority to act on behalf of Owner and Owner's obligation to pay Broker commissions therefore, in accordance herewith.

In the event Owner fails to make payments within the time limits called for herein, then from the date due until paid the delinquent payment shall bear interest at the rate of 10% per annum.

By signing below, Owner and Broker acknowledge that they have read, understand, accept and have received a copy of this Agreement.

Owner:

Town of Los Gatos

Signature:

Print Name:

Date:

Address:

Telephone:

Broker:

Kosmont Real Estate Services, a
California corporation
CA DRE #: 02058445

Signature:

Print Name:

Larry J. Kosmont

Date:

Address:

1601 N. Sepulveda Blvd., #382
Manhattan Beach, CA 90266

Telephone:

(424) 297-1070