

AGREEMENT FOR PROFESSIONAL SERVICES

HouseKeys Agreement

PREAMBLE

THIS AGREEMENT is by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and HouseKeys ("Contractor"), a C-Corp, whose address is 111 Deerwood Rd., Suite 200, San Ramon, CA 94583. This Agreement is made with reference to the following facts.

I. RECITALS

- A. Town desires to engage Consultant to administer the Town's Below Market Price Affordable Housing Program.
- B. Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- C. Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain the Consultant.

II. AGREEMENT

- A. Scope of Services. Consultant shall provide services as described in the Scope of Services, which is hereby incorporated by reference and attached as Exhibit A.
- B. Term. The term of this Agreement shall be from July 1, 2026 to June 30, 2031.
- C. Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state, and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for the Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license as required in Chapter 14 of the Code of the Town of Los Gatos.
- D. Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- E. Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless the Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

- F. Compensation: Compensation for Consultant's professional services shall not exceed the rates set forth in Exhibit A which is attached and incorporated by reference, not to exceed \$750,000. Payment shall be based upon Town approval of each task.
- G. Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents, or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:
Invoices:

Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email (preferred): AP@losgatosca.gov

- H. Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant offices during business hours upon written request of the Town.
- I. Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.
- J. Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.
- K. Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives, nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it

has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

- L. Non-Discrimination. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

A. Minimum Scope of Insurance.

1. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than two million dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
2. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury, and property damage.
3. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Service Provider agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
4. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than one million dollars (\$1,000,000) which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

B. General Liability.

1. The Town, its elected and appointed officials, employees, and agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant and premises owned or used by the Consultant.
2. The Consultant's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees, or agents shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees, or agents.

4. Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- C. All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.
- D. Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees. As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease.
- E. Indemnification. The Consultant shall indemnify the Town its elected and appointed officials, employees and agents from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by any act or omissions of the Consultant, or any of the Consultant's officers, employees, agents, or any subconsultant. Consultant shall defend the Town against any such claims.

IV. GENERAL TERMS

- A. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- B. Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- C. 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. The cost of mediation shall be borne equally by the parties. Neither party shall be deemed the prevailing party. 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.
- D. Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Service Provider. In the event of such termination, Town shall pay Consultant an amount that bears the

same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

- E. Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.
- F. Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street, Los Gatos, CA 95030

HouseKeys, Inc.
111 Deerwood Road, Suite #200
San Ramon, CA 94583

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

- G. Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- H. Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings, or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

TOWN OF LOS GATOS:

CONSULTANT: Enter name of Consultant

SIGNATURE

Chris Constantin

FULL NAME

Town Manager

TITLE

DATE SIGNED

SIGNATURE

Julius Nyanda

ENTER CONSULTANT SIGNATORY'S NAME

CEO/Program Manager

ENTER CONSULTANT SIGNATORY'S TITLE

DATE SIGNED

Approved as to form:

SIGNATURE

Gabrielle Whelan

FULL NAME

Town Attorney

TITLE

DATE SIGNED

Attest:

SIGNATURE

Wendy Wood

FULL NAME

CMC, Town Clerk

TITLE

DATE SIGNED

The execution date is the date on which the last party has signed.

7. Preliminary Fee Schedule

Preliminary Fee Schedule

HouseKeys proposes a full-service annual contract model for the administration of the Town's Below Market Price (BMP) Program. This model provides comprehensive coverage across administration, ownership and rental activity, compliance, and customer service, while maintaining a single point of accountability and avoiding fragmented, task-based billing.

The proposed annual fee for full-service administration is:

\$150,000 per year

This fee is inclusive of all labor, coordination, reporting, meetings, site visits, and routine program administration activities required to operate the Town's BMP Program.

Scope-Based Cost Allocation (For Reference Only)

The following allocation illustrates how resources are distributed across program functions. These categories are not billed separately but reflect the structure of the full-service model.

1. Ownership Program Administration and Asset Management — 35% (\$52,500)

- Resale transactions and coordination
- Refinancing, subordination, and payoff requests
- Default, foreclosure, probate, and loss mitigation cases
- Homeowner support and long-term compliance

2. Program Administration and Customer Service — 25% (\$37,500)

- Applicant intake and waitlist management
- Program communications (phone, email, web)
- Coordination with Town staff
- Semi-annual reporting

3. Rental Program Administration and Compliance — 20% (\$30,000)

- Lease-up and vacancy coordination
- Tenant eligibility verification
- Annual compliance and rent monitoring
- Property manager coordination

4. File Operations and Underwriting Support — 10% (\$15,000)

- File preparation and document collection
- Applicant file packaging and workflow management

- Underwriting coordination

5. Program Oversight, Reporting, and System Support — 10% (\$15,000)

- Program oversight and escalation management
- Reporting dashboards and performance tracking
- Platform maintenance and continuous improvements

Transaction-Based Fee Structure (Supplemental)

In addition to the annual contract, HouseKeys maintains a standardized fee schedule for transaction-based services. These fees are typically paid by participating parties and may offset program costs to the Town.

Examples include:

- Rental unit processing fees (up to \$1,500 per lease, typically paid by developers)
- Rental compliance recertification fees (up to \$150 per unit, typically paid by property owners)
- Ownership resale transaction fees (structured as a percentage of sales price)
- Loan processing and refinance fees (paid by homeowners or lenders)

HouseKeys has historically waived or adjusted certain fees depending on program structure and Town preferences, particularly for smaller portfolios or where policy goals warrant flexibility.

Approach to Cost Structure

This combined structure allows the Town to:

- Maintain predictable annual costs
- Reduce administrative burden through a single accountable partner
- Benefit from supplemental transaction-based revenue streams where applicable
- Ensure that both routine administration and complex casework are supported without requiring separate contracts or incremental billing

The proposed fee reflects alignment with HouseKeys' full-service model for jurisdictions managing ownership and rental portfolios, including the increasing complexity of long-term asset management and compliance.

HOUSEKEYS STANDARD FEE SCHEDULE (2026-2027)

Only used with HouseKeys Agency Contracts

#	<u>Description</u>	<u>Fee¹</u>	<u>Fee Cap / Max</u>	<u>Billed To</u>
1	Rental Unit Processing Fee (New Construction/Existing Vacancies) <i>1/3rd of Agreed Fee Due Up-Front on New Construction Projects</i>	Up to \$1,500.00 per lease transaction	Up to \$1,500 per lease transaction	Developer [Agreement]
2	Rental Annual Compliance Recertification Process Fee (100% of resident files)	Up to \$150 per unit	Up to \$150 per unit	Developer [Agreement]
3	Project-level Annual Review	No fee	No fee	No fee
4	Tenant-level Annual Review (10% of resident files)	No fee	No fee	No fee
5	Loan Processing Transaction Fee	\$1,250.00 per transaction ²	\$1,250.00 per transaction	Owner / Lender
6	Refinance & Document Processing Fee	\$500 per transaction ²	\$500 per transaction	Homeowner [Agreement]
7	New Ownership Sales Transaction Fee	Based on Income Category	Moderate \$12,500 Low \$7,500 Very Low or Lower \$5,000	Developer [Agreement]
8	Ownership Resale Transaction Fee (Full Service w/ distribution to homeowner-chosen listing agent and an assigned buyer's agent)	6% of New Sales Price	Maximum \$36,000.00	Homeowner / Added to Sales Price [Agreement] with payouts to Listing and Sales Agent
9	Resale Facilitation Fee (Homeowner Chooses their own Agent and runs the process independently)	Subject to Restriction Agreement	\$2,500	Taken from Excess Proceed due to City (if available)
10	Acquisition and Ownership Resale / Rehab Transaction Fee	5% of Resale Restriction Price plus 5% of New Sales Price	Maximum \$60,000.00	Homeowner / Added to Sales Price [Agreement]
11	Billing Rate for Projects Outside of Contract Scope	\$250.00 / hour	\$250.00 / hour	Up-Front Scope / Agency
12	E-Certification of Eligibility (Coming Soon)	\$25	\$25	Direct-to-Consumer

¹ All Fees will be considered new fees. Any legacy legal agreements with fee structures written in the recorded documents will be honored and a discount will be applied, provided HouseKeys agrees.

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