PUBLIC PROPERTY ADVISORS
SINCE 1977
A division of Gillmor & Associates

REAL ESTATE • PROPERTY MANAGEMENT • LAND PLANNING

PHASE II
FEE SCHEDULE SUMMARY

PROPERTY DISPOSTION (GROUND LEASE/JOINT USE/EXCHANGE/SALE)

PHASE I:

I. Total Not to Exceed Fee

The total not to exceed amount for completion of Phase I of Work (Disposition Process) shall be up to $50,000.

II. Monthly Invoices + Credit Towards Potential Future Disposition Payments (Under Section III Below)

PPA also agrees that total fees paid under Section I above shall be credited against payments for disposition of property – Under the terms outlined in Section III below.

PHASE II – PROPERTY DISPOSITION:

Scope of Work and Services to be Provided by CONSULTANT:

- Prepare strategic and targeted list of potential buyers and/or lessees (Depending on District goals for Disposition) for property or properties;
- Conduct a professional marketing campaign to secure a qualified purchaser or lessee;
- Solicit offers from targeted list of buyers and/or lessees;
- Review offers and meet with District officials - Present recommendation to District officials;
- Present recommendation to District Board of Trustees in closed session;
- Negotiate property or properties disposition on behalf of District and oversee transaction through closing or execution of lease documents;
- If necessary and applicable, assist the District and potential buyer by processing the required waiver applications, rezoning, and other city, county or state regulatory approvals the City of San Jose and/or County of Santa Clara for the proposed transaction, planned development and/or utilization of the site(s); and
- Assist Districts at meetings with community, public or other groups concerning the sale or lease of the property.

III. Disposition (Land Sale/Ground Lease/Facility Lease)

The following compensation provisions shall apply to all considerations to dispose of District property (as described in Sections III.A-F below).

A. Upon the sale of said property:

3.0% (Three Percent) of the gross sales price. Said fee shall be payable upon consummation of said sale and close of escrow and may be payable by seller or buyer, as applicable, as negotiated between the parties.

B. Upon a long-term lease (defined for the purposes of this Agreement as any lease with a primary term more than 35 years):

Except as provided in Section D below, PPA shall be paid a fee of 2 1/2% (Two- and One-Half Percent) of the fair market value of said property at the date of execution of said lease. Fair Market Value shall be based on permissible uses under the lease, whether or not such permissible use as provided in the lease is the highest and best use for the subject property. The fair market value shall be determined by an independent third party mutually agreeable to the parties and shall be according to commonly accepted local real estate appraisal practices.

Said fee shall be calculated as of the lease commencement date and payable to Public Property Advisors in five (5) equal annual installments. The first installment shall be 20% of the total fee amount and shall be due upon full execution of the lease. The balance will be paid according to the following schedule:

20% of total fee amount payable on first anniversary of the rent commencement date under said lease;

20% of total fee amount payable on second anniversary of the rent commencement date under the lease;

20% of total fee amount payable on third anniversary date of the rent commencement date under the lease;

20% of total fee amount payable on fourth anniversary date of the rent commencement date under the lease.

C. Upon a trade or exchange:

Except as provided in Section D below, 3% (Three Percent) of the trade/exchange value of said property at the date of said trade/exchange based on the District's intended use of the exchange property. Said fee shall be payable upon consummation of said trade/exchange and close of escrow.

D. Upon the market-rate sale, long-term lease or trade or exchange of any said District property to the entities described in Government Code Sections 54222 and Education Code Section 17464 (a) and (b) or any other local governmental agency or non-profit service provider the District shall pay Public Property Advisors a fee based upon the terms and conditions specified in Phase II (Sections A, B, and C) above, except that said fee shall be 2 1/2% (Two-and One-Half percent). For purposes of this section D, "long-term lease" shall not include a Prop. 39 charter school facilities use agreement or other occupancy non-market rate agreement with a charter school in lieu of a Prop. 39 facilities agreement which is subject to the facilities use fees limitations specified in the Education Code and Code of Regulations. Such agreements shall be subject to III.F below.

E. **Upon market Leasing for term longer than One (1) month and up to Twenty-Five (25) years of primary term**.

When District enters into any Lease for a term longer than one (1) month and up to 25 years with any person or entity and for which CONSULTANT has been retained to represent the District, District shall pay CONSULTANT a fee pursuant to the fee schedule described below:

2.5% of the First Annual Rent
2.5% of the Second Annual Rent
2.0% of the Third Annual Rent
2.0% of the Fourth Annual Rent
2.0% of the Fifth Annual Rent
1% of Annual rent for each of years 6 to end of lease term

Total fee shall be paid by District spread-out over a period no less than 24 months and no more than 36 months, as agreed between the parties. Arrangements for payment of Leasing Fee shall be discussed and agreed-upon by CONSULTANT and Client in writing. No fee shall be payable by District to tenant's broker.

F. If the Client desires to use the consulting services of Public Property Advisors in the investment or use of Client assets other than real property assets or for Joint Use, Joint Occupancy, License Agreements, Use Agreement or Prop 39 Charter School Facility Use Agreements, the exact nature of the services must be determined and mutually agreed to by the parties hereto in writing and compensated as follows:

Client shall pay to Public Property Advisors an hourly fee of $185.00. Public Property Advisors (PPA) agrees to submit a monthly time and materials invoice broken down by time spent on each such matter for Phase II which shall include the name of the biller, a brief description of the work, and the amount of time spent. Time will be billed in 1/10th of an hour increments.

If it is mutually agreed upon by the parties to this Agreement, pursuant to a written addendum to this Agreement, the fees payable to Public Property Advisors pursuant to this Fee Schedule above may be paid to Public Property Advisors directly by the purchaser, developer, lessee, or other party to whom the property is transferred or leased, in which event District shall not be responsible for any fee to Public Property Advisors.