

**EXCLUSIVE RIGHT TO LEASE AGREEMENT**

**HD BUDS LLC ("Owner")** appoints Avison Young – Southern California, Ltd. ("AYSC") as its sole agent and grants to AYSC the exclusive right to lease the real property described below ("Property").

1. **PROPERTY:** Located at 5895 Washington Boulevard in the City of Culver City, County of Los Angeles, State of California, which property is further described as the ±1,132 sq. ft. office space located in a multi-tenant retail center.
2. **TERM:** The term of this Agreement begins on **May 1, 2024**, and will end at midnight on **November 1, 2024** ("Term"). Listing agreement will continue to renew automatically on a monthly basis from the expiration of said stated date until terminated in writing or via email. In the event the Property is removed from the market due to the acceptance of an offer to lease or sublease the Property during the Term or any extension of the Term, and the transaction is not consummated for any reason, then Term will be extended for a period of time equal to the number of days that the escrow had been opened and/or the Property had been removed from the market, whichever is longer, provided that, in no event will such extension(s) exceed ninety (90) calendar days in the aggregate. In addition, if during the Term negotiations concerning a potential lease of the Property are commenced and those negotiations are continuing the expiration of the Term, the Term will automatically extend with respect to that potential transaction for a period of time through the expiration of those negotiations or the consummation of the transaction.
3. **SERVICES:** AYSC will enlist the efforts of its firm to secure a satisfactory tenant(s) for the Property at an asking price of a negotiable per square foot rate or on such other terms as may be acceptable to Owner. AYSC will negotiate the terms of any lease on behalf of Owner and in Owner's interest, based on Owner's input.
4. **AGENCY RELATIONSHIP DISCLOSURE:** Unless subsequently modified in writing and signed by both Owner and AYSC, by entering into this Agreement, an exclusive agency relationship exists between Owner as principal and AYSC as agent. AYSC designates **David Maling, Chris Maling, and Dana Pieper** as Owner designated agent(s) pursuant to this Agreement to the exclusion of all other licensees affiliated with AYSC. AYSC reserves the right to substitute other qualified representatives as Owner's designated agent(s) upon written notice to Owner.
5. **OWNER REFERRALS:** Owner will refer to AYSC all inquiries and offers received by Owner regarding the Property, and all negotiations will be conducted solely by AYSC or under AYSC's direction, subject to Owner's review and final approval.
6. **ADVERTISING:** Owner authorizes AYSC to advertise and to place signage on the Property. AYSC, at its expense, will provide its standard signage. All advertising will identify AYSC as the exclusive agent of the Property. Owner consents to the collection, use, and disclosure of information by AYSC for the purpose of listing and marketing the Property.
7. **COMMISSION:** If, during the Term of this Agreement, Owner leases all or any portion or other interest in the Property pursuant to signed lease, Owner will pay to AYSC a commission computed in accordance with the attached Commissions Schedule. No leasing commission shall be payable for any rent abatement or free rent period.

Within 10 days after the end of the Term, AYSC will provide to Owner a list of prospective tenants ("List") (not to exceed 15 names) to whom the Property was submitted (by AYSC, Owner, or any third party) during the Term. If during the Term, or within thirty (30) days of expiration or termination of the Term, a prospective tenant (or any subsidiary, parent, affiliate or other related party) (collectively "Prospect") appearing on the List, either enters into a lease within thirty (30) days after the end of the Term, Owner will pay a commission to AYSC as provided above as if such lease had been executed during the Term. In the event that Owner

terminates this Agreement (without cause) or withdraws the Property from the market before the expiration of the Term, Owner will pay AYSC any out-of-pocket marketing expenses.

**Rates:** 6.0% of the total base rent for the first 60 months in which rent to be paid plus 4.0% for the total base rent for the balance of the lease term not to exceed 60 months.

**Expansions:** If tenant leases additional space, whether pursuant to the option or right contained in the lease or otherwise, Landlord will pay to AYSC, at the time of the lease of additional space, an additional commission at the above rate for such additional space as if additional space constituted either: a new transaction and such commission will be computed as two percent (2%) of the rent required by such transaction not to exceed 10 years.

**Cancellation Clauses:** AYSC will be paid a commission based upon the entire lease term notwithstanding any right to cancel the lease by either party. If tenant has a right to cancel the lease after the term has commenced (for reasons unrelated to casualty, condemnation, default and the like), the commission will initially be based upon the noncancellable portion of the lease term plus the amount of any cancellation payment payable by tenant; if such right is not thereafter exercised, Owner will promptly pay AYSC the unpaid balance of the commission. A lease will be deemed canceled only if tenant vacates the premises or ceases to pay any rent. If a lease is terminated or amended and tenant remains under a new or amended lease AYSC will be paid the balance of its commission based on the rent required and terms of such amended lease. If a cancellation payment includes the unamortized commission, then AYSC will be paid a full commission as if no right of cancellation were contained in the lease.

**Time of Payment:** The commission shall be earned in full upon the lease of the property. In the event of a lease, a commission shall be earned in full upon mutual lease execution with 50% due upon execution and 50% upon the later of tenant opening to the public or tenant obtaining its Certificate of Occupancy.

8. **OUTSIDE BROKERS:** "Outside Broker" means any licensee other than Owner's designated agent(s). If there is an Outside Broker representing the tenant in a transaction for which a commission is payable in accordance with this Agreement, AYSC will request such Outside Broker to agree to accept, as its compensation, the commission computed and payable in accordance with the Commissions Schedule. If Outside Broker agrees, Owner will pay AYSC the full commission computed and payable in accordance with the Commissions Schedule. Out of that full commission, AYSC will pay to the Outside Broker its agreed upon commission and retain the balance of the commission as AYSC's compensation. AYSC shall indemnify, defend protect and hold Owner harmless from and against any claims by an Outside Broker. Notwithstanding anything contained in this Paragraph 9, or otherwise herein, AYSC's indemnification herein shall be limited to the amount of the Commission actually received by AYSC for the subject transaction only.
9. **PROPERTY INFORMATION:** Owner represents that it has no actual current knowledge of toxic, contaminated or hazardous substances, or defective conditions, in, on, or about the Property in violation of applicable law except as Owner has informed AYSC in writing.
10. **OTHER CLIENTS:** Owner acknowledges that AYSC may represent other owners of property and Prospects; and Owner consents to such dual representation. AYSC will not disclose the confidential information of one principal to the other.
11. **ATTORNEYS' FEES.** Should any party hereto engage an attorney or institute any action or proceeding at law or in equity, or in connection with an arbitration, to enforce any provision of this Agreement, including an action for damages by reason of an alleged breach of any provision of this Agreement, or otherwise in connection with the Agreement, or any provision thereof, the prevailing party shall be entitled to recover from the losing party or parties reasonable attorneys' fees and costs for services rendered to the prevailing party.
12. **AUTHORITY:** Owner warrants and represents to AYSC that: (a) Owner is the owner of record of the Property or has the legal authority to execute this Agreement on behalf of such owner; (b) there are no

delinquencies or defaults under any deed of trust, mortgage or other encumbrance on the Property; (c) the Property is not subject to the jurisdiction of any court in any bankruptcy, insolvency, conservatorship, probate proceeding, or mortgage foreclosure; and (c) neither AYSC nor any salesperson affiliated with AYSC has made any promise or representation to or agreement with Owner that is not contained in this Agreement that in any manner affect Owner's or AYSC's rights and obligations under this Agreement.

13. **PROFESSIONAL ADVICE:** Owner agrees that in determining the financial soundness of any Prospect or tenant, Owner will rely solely upon Owner's own investigation and evaluation, notwithstanding AYSC's assistance in gathering any financial information relating to such Prospect. AYSC recommends that Owner consult its tax advisors concerning any tax effects of any transactions.
14. **NON-DISCRIMINATION:** It is understood that it is illegal for either Owner or AYSC to refuse to present, sell, or lease real property to any person because of race, color, religion, national origin, sex, marital status, age, or physical ability.
15. **AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act is intended, among other things, to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required. State and local laws also may mandate changes. The real estate brokers in this transaction are not qualified to advise you as to what, if any, changes may be required now, or in the future. Owners, buyers, and tenants should consult the attorneys and other qualified design professionals of their choice, at their sole expense, for information regarding these matters. Real estate brokers cannot determine which attorney or design professional have the appropriate expertise in this area.
16. **HAZARD OR TOXIN DETECTION:** Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and may need to be specifically treated handled or removed. For example, some transformers or other electrical components contain PCBs, and asbestos has been used in the components such as fire-proofing, heating and cooling systems, air duct insulation, spray-on and tile acoustical materials, linoleum, floor tiles, roofing, dry wall, and plaster. Due to prior or current uses of the Property or in the area, the Property may have hazardous or undesirable metals, minerals, chemicals, hydrocarbons, or biological hazards (including mold) or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Real estate agents have no expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present, and/or future owners and/or operators. It is the responsibility of the Seller/Lessor and Buyer/Tenant to retain qualified experts to detect and correct such matters and to consult with legal counsel of their choice and at their sole expense to determine what provisions, if any, they may wish to include in transaction documents regarding the Property.
17. **INDEMNIFICATION:** Except for acts of gross negligence, Owner agrees to indemnify and hold harmless AYSC, its officers, directors, employees, independent contractors, and representatives against any and all actions, claims, damages, disputes, litigation, loss, judgments, liabilities, expenses, fines, contributions, charges, injuries, demands, and costs together with reasonable attorneys' fees, arising out of or relating to (i) damage or injury to person or property resulting from or occurring on or about the Property; (ii) false information concerning the Property supplied by Owner; (iii) Owner's failure to provide AYSC with material information, including material Property defects, known to Owner; and (iv) Owner's breach or default in the performance of any covenant or obligation under this Agreement.
18. **EVENT OF BANKRUPTCY:** In the event that Owner or the Property comes under the jurisdiction of a bankruptcy court, Owner will immediately notify AYSC of the same, and will promptly take all steps necessary to obtain court approval of AYSC's appointment, unless AYSC elects to terminate this Agreement upon giving notice. In the event that the Property becomes the subject of foreclosure proceeding before the expiration of this Agreement, then this Agreement will be deemed suspended until such time as Owner may reacquire the Property within the Term.

19. **SURVIVAL:** This Agreement is binding upon the Parties and their respective successors and assigns. The terms Owner, Prospect, and Tenant include parents, affiliates, subsidiaries successors, assigns, and nominees. The term "Owner" as used will also be deemed to mean "Landlord."
20. **COUNTERPARTS:** This Agreement may be executed in two or more counterparts, all of which will be considered one and the same Agreement.
21. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between Owner and AYSC and supersedes all prior discussions. No modification of this Agreement will be effective unless made in writing and signed by both Owner and AYSC. Owner acknowledges receipt of a copy of this Agreement and the Commissions Schedule attached. This Agreement is binding upon and inure to the benefit of the heirs, personal representative, transferees, successors, and assigns of the Parties.
22. **REPRESENTATION AND WARRANTY REGARDING TERRORISM:** Each party warrants and represents to the other party, that each party, and all persons and entities owning (directly or indirectly) an ownership interest in each party: (a) is not, and shall not become, a person or entity with whom AYSC is restricted from doing business with under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action; and (b) is not knowingly engaged in, and shall not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in provision (a) above.
23. **CONFIDENTIALITY.** Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective purchasers and tenants. Owner desires that the Property be presented to such persons or entities and consents to the dual representation created thereby. Broker shall not disclose the confidential information of one principal to the other.

SIGNATURES ON FOLLOWING PAGE



**OWNER: HD BUDS LLC**

**BROKER: AVISON YOUNG - SOUTHERN CALIFORNIA, LTD.**

By: \_\_\_\_\_

Print Name: Freddy Sayegh\_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: Jonathan Larsen\_\_\_\_\_

Title: Principal & Managing Director  
DRE License #: 01008099

Address: 601 S. Figueroa Street, Suite 4450  
Los Angeles, CA 90017

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: David Maling\_\_\_\_\_

Title: Principal

DRE #: 01139115

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: Dana Pieper\_\_\_\_\_

Title: Client Service Coordinator

DRE #: 02218819

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: Chris Maling\_\_\_\_\_

Title: Principal

DRE #: 01025809

Date: \_\_\_\_\_

**DISCLOSURE REGARDING  
REAL ESTATE AGENCY RELATIONSHIP  
(As required by the Civil Code)**

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

**SELLER'S AGENT ("Seller" includes both a vendor and a lessor)**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller. To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**BUYER'S AGENT ("Buyer" includes both a purchaser and a lessee).**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer. To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction.

The law requires each agent with whom you have more than a causal relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.**

☐ Buyer ☐ Seller ☐ Lessor ☐ Lessee HD BUDS LLC

Date: \_\_\_\_\_

☐ Buyer ☐ Seller ☐ Lessor ☐ Lessee \_\_\_\_\_

Date: \_\_\_\_\_

Agent AVISON YOUNG – SOUTHERN CALIFORNIA LTD.  
Real Estate Broker (Firm)

BRE Lic. # 01260886

By: David Maling  
(Salesperson or Broker-Associate)

BRE Lic. # 01139115

Date: \_\_\_\_\_

**NOTE:**

- When the listing brokerage company also represents Buyer/Lessee: The Listing Agent shall have one Agency Disclosure form signed by Seller/Lessor and a second Agency Disclosure form signed by Buyer/Lessee.
- When Seller/Lessor and Buyer/Lessee are represented by different brokerage companies: (i) the Listing Agent shall have one Agency Disclosure form signed by Seller/Lessor and (ii) the Buyer's/Lessee's Agent shall have one Agency Disclosure form signed by Buyer/Lessee and either that same or a different Agency Disclosure form presented to Seller/Lessor for signature prior to presentation of the offer. If the same form is used, Seller/Lessor may sign here:

\_\_\_\_\_  
Seller/Lessor

Date: \_\_\_\_\_