

LEASE ABSTRACT

Tenant Name:	Chandra Stewart
Landlord:	1722 J ST, LLC

Property Information

Property Name:	1722 J Street	City:	Sacramento
Address:	1722 J Street	State:	CA
Tenant's Suite #	220	Zip Code:	95811

Tenant Information

Space Type:	Office	Square Footage (SF):	698 SF
Recovery Type:	NNN	Doing Business As (dba):	Black Lily Naturals LLC
Tenant Use:	for product packaging: Skin, Hair, and Home products		

Critical Dates

	<u>Lease Execution</u>	<u>Lease Effective Date</u>	<u>Delivery Date</u>	<u>Lease Comm</u>	<u>Rent Comm</u>	<u>Expiration Date</u>
Current Term:	7/8/2021	6/28/2021		7/15/2021	7/15/2021	7/14/2023
Total Lease Term(s):	2 years					
Lease Term Notes:	None.					

Base Term Rent Schedule

<u>Begin Date</u>	<u>End Date</u>	<u>Monthly Base Rent (\$)</u>	<u>Annual Base Rent (\$)</u>	<u>Increase (%)</u>	<u>Square Feet</u>	<u>Rent Per Square Foot (\$)</u>
7/15/2021	7/14/2022	\$1,600.00	\$19,200.00	-	698	\$27.51
7/15/2022	7/14/2023	\$1,648.00	\$19,776.00	3.0%	698	\$28.33
Notes:	None.					

Inducements

TIA:	Lease is silent.
LL Work:	No Improvements. Tenant agrees to accept the Premises in "as-is" condition. (Lease, Exhibit C).
Free Rent:	Lease is silent.

CAM

<u>Begin Date</u>	<u>End Date</u>	<u>Type (NNN/Gross/MG)</u>	<u>Pro-rata Share (%)</u>	<u>Base Year</u>	<u>CAM Cap (%)</u>	<u>Gross up</u>
7/15/2021	7/14/2023	NNN	2.50%	2021	N/A	95%

CAM includes: Operating expenses as used herein shall include all direct costs of operation, maintenance and management of the Building as determined by generally accepted accounting practices. Operating expenses shall include the cost or charges for the following items: heat, light, water, power, steam, and other utilities (including without limitation any temporary or permanent utility surcharge or other exaction, whether now or hereafter imposed), waste disposal, janitorial services, guard services, window cleaning, air conditioning, materials and supplies, equipment and tools, service agreements on equipment, insurance, licenses, permits and inspections, wages and salaries, employee benefits and payroll taxes, accounting and legal expenses, management fees, Building office rent or rental value, depreciation on personal property, including without limitation, window coverings provided by Landlord and carpeting in public corridors and common areas, and the cost of contesting the validity or applicability of any governmental enactments which may affect operating expenses.

CAM excludes: Operating expenses shall not include direct taxes, interest expense, advertising costs, leasing commissions, depreciation on Building itself, or the cost of capital expenditures, provided, however, that in the event Landlord makes capital improvements which have the effect of reducing operating expenses, Landlord may amortize its investment in said improvements (together with interest at the rate of 9% per annum on the unamortized balance) as an operating expense in accordance with standard accounting practices provided that such amortization is not at a rate greater than the anticipated savings in the operating expenses.

Tenant shall pay to Landlord Tenant's Proportionate Share of Operating Expenses over the base year 2021.

Tenant's Proportionate Share: 2.5%

Base year: 2021

Notes:

Gross up: 95%.

Reconciliation: Within 120 days after the end of each base year or as soon after such base year as practicable, Landlord shall deliver to Tenant a statement of additional rent payable under this paragraph for such year based upon actual operating expenses. If such statement shows an amount owing by Tenant that is more than that estimated for such year previously made by Tenant, Tenant shall pay the deficiency to Landlord within 20 days after delivery of such statement. (Lease, BLI; Lease, Section 27(a), Page xii-xiii).

Real Estate Taxes and Insurance

<u>Begin Date</u>	<u>End Date</u>	<u>Type (NNN/Gross/MG)</u>	<u>Pro-rata share (%)</u>	<u>Base Year</u>	<u>CAM Cap (%)</u>
7/15/2021	7/14/2023	NNN	2.50%	2021	N/A

Tenant shall pay to Landlord Tenant's Proportionate Share of direct taxes over the base year 2021. Tenant shall pay its share of such increase to Landlord within 20 days following notice by Landlord.

Notes: Tenant's Proportionate Share: 2.5%

Base year: 2021
(Lease, BLI; Lease, Section 27(b), 28, Page xiii, xiv).

Percentage Rent

<u>Begin Date</u>	<u>End Date</u>	<u>Frequency</u>	<u>Natural Breakpoint (\$)</u>	<u>Percentage of Sales (%)</u>
		-	-	-

Sales Reporting: Lease is silent.

Sales Exclusions: Lease is silent.

Notes: None.

Additional Information

Admin / Mgmt Fee: Management fee shall be included in Operating expenses. (Lease, Section 27(a)(iv), Page xii-xiii).

Security Deposit (\$): \$1,648.00. If Tenant has kept and performed all terms, covenants or conditions of this Lease during the term hereof, Landlord will on the termination hereof promptly return said sum to Tenant or the last permitted assignee of Tenant's interest hereunder at the expiration of the Lease Term. (Lease, BLI; Lease, Section 33, Page xiv).

Other: **After Hours HVAC:** Landlord, at Landlord’s expense, shall furnish normal HVAC, electrical power and use of all other building services and amenities Monday through Friday from 7:00 a.m. to 7:00 p.m. The per hour cost for running each unit after hours shall be the actual utility cost plus a charge for maintenance, depreciation and administration. The current total charge is \$40.00 per hour. This fee will be waived during this current lease term. (Lease, Section 12(b), Page vi).

After Hours water or electric current: If Tenant shall require water or electric current or any other resource in excess of that usually furnished or supplied for use of the Premises as general office space, Tenant shall first procure the consent of Landlord which Landlord may refuse, to the use thereof, and Landlord may cause a special meter to be installed in the Premises so as to measure the amount of water, electric current or other resource consumed for any such other use. The cost of any such meters and of installation, maintenance, and repair thereof shall be paid for by Tenant, and Tenant agrees to pay Landlord promptly upon demand by Landlord for all such water, electric current or other resource consumed, as shown by said meters, at the rates charged by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water, electric current or other resource so consumed. (Lease, Section 12(c), Page vi-vii).

Renewal Options						
	<u>Latest Notice Date</u>	<u>Earliest Notice Date</u>	<u>Initial Monthly Rent (\$)</u>	<u>Initial Annual Rent (\$)</u>	<u>Per Square Foot (\$)</u>	<u>Increase (%)</u>
	N/A					
Notes:	Lease is silent.					
Tenant Lease Options						
Right to Relocate:	At any time after execution of this Lease, Landlord may substitute for the Premises other premises in the Building (the New Premises) upon not less than 90 days prior written notice, in which event the new Premises shall be deemed to be the Premises for all purposes hereunder, provided, however, that: (a) The Net Rentable Area in the Premises is less than 5,000 sf; (b) The New Premises shall be similar in area and in appropriateness for Tenant’s purposes (c) Any such substitution is effected for the purpose of accommodating a tenant who will occupy all or a substantial portion of the Net Rentable Area of the floor on which the Premises are located; and (d) If Tenant is occupying the Premises at the time of such substitution. Landlord shall pay the expense of moving Tenant, its property and equipment to the New Premises and shall, at its sole cost, improve the New Premises with improvements substantially similar to those Landlord has committed to provide or has provided in the Premises. (Lease, Section 30, Page xiv).					
ROFR:	Lease is silent.					
Right to Purchase:	Lease is silent.					
Termination Option:	Lease is silent.					
Notes:	Lease is silent.					
Lease Clauses:						
Co-Tenancy	Lease is silent.					
Landlord's Restrictions	Lease is silent.					
Exclusive Use	Lease is silent.					
Radius Restriction	Lease is silent.					
Continuous Operations	Lease is silent.					
Go Dark	Lease is silent.					

Audit Rights	Tenant shall have the right, at Tenants expense, upon 48 hours prior written notice to Landlord and at reasonable times, to review Landlord's books and records for any operating expense year for which Rent is increased or decreased. In the event Tenant shall dispute the amount set forth in the statement provided by Landlord, Tenant shall have the right not later than 20 days following receipt of such statement, and subject to Tenant first depositing with Landlord the full amount in dispute, to cause Landlord's books and records with respect to such year to be audited by certified public accountants mutually acceptable to Landlord and Tenant; and the amounts payable under this paragraph by Landlord to Tenant or Tenant to Landlord, as the case may be, shall be appropriately adjusted on the basis of such audit. If such audit discloses a liability for further refund by Landlord to Tenant in excess of 10% of the estimated payments previously made by Tenant for such year, the cost of such audit shall be borne by Landlord; otherwise the cost of such audit shall be borne by Tenant. (Lease, Section 27(a)(v), Page xiii).
Guarantors	Lease is silent.
Estoppel	Within 10 days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord. (Lease, Section 13, Page vii).
Financial Statements	Within 10 days following any written request from Landlord, Tenant shall furnish current financial statements to Landlord. (Lease, Section 13, Page vii).
Subordination/SNDA	Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, this Lease shall be subject and subordinate at all times to: (a) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Building or the land upon which the Building is situated or both, and (b) the lien of any mortgage or deed of trust which may now exist or hereafter be executed in any amount for which said Building, land, ground leases or underlying leases, or Landlord's interest or estate in any of said items, is specified as security. Landlord shall have the right to subordinate or cause to be subordinated any such ground lease or underlying leases or any such liens to this Lease. (Lease, Section 15, Page viii).
Alteration	Tenant shall not make or suffer to be made any alterations, additions, or improvements in, or to the Premises or any part thereof without the prior written consent of Landlord. In the event Landlord consents to the making of any such alteration, addition or improvement by Tenant, the same shall be made by Tenant, at Tenant's sole cost and expense, in accordance with plans and specifications approved by Landlord, and any contractor or person selected by Tenant to make the same must first be approved in writing by Landlord, which approval shall not be unreasonably withheld. (Lease, Section 6, Page iii-iv).
Assign/Sublet	Tenant shall not sell, assign, encumber or otherwise transfer this Lease or any interest therein (by operation of law or otherwise), sublet the Premises or any part thereof or suffer any other person to occupy or use the Premises or any portion thereof, nor shall Tenant permit any lien to be placed on Tenant's interest under this Lease by operation of law except in accordance with the provisions of this Paragraph 9. Profit Sharing: 90%. (Lease, Section 9, Page iv-v).
Holdover	300% of last payable Rent. (Lease, Section 14, Page vii-viii).

Default	Monetary: 3 days after written notice; Non-Monetary: 10 days after written notice. (Lease, Section 19, Page ix-x).
Late Fee	If rent or any other payment due hereunder from Tenant to Landlord remains unpaid 10 days after said amount is due the amount of such unpaid rent or other payment, a late charge is to be paid to Landlord by Tenant in an amount equal to 10% of the amount of the delinquent rent or other payment. (Lease, Section 3(b), Page iii).
Parking Requirements	Lease is silent.
Tenant Insurance	Tenant agrees to purchase at its own expense and to keep in force during the term of this Lease a policy or policies of worker's compensation and comprehensive general liability insurance, with a combined limit of not less than \$1M per Occurrence including personal injury and property damage, and a combined limit of not less than \$2M General Aggregate including personal injuries or deaths of persons occurring in or about the Premises. (Lease, Section 10, Page v-vi).
R & M by LL	Landlord has no obligation to alter, remodel, improve, repair, decorate, or paint the Premises or any part thereof except as specified in Exhibit C and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant. (Lease, Section 7, Page iv).
R & M by TT	Tenant shall, at all times during the term hereof at Tenant's sole cost and expense, keep the Premises and every part thereof in good order, condition and repair, excepting damage thereto by fire, earthquake, Act of God or the elements, Tenant hereby waiving all rights under and benefits of subsection 1 of Section 1932, and Sections 1941 and 1942 of the Civil Code of California and any similar law, statute or ordinance now or hereafter in effect. (Lease, Section 7, Page iv).
Signage	No sign, placard, picture, name, advertisement or notice, visible from the exterior of lease premises shall be inscribed, painted, affixed, installed or otherwise displayed by any Tenant either on its premises or any part of the Building without the prior written consent of Landlord, and Landlord shall have the right to remove any such sign, placard, picture, name, advertisement, or notice without notice to and at the expense of the Tenant. The bulletin board or directory of the Building will be provided exclusively for the display of the name and location of Tenants, and Landlord reserves the right to exclude any other names therefrom. (Lease, Exhibit A, Section 2, 3, Page xvii).
Utilities	Landlord agrees to furnish to the Premises during ordinary business hours of generally recognized business days, to be determined by Landlord, water and electricity suitable for the intended use of the Premises, heat and air conditioning required in Landlord's judgment for the comfortable use and occupation of the Premises, and elevator service which shall mean service either by non-attended automatic elevators or elevators with attendants, or both, at the option of the Landlord. Landlord shall be under no obligation to provide additional or after hours heating or air conditioning but if Landlord elects to provide such services at Tenant's request, Tenant shall pay to Landlord a reasonable charge for such services as determined by Landlord. (Lease, Section 12, Page vi-vii).
Broker	Lease is silent.
Miscellaneous	Lease is silent.

Contact Information

<u>Contact Type</u>	<u>Company Name</u>	<u>Attention</u>	<u>Street Address</u>	<u>City/State</u>	<u>Zip</u>
Tenant Notice	Chandra Stewart		1722 J Street, Suite 220	Sacramento, CA	95811
Landlord Notice	1722 J ST, LLC		2443 Fair Oaks Blvd.#368	Sacramento, CA	95825

Document Index

<u>Document Type</u>	<u>Execution Date</u>	<u>Document Description/Notes</u>
Original Lease	6/28/2021	Tenant leases the Premises for the period commencing from 07/15/2021 and expiring on 07/14/2023.

Missing Documents and Discrepancies

Missing Documents	None.
Discrepancies	None.

Abstract Completed By: Vin **Completion Date:** 11/26/2021