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# Standard Industrial Lease

1. PARTIES. This lease is made this 4th day of APRIL, 1990, by and between NATHAN SMOOKE, TRUSTEE OF THE SMOOKE FAMILY REVOCABLE TRUST as Lessor and BRIDGE PUBLICATIONS, INC. a CALIFORNIA CORPORATION as Lessee.

2. LEASED PREMISES. The Lessor does hereby lease to Lessee, and Lessee does hereby lease from the Lessor the premises situated in the County of LOS ANGELES State of California, commonly known as 4550-4560 WORTH STREET AND A PORTION OF 4578 WORTH STREET and described as: approximately 62,544 square feet of buildings (buildings 1, 2, 3 and 5), the parking and yard area as are outlined on the attached Exhibit "A" and in the Rider to Lease (hereinafter "leased premises").

3. TERM. The term of this lease shall be for FIVE (5) YEARS, commencing on MAY 1, 1990 and ending on APRIL 30, 1995, unless sooner terminated as hereinafter provided.

#### 4. RENT

4.1 Lessee agrees to pay as rent for the leased premises the sum of SEE THE ATTACHED RIDER TO LEASE dollars (\$ ---) for the full term hereof payable in equal monthly installments of --- dollars (\$ ---) in advance, on the first day of each calendar month during the term hereof, without deduction, offset, prior notice or demand, and payable at such place as may be designated by Lessor in writing, in lawful money of the United States of America. Rent for any period during the term hereof which is less than one month shall be a prorata portion of the monthly installment.

~~4.2 The monthly rental due on the first day of each and every calendar month for the ensuing period until the next adjustment date shall be the minimum of the monthly rental specified in Paragraph 4.1 above, and said sum shall be increased in the same percentage as the Consumer Price Index for the Los Angeles/Long Beach Metropolitan Area (all items prepared by the Department of Labor, Bureau of Labor Statistics, United States Government and hereinafter called the "Index") as it exists on each adjustment date shall have increased over the index as the same existed on --- ("Base Index"). For example, if the index for the first adjustment date reflects a 3% increase over the Base Index, then the monthly rental until the next adjustment date shall be the sum of \$ ---. This represents an increase of \$ --- over the minimum monthly rental set forth in Paragraph 4.1. It is understood that the published monthly index occurs at least thirty days after the end of a calendar month. Lessee shall continue the rental for the prior period until such time as the index is made public. When the index is made public, Lessor shall submit to Lessee a statement showing Lessor's calculation of the monthly rent as adjusted to reflect the increase in the index and Lessee shall thereupon pay to Lessor the deficiency due to the time lag, and Lessee shall pay the new rental figure thereafter. In the event the index is discontinued or revised during the term hereof, such other governmental index or computation with which it is replaced shall be used in order to~~

#### 5. FIRST MONTH'S RENT AND SECURITY DEPOSIT

5.1 Concurrently with the execution of this lease, Lessee shall pay to Lessor the August 1990 rental of Fifteen Thousand and No/100 dollars (\$ 15,000.00), and Lessee shall also pay the sum of Fifteen Thousand and No/100 dollars (\$ 15,000.00) as security for the full and faithful performance of every provision of this lease to be performed by Lessee.

5.2 If Lessee defaults with respect to any provision hereunder, including but not limited to the provisions relating to the payment of rent, Lessor may use, apply or retain all or any part of the security deposit for the payment of any such rent or any other sum in default, or for the payment of any other amount which Lessor may spend or become obligated to spend by reason of Lessee's default or to compensate Lessor for any other loss or damage which Lessor may suffer by reason of Lessee's default. If any portion of said deposit is so used or applied, Lessee shall within five (5) days after written demand therefor deposit to Lessor in an amount sufficient to restore the security deposit to its original amount and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep the security deposit separate from its general funds, and Lessee shall not be entitled to interest on such deposit. If Lessee shall fully and faithfully perform each provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Lessee upon demand by Lessee at the expiration of the lease term and upon Lessee's vacation of the leased premises.

6. USE. Lessee shall have the right to use the leased premises only for the purpose of warehouse, storage and distribution of books, publication materials and printing operations and related activities.

If there shall be more than one tenant of the building containing the leased premises, then Lessee agrees that Lessee shall not disturb such other tenants in their use and occupancy of the premises leased to such other tenants.

#### 7. TAXES & UTILITIES

7.1 In the event the amount of real estate taxes which may be levied or assessed against the leased premises attributable to any tax year (July 1 to June 30) during the term hereof shall be greater than the amount of real estate taxes levied or assessed on that same property attributable to the tax year 1989-90 ("Base Tax Year"), then Lessee, in addition to all other sums payable under this lease, shall pay to Lessor as additional rental hereunder a sum equal to the amount of such increase. Lessor and Lessee acknowledge and agree that the real estate taxes for the Base Tax Year are THIRTEEN THOUSAND TWO HUNDRED SEVENTEEN AND 23/100 dollars (\$ 13,217.23). Said payment shall be made by Lessee within ten (10) days of the date of a demand from Lessor accompanied by a copy of the applicable tax bill. Should the term hereof commence or expire at any time other than the beginning or end of a tax year, the amount of any such increase in real estate taxes shall be prorated so as to include only that portion of the taxable year which is a part hereof.

7.1.1 As used herein, the term "real estate taxes" shall include any form of tax, assessment, license fee, commercial rental tax, levy, or penalty imposed by any authority having the direct or indirect power to tax, including any city, county, State or Federal government, or any school, agricultural, lighting, drainage, sewer, or other improvement district thereof, as against any legal or equitable interest of Lessor in the leased premises or in the real property of which the leased premises are a part, as against Lessor's right to rent or other income therefrom, or as against Lessor's business of leasing the premises. Real estate taxes shall not include any income tax, profits tax or other similar tax or charge that may be payable by or chargeable to the Lessor under any present or future law of the United States or the State in which the leased premises are located. Nor shall the Lessee be obligated to pay any inheritance, transfer, estate, succession or other similar tax or charge that may be payable under any present or future law of the United States or the said State, or imposed by any political or taxing subdivision thereof.

7.2 The term "real property tax" shall also include any tax, fee, levy, assessment or charge (i) in substitution of, partially or totally, any tax, fee, levy, assessment or charge hereinabove included within the definition of "real property tax," or (ii) the nature of which was hereinbefore included within the definition of "real property tax," or (iii) which is imposed for a service or right not charged prior to June 1, 1978, or, if previously charged, has been increased since June 1, 1978, or (iv) which is imposed as a result of a transfer, either partial or total, of Lessor's interest in the Premises or which is added to a tax or charge hereinbefore included within the definition of real property tax by reason of such transfer, or (v) which is imposed by reason of this transaction, any modifications or changes hereto, or any transfers hereof.

7.3 Lessee shall use its best efforts to have all of Lessee's personal property separately assessed from the Lessor's real property. If any of Lessee's personal property shall be assessed with Lessor's real property, Lessee shall pay to Lessor the taxes attributable to Lessee within 10 days of a written statement setting forth the taxes applicable to Lessee's property.

7.4 The leased premises are not separately assessed, Lessee's liability shall be an equitable proportion of the real property taxes for all of the land and improvements included within the tax parcel(s) assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

7.5 Lessee shall pay as additional rent all charges for all utilities, including but not limited to water, sprinkler services, gas, security protection, electricity, steam, sewers and telephone. Lessee agrees to exhibit to the Lessor, on demand, receipts evidencing payment of all such utilities so payable by the Lessee to others than Lessor. Lessor shall not be liable, nor shall this lease be affected in any manner whatsoever, for Lessor's failure to furnish such utilities to the leased premises. Lessor shall also not be liable, nor shall this lease be affected in any manner whatsoever, for loss of property or injury to property caused in any manner resulting from Lessor's furnishing such utilities to the leased premises. In the event such utilities are not separately metered Lessee shall pay that percentage of the entire cost of furnishing said utilities to all of the tenants in the building where the leased premises are located as determined by the ratio that the square footage of the building portion of the leased premises bears to the total square footage leased and occupied (including the leased premises) of the building in which the leased premises are located or as may be determined by Lessor.

#### 8. ASSIGNMENT & SUBLETTING

Lessee shall not sublet the leased premises nor any part thereof, nor assign, transfer, hypothecate or encumber this lease without the prior written consent of the Lessor, which consent will not be unreasonably withheld. No corporation, firm or person, other than Lessee shall have the right to occupy the leased premises or any part thereof by virtue of any transfer or assignment or by virtue of any bankruptcy or insolvency or assignment for the benefit of creditors or reorganization proceeding or any receivership or other legal process, either under attachment, execution or otherwise, or in any manner whatsoever growing out of any proceeding or suit in law or in equity. No assignment whatsoever at any time of this lease or of any right or interest therein, whether voluntary or involuntary, by death, bankruptcy, assignment for the benefit of creditors, operation of law, winding up of any corporation, order of any probate court, or otherwise, shall be effective or valid without the consent in writing of Lessor first had and obtained, and then only upon condition that the assignee or other successor in interest agrees in writing,

expressly for the use and benefit of Lessor, to carry out and observe each of the Lessee's agreements under this lease. In the event of an assignment by Lessee or by any assignee or other successor in interest neither Lessee nor any assignee or other successor interest shall be released, from any liability hereunder. Any transfer, assignment, or sublease, purported to be made otherwise than in strict accordance with provisions of this lease shall be voidable at the option of Lessor, and any attempt to make any such transfer, assignment or sublease by Lessee or by any successor in interest of Lessee shall be a breach of the conditions of this lease. The granting or consent by Lessor to any assignment, sublease, hypothecation or encumbrance, shall not be construed as a waiver of any of the conditions herein contained concerning or restricting assignments, subleases, hypothecations, or encumbrances, or as authorizing any subsequent transaction without the prior written consent of Lessor.

**9. DELIVERY OF POSSESSION**

(\*) existing fire sprinkler alarm services,

(1) If Lessor for any reason whatsoever cannot deliver possession of the leased premises to Lessee at the commencement of the term hereof, this lease shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage, whether direct or consequential, resulting therefrom, but in that event there shall be proportionate reduction of rent covering the period between the commencement of the term and the date when Lessor can deliver possession. The term of this lease shall be extended for a period equal to such delay. When the commencement date hereof has been determined, Lessee agrees to execute a written agreement fixing the commencement and termination dates of this lease, accepting the leased premises and acknowledging compliance by Lessor with the provisions of this paragraph and all other requirements of this lease to be performed by Lessor to the date of such acceptance.

**10. MAINTENANCE OF PREMISES**

10.1 **Acceptance of Premises.** Lessee accepts the leased premises in their present condition, "as is" and "where is", and acceptance of possession of the leased premises by Lessee shall constitute an agreement by Lessee with Lessor that the leased premises are in good and tenable condition. Lessee acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to the suitability of the leased premises or the zoning thereof for the conduct of Lessee's business. Lessee acknowledges that Lessee has thoroughly examined the leased premises and that no statements or representations not herein expressed as to the past, present or future condition or repair thereof or of any building of which they are a part have been made by or in behalf of Lessor. Lessee agrees, except as otherwise provided herein, to accept the leased premises in the condition in which they are upon the commencement of the term hereof, hereby waiving any claim or right on account thereof, and agrees that except as otherwise provided in this lease, Lessor shall not be called upon or required at any time to make any improvements, alterations, changes, additions, repairs, or replacements of any nature whatsoever in or to the leased premises or any building of which they are a part.

10.2 **Lessee's Obligations.** Lessee agrees that it will, at its own expense, keep the leased premises, interior and exterior, and every part thereof, and the improvements thereon and appurtenances thereto including, but not limited to all plumbing, fire sprinkler systems, sewer connections, heating, air conditioning, ventilating, electrical and lighting facilities and equipment, fixtures, interior walls and interior and exterior surfaces of exterior walls (including painting thereof), ceilings, floors, windows, doors, shipping and rail doors, plate glass, skylights, gutters, drains and downspouts, located within the leased premises and all sidewalks, curbs, landscaping, driveways, parking lots, paved yards, water, power and gas connections, spur tracks, vaults, fences and signs located in the areas which are adjacent to and included with the leased premises, and any and every part thereof, in as good order, condition and repair as they shall be upon commencement of the term of this lease, reasonable wear and tear excepted and except as provided in the paragraphs entitled "Damage or Destruction" and "Condemnation" below. In the event Lessee shall fail to make or commence any repairs required to be made by it under the provisions of this lease within thirty (30) days after notice from Lessor so to do, then Lessor may, at its option (but this provision shall not be deemed to create any obligation upon Lessor so to do nor in any manner affect the obligation of Lessee) enter upon the leased premises and repair the same, and the costs and expenses of such repairs, and interest thereon at the rate of 10% per annum shall be included in the amount of rental payable on the next succeeding rental date following the substantial completion of such repairs.

10.3 **Lessor's Obligations.** Except for damages caused by any negligent or intentional act or omission of Lessee, Lessee's agents, employees, or invitees, Lessor, at Lessor's expense, shall keep in good order, condition and repair the foundations, structural portions of exterior walls and the exterior roof, except drainage system, of the leased premises, reasonable wear and tear excepted. Lessor shall not be obligated to make any repairs to the roof or the structural portions of exterior walls where Lessee has made modifications and/or improvements thereto. Lessor shall not, however, be obligated to paint such exterior, nor shall Lessor be required to maintain the interior surface of exterior walls, windows, doors or plate glass. Lessor shall have no duty to inspect the leased premises and Lessor shall have no obligation to make repairs under this paragraph until a reasonable time after receipt of written notice of the need for such repairs. Failure by Lessor to perform its obligations under this paragraph shall not give Lessee the right to terminate this lease or for deduction or offset from rental, the Lessee's sole remedy being that for money damages.

**11. COMPLIANCE WITH LAWS**

(\*) Lessor to be named as an additional insured on Lessee's liability insurance coverage.

11.1 Lessee covenants that, during the term of this lease, in the use and occupation of the leased premises and the buildings, structures, fixtures and improvements thereon, and the sidewalks, alleys, streets and ways adjacent thereto, Lessee will comply with all covenants, conditions and restrictions of record and all applicable laws, ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting the leased premises or the sidewalks, alleys, streets and ways adjacent thereto or any buildings, structures, fixtures or improvements or the use thereof, whether or not any such laws, ordinances or regulations which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same and whether or not such laws, ordinances or regulations require the making of any additions, alterations or improvements to or of the leased premises. Lessee agrees to hold Lessor harmless from the consequences of any violations of such laws, ordinances or regulations, and from all claims for damages on account of injuries, death or property damage resulting from such violation.

11.2 The Lessee agrees that it will not permit any unlawful occupation, business or trade to be conducted on the leased premises or any use to be made thereof contrary to any law, ordinance or regulation as aforesaid with respect thereto.

**12. ALTERATIONS & FIXTURES**

Lessee shall not, without Lessor's prior written consent, make any alterations, improvements, additions or utility installations in, on or about the leased premises, except for non-structural alterations not exceeding \$1,000 in cost. As used in this paragraph, the term "utility installations" shall include bus ducting, power panels, fluorescent fixtures, space heaters, conduits and wiring. As a condition to giving such consent, Lessor may require that Lessee agree to remove any such alterations, improvements, additions or utility installations at the expiration of the term of this lease, and to restore the leased premises to their prior condition, reasonable wear and tear excepted. As a further condition to giving such consent, Lessor may require Lessee to provide Lessor, at Lessee's sole cost and expense, with a lien and completion bond in an amount satisfactory to Lessor to insure Lessor against any liability for mechanics' and materialmen's liens and to insure completion of the work. Lessee's alterations will be made and completed in accordance and compliance with local building codes and approved by local authorities.

**13. MECHANICS' LIENS**

Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in the leased premises and Lessor shall have the right to post notices of non-responsibility in or on the leased premises. Lessee will not permit any mechanics', laborers' or materialmen's lien to stand against the leased premises for any labor or material furnished to Lessee or claimed to have been furnished to Lessee or to Lessee's agents, contractors or sub-lessees, in connection with work of any character performed or claimed to have been performed on the leased premises by or at the direction or sufferance of Lessee. The Lessee shall have the right to contest the validity or amount of any such lien or claimed lien, provided Lessee shall give to the Lessor such security as may be demanded by the Lessor to insure payment thereof and prevent any sale, foreclosure or forfeiture of the leased premises during the pendency of such contest. On final determination of the lien or claim for lien the Lessee will immediately pay any judgment rendered with all proper costs and charges and shall have the lien released or judgment satisfied at Lessee's own expense.

\*\* over the base year fire insurance premium of \$1,575.75

**14. INSURANCE; INDEMNITY**

14.1 **Public Liability Insurance.** Lessee shall at its own cost and expense procure and keep in force during the term of this lease a policy of comprehensive public liability insurance insuring Lessor, Lessee and mortgagee or beneficiary against any liability arising out of ownership, use, occupancy, or maintenance of the leased premises and all areas appurtenant thereto. Such insurance shall be in insurance companies acceptable to Lessor and shall have limits of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) as to any one person and ONE MILLION DOLLARS (\$1,000,000.00) as to any one occurrence, and ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) as to property damage, issued by an insurance carrier and in form satisfactory to Lessor. Copies of said insurance policies together with proof of payment of the premium thereof shall be delivered to Lessor within ten (10) days after the date of the execution hereof, and renewal certificates and proof of payment of premiums therefor shall be delivered to Lessor not less than fifteen (15) days prior to the renewal date of any such insurance policies during the term of this lease. (2)

14.2 **Property Insurance.** Lessor shall obtain and keep in force during the term of this lease a policy or policies of insurance covering loss or damage to the leased premises, in the amount of the full new replacement value thereof, providing protection against all perils included within the classification of fire, explosion, extended coverage, vandalism, malicious mischief and special extended perils and sprinkler leakage insurance if the leased premises are sprinklered. The policy taken out shall cover and insure only Lessor and mortgagee or beneficiary, if any, and shall provide that all proceeds be payable to Lessor and/or mortgagee or beneficiary, if any. Lessee shall pay to Lessor during the term hereof, as additional rent, the amount of any increase in premiums for the insurance required under this paragraph whether such premium increase shall be the result of the nature of Lessee's occupancy, any act or omission of Lessee, requirements of the holder of a mortgage or deed of trust covering the leased premises, or increased valuation of the leased premises. Lessee shall pay any such premium increases to Lessor within 10 days of notice to Lessee with a copy of the premium statement or other satisfactory evidence of the amount due. If the insurance policies maintained hereunder cover other improvements in addition to the leased premises, Lessor shall also deliver to Lessee a statement of the amount of such increase attributable to the leased premises and showing in reasonable detail the manner in which such amount was computed. If the term of this lease shall not expire concurrently with the expiration of the period covered by such insurance, Lessee's liability for premium increases shall be prorated on an annual basis.

14.3 **Waiver of Subrogation.** Lessor and Lessee hereby agree to cause any insurance policy insuring the premises and the property of which the premises are a part or the personal property located therein against loss by fire and hazards covered by an extended coverage endorsement to contain a waiver of subrogation clause or endorsement under which the insurer waives its rights of subrogation against the party to this lease not named as an insured under any such policy in connection with any loss or damage covered by any such policy. Subject to the provisions of the immediately preceding sentence and only to the extent of the loss or damage covered by such policy, Lessor and Lessee each hereby waives such causes of action either may have or acquire against the other which are occasioned by the negligence of either of them, or their employees or agents, resulting in bodily injury or the destruction of or damage to the property belonging to the other and located on the premises and the property of which the leased premises are a part which are caused by fire, or the hazards covered by such policy.

14.4 **Indemnity.** Lessee shall indemnify and hold harmless Lessor from and against any loss, damage, claim of damage, liability or expense arising from Lessee's use of the leased premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the leased premises or elsewhere and shall further indemnify and hold harmless Lessor from and against any loss, damage, claim of damage, liability or expense arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this lease, or arising from any negligence of the Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel satisfactory to Lessor. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon or about the leased premises arising from any cause and Lessee hereby waives all claims in respect thereof against Lessor.

14.5 **Exemption of Lessor from Liability.** Lessee hereby agrees that Lessor shall not be liable for injury to Lessee's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the leased premises, nor shall Lessor be liable for injury to the person of Lessee, Lessee's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, sewers or sewer connections, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the said damage or injury results from conditions arising upon the leased premises or upon other portions of the building of which the leased premises are a part, or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Lessee. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant, if any, of the building in which the leased premises are a part.

**15. EMINENT DOMAIN AND CONDEMNATION**

15.1 In the event the entire leased premises shall be condemned and taken by eminent domain, or by any purchase, acquisition or transfer in lieu of condemnation hereinafter "appropriation", this lease shall terminate as of the taking. In the event of any appropriation, the award or compensation arising from such appropriation shall be paid and belong to Lessor, whether such award shall be made as compensation for diminution in value of the leasehold or for taking of the fee or as severance damages, except any award for damage to fixtures and equipment of Lessee, which latter award shall belong to Lessee.

15.2 In the event of appropriation in excess of twenty-five percent (25%) of the building on the leased premises, Lessor and Lessor shall each have the option at any time after such acquisition and prior to thirty (30) days after such taking or acquisition, to terminate this Lease effective as of such taking by notice in writing to the other party.

15.3 Should Lessee or Lessor not elect to terminate this lease as provided in this paragraph or should any such appropriation not be sufficient to allow Lessee or Lessor such option to terminate, this lease shall continue in full force and effect and Lessor, at its own cost and expense, shall restore, repair, and remodel the building on the leased premises to the extent necessary to provide a building suitable for the business of Lessee permitted to be conducted therein under the provisions of this lease. Lessee shall be entitled to a reduction in rent thereafter required to be paid hereunder in proportion to the ratio which the number of square feet of the building portion of the leased premises taken bears to the original number of square feet of the building portion of the leased premises. Lessee shall also be entitled to a reasonable suspension or diminution of the rent thereafter required to be paid hereunder during the time required for any restoration and repair according to the portion of the leased premises rendered untenantable, taking into consideration the time and extent of interferences with Lessee's business therein.

#### 16. QUIET ENJOYMENT

Provided the Lessee performs all its covenants, agreements, and obligations hereunder, the Lessor covenants that the Lessee shall have the peaceful and quiet enjoyment of the leased premises.

#### 17. SUBORDINATION

This lease, at the option of Lessor and/or mortgagee or beneficiary, shall be subject and subordinate to any ground leases, mortgages or deeds of trust now or which at any time hereafter may be a lien or encumbrance on the leased premises, and Lessee agrees to execute and deliver upon demand of Lessor and/or mortgagee or beneficiary, such further instrument or instruments subordinating this Lease to the lien of any such mortgage or deed of trust as shall be required by the lending agency. If any mortgagee or beneficiary shall elect to have this lease prior to the lien of its mortgage or deed of trust and shall give written notice thereof to Lessee, this lease shall be deemed prior to such mortgage or deed of trust whether this lease is dated prior to the date of such mortgage or deed of trust on the date of recording thereof. **provided, however, Lessee's right to occupy the leased premises shall not be disturbed so long as Lessee is not in default under this lease.**

#### 18. DUTY OF INSPECTION; RIGHT OF ENTRY

18.1 In connection with the maintenance and repair of the leased premises, the duty of inspecting the leased premises shall rest solely upon Lessee. The right is reserved to Lessor, its agents and workmen, at all reasonable times to enter upon any part of the leased premises for the purpose of inspecting and repairing the same.

18.2 Lessor reserves the right during reasonable business hours to enter upon the leased premises to show the leased premises to prospective purchasers, tenants, mortgagees and lenders, and during the last one hundred eighty (180) days of Lessee's tenancy, to place and maintain in conspicuous places in or upon the leased premises signs indicating that the leased premises are "for rent" or "for sale" as the case may be.

#### 19. OWNERSHIP AND REMOVAL OF EQUIPMENT AND RESTORATION OF PREMISES

19.1 Any and all machinery, equipment, fixtures, signs and other personal property of Lessee in and about the building and leased premises are and shall remain the property of Lessee, whether attached to the real property or otherwise.

19.1.1 Lessee shall, prior to the expiration or termination of the lease, remove any and all of its fixtures, personal property, signs, machinery and equipment from the leased premises, whether or not the same are or will be attached to the leased premises except that all power wiring, power panels and electrical distribution system (except motor switches) which Lessee shall have installed in the leased premises shall, at the option of Lessor, remain and become a part of the leased premises and the property of Lessor. Lessee shall upon demand by Lessor pay to Lessor for any and all damage caused to the leased premises by any such removal.

19.2 Prior to the expiration or termination of this lease, Lessee, at Lessee's sole cost and expense, shall: (1) cause any and all excavations, pits or substantial holes to be filled in and packed with suitable materials in good and workmanlike manner, and to cause the same to be surfaced with concrete and materials so as to be level and smooth with and comparable to the balance of the concrete floors in the buildings and the yard areas on the leased premises; (2) cause the leased premises, including the walls, ceilings, windows, roofs, beams, posts, doors, electrical system and lights, loading areas and other parts of the building, the fences, rail spur, and the landscaping, parking and yard areas of the leased premises, to be put and left in good and operating condition, broom clean, reasonable wear and tear excepted; and (3) repair any damage to the leased premises, including the buildings, caused by installation to and/or removal from the leased premises, of Lessee's machinery, equipment, fixtures, signs and other personal property and any and all other damage to the leased premises; and (4) at Lessor's sole option, cause any improvements, additions or alterations to be removed from the leased premises and the leased premises to be restored to their original condition prior to the installation of such improvements, should Lessor require their removal.

19.3 In the event Lessee fails to remove its machinery, equipment and other personal property at the termination or expiration of this lease, as required under this paragraph within the time required for such removal of machinery, equipment and other personal property, the Lessor may remove same and place in storage at the Lessee's expense and may on three (3) days' notice to Lessee, sell such property at public or private sale, or, if the Lessor shall determine such property to be unsalable, may dispose of it in any other manner without liability. Lessee shall be responsible for all expenses of storage, sale, or removal of such property.

#### 20. DAMAGE OR DESTRUCTION OF BUILDING

20.1 If during the term of this lease the building is damaged and/or destroyed by fire or other casualty or hazard which is then insured under the terms of this lease (but not including damage resulting from the willful or negligent acts of Lessee or Lessee's agents and employees, which damage Lessee shall immediately repair at its cost and expense), and if said damage and/or destruction cannot be repaired with reasonable diligence within one hundred eighty (180) calendar days, then the lease shall at the option of Lessor terminate as of the date of such destruction; and if the said damage and/or destruction can be repaired with reasonable diligence within one hundred eighty (180) calendar days, then Lessor shall proceed, after the occurrence of said event and the receipt by Lessor of the insurance proceeds as herein provided, to cause said damage and destruction to be repaired with reasonable diligence, subject to the requirements of the application of the proceeds of such insurance to the balance of any loan secured by any mortgage or deed of trust which may be a lien or encumbrance against the leased premises and to which this lease is or may hereafter be subordinated. Provided however, that Lessor's obligation to make such repairs shall be limited to the repair which can be done with and for a total sum not to exceed the insurance proceeds received by Lessor from such insurance.

20.2 If during the term of this lease the building is damaged and/or destroyed by a hazard which is not insured by Lessor under the terms of this lease, and if such damage and/or destruction shall not be caused by or be contributed to by the negligence, omission or commission of Lessee or Lessee's agents, servants, employees, business invitees, or business licensees, then and in such events Lessor at its sole cost and expense shall have the option to repair with reasonable diligence the said damage or destruction or to terminate the lease.

20.3 In the event of any damage and/or destruction referred to in this paragraph there shall be an abatement of the rental payable thereafter by Lessee to Lessor corresponding to the time during which and to the extent of which the building cannot be and shall not be used by Lessee after the said damage and/or destruction has occurred and before such repair. In respect to any damage or destruction under the terms of this paragraph, the provisions of Section 1932, subdivision 2, and Section 1933, subdivision 4 of the Civil Code of the State of California are waived by Lessee.

#### 21. DEFAULTS BY LESSEE

21.1 The occurrence of any of the following shall constitute a default and breach of this lease:

21.1.1 The abandonment of the leased premises by Lessee.

21.1.2 Failure by Lessee to pay the rent, or any other payment required to be made by Lessee hereunder, within ~~thirty~~ **fifteen (15)** days after written notice from Lessor to Lessee of delinquency.

21.1.3 A failure by Lessee to observe and perform any other provision of this lease to be observed or performed by Lessee, where such failure continues for fifteen (15) days after written notice by Lessor to Lessee; provided, however, that if the nature of such default is such that the same cannot be cured within such fifteen (15) day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion.

21.1.4 The making by Lessee of any assignment for the benefit of creditors; or the filing of a petition by or against Lessee to have Lessee adjudged a bankrupt (unless in the case of a petition filed against Lessee, the same is dismissed within thirty (30) days); or of a petition for reorganization or arrangement under any law relating to bankruptcy; or the appointment of a trustee or receiver to take possession of substantially all of the Lessee's assets or of Lessee's interest in this lease where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Lessee's assets or of Lessee's interest in this lease, where such seizure is not discharged within thirty (30) days.

#### 22. REMEDIES ON DEFAULTS

22.1 In the event of default of Lessee, Lessor without further notice to Lessee, shall have one or more of the following remedies at Lessor's election:

22.1.1 Without barring later election of any other remedy and without terminating Lessee's right to possession of the leased premises, Lessor may require strict performance of all covenants and obligations herein as the same shall accrue or become due, including but not limited to the right to recover rent and charges equivalent to rent, and have the right of action therefor, without awaiting the end of the lease term.

22.1.2 Lessor shall also have the right to terminate Lessee's right to possession of the leased premises upon written notice to Lessee and if Lessor by written notice declares this lease to be terminated because of a breach of this lease, Lessor may eject all parties in possession and repossess the leased premises, together with all additions, alterations and improvements thereto and Lessee's fixtures and improvements thereon and Lessor shall be entitled to recover in one or more awards of judgment from Lessee:

(a) The worth at the time of award of the unpaid rent which had been earned at the time of termination; and

(b) The worth at the time of award by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; and

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and

(d) Any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform Lessee's obligations under this lease or which in the ordinary course of things would be likely to result therefrom. Such other amounts shall include, but not be limited to such expense (including attorney's fees) as Lessor may have paid, assumed or incurred in recovering possession of the leased premises and placing the same in good order and condition; in preparing or altering the same for letting; and such additional expenses (including rental commissions, concessions and advertising) in connection with reletting the leased premises and, in the event Lessee fails to take possession of the leased premises, the amount paid, assumed or incurred by Lessor in preparing the leased premises for Lessee.

22.1.3 The phrase "the worth at the time of award" as referred to in subparagraph (a) and (b) is to be computed by allowing interest at the rate of ten percent (10%) per annum. The phrase "the worth at the time of award" as referred to in subparagraph (c) shall be computed by discounting such award at the discount rate of the Federal Reserve Board of San Francisco at the time of the award plus one percent (1%).

22.2 Lessor shall not be deemed to have terminated this lease unless Lessor shall have so declared in writing to Lessee, nor shall Lessor be deemed to have accepted or consented to an abandonment by Lessee by performing acts intended to maintain or preserve the leased premises, making efforts to relet the leased premises or appointing a receiver to protect Lessor's interest under the lease.

22.3 The remedies of Lessor as hereinabove provided are cumulative and in addition to and not exclusive of any other remedy of Lessor herein given or which may be permitted by law. Any lawful re-entry as provided for herein shall be allowed by Lessee without hindrance, and Lessor shall not be liable in damages or guilty of trespass because of any such lawful re-entry.

22.4 Lessor may at any time after Lessee commits an act of default, upon 15 days' notice, or a shorter period if additional damage may result, cure the act of default for the account of and at the expense of Lessee. If Lessor at any time by reason of an act of default is compelled to pay, or elects to pay, any sum of money or to do any act that will incur the payment of any sum of money, or is compelled to incur any expense, including reasonable attorney's fees in instituting, prosecuting or defending any actions or proceedings to enforce Lessor's rights under this lease, the sum or sums paid by Lessor together with interest at the rate of ten percent (10%) per annum shall be deemed to be additional rental under this lease and shall be due from Lessee to Lessor on the first day of the month following the incurring of such expenses.

**23. ATTORNEY'S FEES**  
In the event of any litigation between Lessor and Lessee to enforce any of the provisions of this lease or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses, including reasonable attorney's fees, incurred therein by the successful party all of which shall be included in and as part of the judgment rendered in such litigation.

**24. WAIVER**  
Except to the extent that the Lessor may have otherwise agreed in writing, no waiver by Lessor of any breach by Lessee of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent or continuing breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be deemed a waiver by Lessor of its rights or remedies with respect to such breach. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

**25. HOLDING OVER**  
In the event Lessee holds over after the termination of this lease, such holding over shall not be considered as or being a renewal of this lease, and such holding over shall be construed to be a tenancy from month to month, only at one hundred twenty-five percent (125%) of the monthly rental during the last month of the lease term hereof, and under the same terms and conditions as are provided in this lease. Such month to month tenancy shall be terminable on seven (7) days' written notice by either party to the other. For purposes of this paragraph the holding over for any part of any month shall be construed to be the holding over for an entire month for the determination of rental.

**26. NOTICES**  
Any notice herein required or permitted to be given by Lessor or Lessee shall be deemed given if and when mailed in a sealed wrapper, by United States mail registered or certified, return receipt requested, postage prepaid, properly addressed to Lessee or Lessor at the addresses set forth after their signatures at the end of this lease; and service shall be deemed complete at the expiration of the second day after the date of mailing. Each party shall have the right to specify as its proper address any other address in the United States of America by giving to the other party at least fifteen (15) days' written notice thereof.

**27. SIGNS**  
Lessee shall not have the right to place any signs and/or awnings, banners or other decorations on the exterior of the leased premises without the prior written consent of Lessor, which consent will not be unreasonably withheld.

**28. AUCTIONS**  
Lessee shall not conduct or permit to be conducted any auction sale in, upon or from the leased premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the benefit of creditors or pursuant to any bankruptcy or other insolvency proceeding.

**29. ESTOPPEL CERTIFICATE**  
29.1 Lessee shall at any time upon not less than 15 days' prior written notice from Lessor execute, acknowledge and deliver to Lessor a statement in writing (i) certifying that this lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are, to Lessee's knowledge, any uncured defaults on the part of Lessor hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the leased premises.  
29.2 Lessee's failure to deliver such statement within such time shall be conclusive upon Lessee; and this lease is in full force and effect, without modification except as may be represented by Lessor; (ii) that there are no uncured defaults in Lessor's performance; and (iii) that not more than one month's rent has been paid in advance.  
29.3 If Lessor desires to finance or refinance the leased premises, or any part thereof, Lessee hereby agrees to deliver to any lender designated by Lessor such financial statements of Lessee as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Lessee. All such financial statements shall be received by Lessor in confidence and shall be used only for the purpose herein set forth.

**30. LESSOR'S LIABILITY**  
The term "Lessor" as used herein shall mean only the owner or owners at the time in question of the fee title or a lessee's interest in a ground lease of the leased premises, and in the event of any transfer of such title or interest, Lessor herein named (and in case of any subsequent transfers the then grantor) shall be relieved from and after the date of such transfer of all liability as respects Lessor's obligations thereafter to be performed, provided that any funds in the hands of Lessor or the then grantor at the time of such transfer, in which Lessee has an interest, shall be delivered to the grantee. The obligations contained in this lease to be performed by Lessor shall, subject as aforesaid, be binding on Lessor's successors and assigns, only during their respective periods of ownership.

**31. SUCCESSORS**  
This lease, subject to the provisions on assignment, insolvency and transfer of Lessor's title or interest in the leased premises, shall be binding upon and inure to the benefit of the respective heirs, administrators, successors and assigns of the parties hereto.

**32. GENERAL PROVISIONS**  
32.1 Time is of the essence of this lease.  
32.2 All terms and words used in this lease shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this lease or any paragraph or clause herein may require, the same as if such words had been fully and properly written in such number and gender.

32.3 Any provision of this lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

32.4 Nothing contained in this lease shall be deemed or construed by the parties hereto or by any third persons to create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee, and neither the method of computation of rent, nor any provision contained in this lease, nor act of the parties hereto shall be deemed to create any relationship between Lessor and Lessee, other than the relationship of Lessor and Lessee.

32.5 The titles or headings of the various paragraphs hereof are intended solely for reference and are not intended and shall not be deemed for any purpose whatever to modify, explain or replace any construction upon any provisions of this lease. This lease is being delivered and executed in the State of California and shall be construed and enforced in accordance with and governed by the laws of that State.

32.6 This lease contains all terms, covenants, conditions and agreements between Lessor and Lessee relating in any manner to the rental, use and occupancy of the leased premises. No prior leases, agreements or understandings pertaining to same shall be valid or of any force or effect, and the terms, covenants, conditions and provisions of this lease cannot be altered, changed, modified or added to, except in writing signed by Lessor and Lessee.

~~32.7 Each of Lessee's obligations under this lease is a condition, the time of performance of each is of the essence of the agreement, and the time of performance shall be deemed to be the time of performance of the obligation to perform the same.~~

32.8 Any rental due hereunder not paid when due as provided in this lease shall bear interest from the date due at the rate of ten percent (10%) per annum until paid.

32.9 If Lessee is a corporation, each individual executing this lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this lease on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-Laws of said corporation, and that this lease is binding upon said corporation in accordance with its terms. If Lessee is a corporation, Lessee shall, within thirty (30) days after execution of this lease, deliver to Lessor a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this lease. See the attached Rider to Lease consisting of 4 pages.

IN WITNESS WHEREOF, Lessor and Lessee have caused this lease to be executed as of the day and year first above written.

LESSOR SMOOKE FAMILY REVOCABLE TRUST  
By Nathan Smooke  
By Nathan Smooke, Trustee

LESSEE BRIDGE PUBLICATIONS, INC.,  
- a California corporation  
By [Signature]  
By [Signature]

Address: 405 Mateo Street  
Los Angeles, CA 90013-2287  
Michael Smooke, Esq.  
Buchalter, Nemer, Fields & Younger  
700 South Flower Street, Suite 700  
Los Angeles, California 90017

Address: 4751 Fountain Avenue  
Los Angeles, California 90028

with copy to:

SEAL  
(If Corporation)

SEAL  
(If Corporation)

RIDER TO LEASE

BRIDGE PUBLICATIONS, INC.  
4550-4560 WORTH STREET AND A PORTION OF 4578 WORTH STREET  
LOS ANGELES, CALIFORNIA 90063

THIS RIDER TO LEASE is a part of the Standard Industrial Lease by and between NATHAN SMOOKE, TRUSTEE OF THE SMOOKE FAMILY REVOCABLE TRUST (as "Lessor"), and BRIDGE PUBLICATIONS, INC., a California corporation (as "Lessee") of even date herewith.

**1. RENT**

Lessee agrees to pay to Lessor as rent for the leased premises for the full term of this Lease, payable in monthly installments, in advance, on or before the first day of each and every calendar month during the term hereof, without deduction, offset, prior notice or demand, and payable at such place as may be designated by Lessor in writing, in lawful money of the United States of America, the sums set forth as follows:

1.1 Concurrently with the execution of this Lease, Lessee shall pay to Lessor the rental of FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00) for the month of August, 1990;

1.2 Commencing September 1, 1990, Lessee shall pay to Lessor the rental of FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00) per month, payable on the first day of each and every calendar month from September 1, 1990 to and including April 30, 1993;

1.3 Commencing May 1, 1993, Lessee shall pay to Lessor the rental of FIFTEEN THOUSAND TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$15,250.00) per month, payable on the first day of each and every calendar month from May 1, 1993 to and including April 30, 1994; and

1.4 Commencing May 1, 1994, Lessee shall pay to Lessor the rental of SIXTEEN THOUSAND AND NO/100 DOLLARS (\$16,000.00) per month, payable on the first day of each and every calendar month from May 1, 1994 to and including April 30, 1995;

1.5 Rent for any period during the term hereof which is less than one (1) month shall be a pro rata portion of the monthly rent.

**2. SECURITY DEPOSIT**

Lessee has deposited with Lessor a cash security deposit pursuant to article 5 of the printed portion of this Lease. As the monthly rental under this Lease increases from time-to-time, Lessee agrees to deposit with Lessor an amount equal to such increase so that the security deposit held by Lessor shall at all times be equal to one (1) month's rent. Such additional deposit shall be made upon the effective date of each rent increase.

**3. INSURANCE**

3.1 If Lessee shall use or occupy the leased premises in any manner that shall cause the increase in fire insurance or any other insurance premiums of Lessor or other tenant(s) of Lessor, Lessee shall pay such increase to Lessor or to Lessor's other tenant(s), as the case may be, upon demand by Lessor.

3.2 Lessee shall not occupy the leased premises so as to invalidate any insurance of Lessor or other tenant(s) of Lessor, and Lessee shall comply with any and all requirements of Lessor's fire insurance carrier within thirty (30) days following notice from Lessor. Lessee's failure to correct such item(s) within thirty (30) days from the date of Lessor's notice shall be a material breach and default under the terms of this Lease.

3.3 The amount of the liability insurance to be carried by Lessee pursuant to paragraph 14.1 of the lease shall, upon Lessor's request, be periodically increased to provide adequate insurance coverage.

3.4 If any insurance has a deductible clause, then Lessee shall be liable for the payment of such deductible amount upon demand by Lessor.

3.5 Lessee shall also pay to Lessor as additional rent, Lessee's pro rata share of Lessor's liability insurance premiums as will be reasonably determined by Lessor upon demand by Lessor.

**4. LESSOR'S MAINTENANCE AND REPAIRS**

4.1 Lessor shall complete the following repairs listed below to the leased premises at Lessor's sole cost and expense as will be mutually agreed by Lessor and Lessee on or before July 1, 1990.

- (a) Installation of the new roof for the building;
- (b) Repair paving in the parking and yard areas between buildings 1, 2, 3 and 5; and
- (c) Existing plumbing, electrical and fire sprinkler systems, fire sprinkler monitor alarm, fire, loading and exit doors will all be in satisfactory working condition.

4.2 Lessor shall be under no liability whatsoever for delays in completion occasioned by acts of God, fire, storm, flood, earthquake, strikes, walkouts, boycotts, labor troubles, inability to obtain materials, delays by contractors or subcontractors, acts or omissions of Lessee, governmental action or in-action, riot, insurrection, rebellion or any other causes beyond the reasonable control of Lessor.

#### 5. ASSIGNMENT AND SUBLETTING

Fifty percent (50%) of any assignment or sublease rentals and any other economic consideration received by Lessee as a result of or in consideration of any assignment or subletting, whether denominated as rent under the assignment or sublease or otherwise, which in the aggregate exceeds the total sums which Lessee is obligated to pay Lessor under this Lease (prorated to reflect obligations allocable to that portion of the leased premises subject to such assignment or sublease) shall become the property of Lessor and shall be paid by Lessee to Lessor within fifteen (15) days of Lessee's receipt thereof. The cumulative transfer of the ownership interests in Lessee which constitute control of Lessee shall be deemed to be an assignment for purpose of this Lease.

#### 6. COVENANT OF NON-INTERFERENCE

Lessee acknowledges that the leased premises are located in buildings on parcels of land together with other buildings owned by Lessor. Lessee covenants that Lessee shall not interfere with or disturb such other tenant(s) of Lessor that may from time-to-time occupy part of the property of which the leased premises are a part in such other tenant's use, occupancy and peaceful and quiet enjoyment of the area(s) leased to such other tenant(s) designated on Exhibit 'A' attached hereto and incorporated by this reference herein. Lessee agrees to cooperate with Lessor and/or Lessor's other tenant(s) for access to the leased premises at all reasonable times for the installation of repairs to items including, but not limited to drainage facilities and utilities. Lessee acknowledges and agrees that Lessor shall not be liable for any damages arising from any act or neglect of such other tenant(s) of the Lessor.

#### 7. Hazardous Materials

7.1 Definition. Hazardous Materials shall mean any substance, material or waste which is or becomes regulated by any local governmental authority, that concerns the existence, management, control, discharge, treatment, containment and/or removal of substances or materials that are or may become a threat to public health or the environment including, but not limited to, substances defined as "hazardous substances", "Hazardous Materials", "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Responses, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq; the California Health & Safety Code, and any law, ordinance or regulation dealing with underground storage tanks; and in the regulations adopted, published and/or promulgated pursuant to said laws, and in any other environmental law, regulation or ordinance now existing or hereinafter enacted (hereinafter "Hazardous Materials Laws").

#### 7.2 Use and Removal.

(a) Lessee hereby agrees that neither Lessee, any successor in interest to Lessee, or any sublessee or assignee of Lessee or such successor in interest shall use, generate, manufacture, refine, produce, process, store or dispose of on, under or about the leased premises or transport to or from the leased premises any Hazardous Materials, except in compliance with applicable Hazardous Materials Laws, nor does Lessee intend to use the leased premises in the future for the purpose of generating, manufacturing, refining, producing, storing, handling, transferring, processing or transporting of Hazardous Materials, except in compliance with any Hazardous Materials Laws.

(b) If at any time during the term of this Lease, Hazardous Materials are used, or placed by Lessee on the leased premises or Hazardous Materials are discovered by Lessee on the leased premises in violation of any Hazardous Materials Laws, or if any contamination of the leased premises shall occur, Lessee, at Lessee's sole cost and expense, shall remove such Hazardous Materials from the leased premises or the groundwater underlying the leased premises in accordance with requirements of the appropriate governmental entity. Furthermore, Lessee shall at its own expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Lessee's use of the leased premises, including without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the leased premises.

(c) Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Lessee shall cause any and all Hazardous Materials removed from the leased premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Lessee shall in all respects handle, treat, deal with and manage any and all Hazardous Materials in, on, under or about the leased premises in total conformity with all applicable Hazardous Materials Laws and prudent industry practices regarding management of such Hazardous Materials. Lessee shall not take any remedial action in response to the presence of any Hazardous Materials in or about the leased premises nor enter into any settlement agreement, consent, decree or other compromise in respect to any claims relating to any Hazardous Materials in any way connected with the leased premises without first notifying Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assert and protect Lessor's interest with respect thereto. In addition to all

other rights and remedies of Lessor hereunder, if such Hazardous Materials are not removed from the leased premises or the groundwater underlying the leased premises by Lessee within thirty (30) days after Lessor or Lessee discovers such Hazardous Materials, Lessor, at its sole discretion, may, but shall not be obligated to, pay to have same removed and Lessee shall reimburse Lessor within fifteen (15) days of Lessor's demand for payment.

(d) Provided that Lessor has reason to believe that Hazardous Materials exist on the leased premises, within fifteen (15) days after the date of termination of this Lease and, upon request of Lessor from time-to-time, Lessee shall, at Lessee's expense, provide Lessor with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable to Lessor to assess within a reasonable degree of certainty the presence or absence of any Hazardous Materials and the potential cost in connection with abatement, clean-up or removal of any Hazardous Materials found on, under, at or within the leased premises.

### 7.3 Notice.

(a) Lessee shall immediately notify Lessor in writing of: (i) any enforcement, clean-up, removal or other governmental or regulatory action instituted completed or threatened pursuant to any Hazardous Materials Laws; (ii) any claim made or threatened by any person against Lessee, or the leased premises relating to damage contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the leased premises including any complaints, notices, warnings or asserted violations in connection therewith, upon Lessee's receipt of actual knowledge of the above. Lessee shall also supply to Lessor as promptly as possible, and in any event within fifteen (15) business days after Lessee first receives or sends the same, with copies of all orders, claims, reports, complaints, notices, warnings or asserted violations relating in any way to the leased premises, or Lessee's use thereof. Lessee hereby appoints Lessor as its irrevocable attorney-in-fact to appear before and receive from any governmental agency copies of any of the foregoing and to review the file of such governmental agency relating to the leased premises and the Lessee's use and occupancy thereof. Lessee shall promptly deliver to Lessor copies of all permits, applications, reports, or other communications including hazardous waste manifests reflecting the receipt and disposal of all Hazardous Materials to and from the leased premises.

(b) Lessee acknowledges that Lessee has been informed that Section 25359.7 of the California Health and Safety Code provides that any lessee of real property who knows, or has reasonable cause to believe, that any release of Hazardous Materials has come to be located on or beneath the real property shall, upon discovery by the lessee of the presence or suspected presence of a Hazardous Materials release, give notice of that condition to the owner of the real property. Failure of the Lessee to provide written notice as required to the owner is a default under the lease. The Health and Safety Code provides that if the lessee has actual knowledge of the presence of any Hazardous Materials release and knowingly or willfully fails to provide written notice as required to the owner, the lessee is liable for a civil penalty not to exceed \$5,000 for each violation.

7.4 Indemnification. Lessee shall indemnify, defend (by counsel reasonably acceptable to Lessor), protect, and hold Lessor, and each of Lessor's partners (if applicable), employees, agents, attorneys, successors and assigns, free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including attorneys' fees and costs) or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (i) the presence in, on, under or about the leased premises or discharge in or from the leased premises of any Hazardous Materials or the use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation of Hazardous Materials to, in, on, under, about or from the leased premises, or (ii) Lessee's failure to comply with any Hazardous Materials Laws. Lessee's obligation hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, clean-up or detoxification or decontamination of the leased premises and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. For purpose of the indemnity provisions hereof, any acts or omissions of Lessee, or by employees, agents, assignees, subtenants, contractors or subcontractors of Lessee or others acting for on behalf of Lessee (whether or not they are negligent intentional, willful or unlawful) shall be strictly attributable to Lessee.

7.5 Survival. All representations, warranties, obligations, and indemnities with respect to Hazardous Materials shall survive the termination of this Lease.

7.6 Notwithstanding the foregoing, Lessor shall be responsible for any Hazardous Materials on the leased premises in existence prior to the commencement of the lease term, and Lessee shall not be responsible for such pre-existing Hazardous Materials.

7.7 Lessee shall not wash or perform maintenance of any vehicle(s) within the leased premises, and such conduct of washing or maintenance shall be a material breach of the Lease by Lessee.

## 8. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES

8.1 Grant of Right of First Offer. Provided Lessee is not in default under the terms of this Lease, Lessor hereby grants to Lessee the right of first offer to lease the approximately 10,560 square feet of space



in building #8, the approximately 2,560 square feet of space in building #7 and the approximately 10,407 square feet of space in building #4 outlined on Exhibit 'A' attached hereto and designated as the 'Additional Premises'.

**8.2 Notice.** In the event that one or more of the buildings designated as the Additional Premises becomes available for lease by Lessor any time during the lease term, Lessor shall give Lessee notice that all or a portion of the Additional Premises are available for lease.

**8.3 Determination of Rent.** Lessor and Lessee shall have fifteen (15) days from the date of Lessor's notice to agree on the rent for the Additional Premises included in Lessor's notice. If Lessor and Lessee cannot agree as to the rent for the Additional Premises included in Lessor's notice within the time period provided herein, this right of first offer shall be of no further force and effect, and Lessor may offer and lease the Additional Premises included in Lessor's notice to others for such rent and upon such terms as Lessor, in his sole discretion, may determine. If Lessor and Lessee agree as to the rental for the Additional Premises included in Lessor's notice, Lessor and Lessee shall immediately execute an Amendment to Lease to confirm the rental and to modify the Lease. The term of the Lease for the Additional Premises shall be coterminous with the term of this Lease.

**8.4** Lessee acknowledges and agrees that the Parking and Yard Area portion of the Additional Premises shall not be a part of the leased premises if Lessee only leases either building #4 or buildings #7 and #8 portion(s) of the Additional Premises and shall become a part of the leased premises only when Lessee has leased buildings #4, #7 and #8 from Lessor.

**9. GENERAL**

**9.1** This Lease shall constitute an offer by Lessee to lease the leased premises on the terms stated herein and shall not be binding upon Lessor until executed by Lessor.

**9.2** This Lease shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

**9.3** In the event of any conflict between the terms of this Rider and the printed portions of this Lease, the terms of the Rider shall prevail.

IN WITNESS WHEREOF, the parties hereto have executed this document the day and year first written above.

**LESSOR:** SMOOKE FAMILY REVOCABLE TRUST

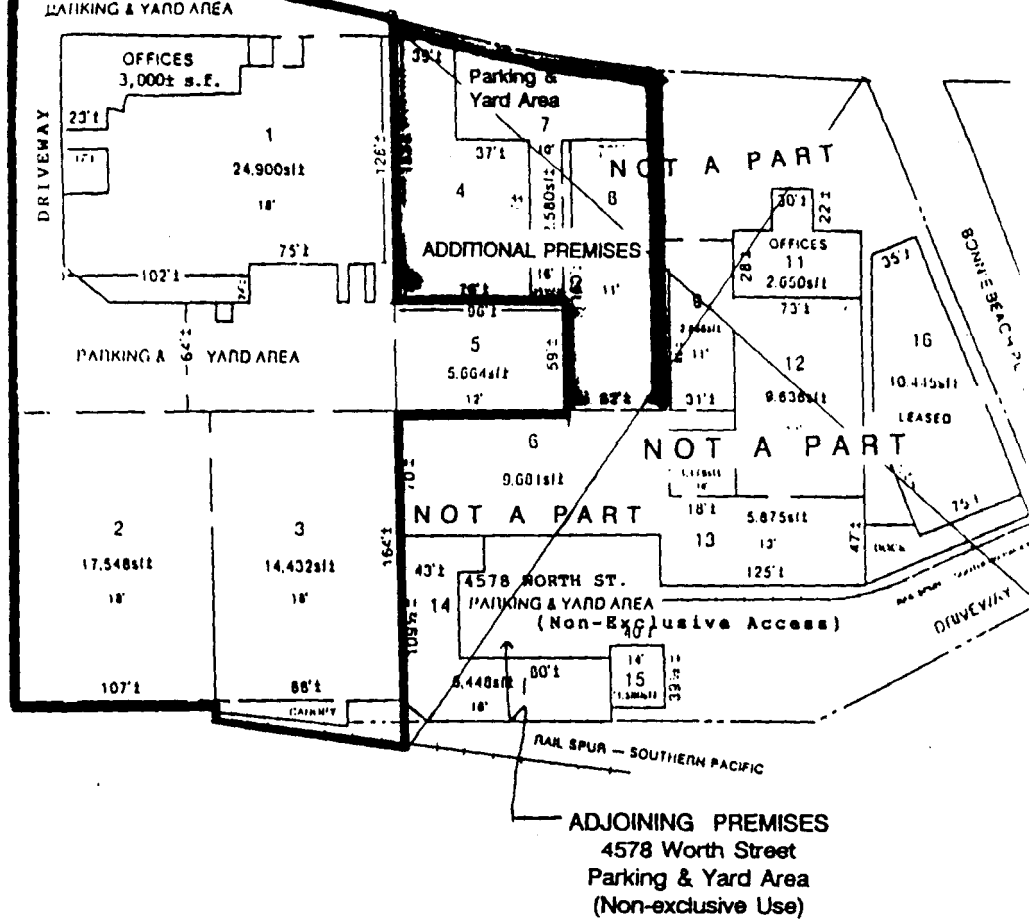
By Nathan Smooke  
Nathan Smooke, Trustee

CORPORATE SEAL

**LESSEE:** BRIDGE PUBLICATIONS, INC.,  
a California corporation

By [Signature]  
Title [Signature]

By \_\_\_\_\_  
Title \_\_\_\_\_



The leased premises are outlined in red on this Exhibit A, page 1 of 1. The Additional Premises are outlined in blue on this Exhibit A, page 1 of 1.

All dimensions and areas are approximate.

EXHIBIT A  
PAGE 1 OF 1

**SMOOKE FAMILY REVOCABLE TRUST**

P. O. BOX 1311  
LOS ANGELES, CALIFORNIA 90053-1311  
(213) 624-8361 OFFICE ■ (213) 624-5736 FAX

April 3, 1990

Mrs. Mercy Lingenfelter  
Bridge Publications  
4751 Fountain Avenue  
Los Angeles, California 90028

Re: 4550-4578 Worth Street  
Los Angeles, California

Dear Mrs. Lingenfelter:

This letter is to confirm our agreement and understanding that Bridge Publications, Inc. ("Bridge") has been given a \$60,000.00 allowance in the form of free rent for Bridge's occupancy and improvements to the leased premises.

The agreed improvements to be installed by Bridge are: changing the temperature of the fire sprinkler heads in buildings #1, #2, #3 and #5 from 165° to 286°; installation of smoke vents and installation of draft curtains in buildings #1, #2 and #3; installation of foil insulation in the ceilings of the buildings #1, #2, #3 and #5; repair floor surfaces in buildings #1, #2 and #3; installation of concrete floor in building #5; repair of loading ramp to building #1; installation of loading door, loading well and ramp and enlargement of opening in building #2; and separation of electrical service for buildings #4 and #5.

In accordance with our agreement this is to confirm that should the costs of the improvements outlined above exceed \$60,000.00, that the costs in excess of \$60,000.00 will be shared equally by Bridge and the Smooke Family Revocable Trust ("Smooke"). Bridge will pay for the installation of all improvements and repairs, and Bridge will receive a rental credit from Smooke equal to one-half (1/2) of the actual cost in excess of the \$60,000.00 allowance.

For example, if the actual costs total \$70,000.00, the excess over the original allowance is \$10,000.00, and the additional rental credit to be given to Bridge by Smooke is \$5,000.00 which is one-half (1/2) of the \$10,000.00 cost in excess of the original allowance, and Bridge shall pay the other one-half (1/2) of \$5,000.00.

The actual costs for the agreed improvements will be mutually agreed between us before any work commences for part or all of the agreed improvements.

405 MATEO STREET, LOS ANGELES, CALIFORNIA 90013-2287

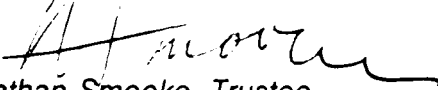
Mrs. Mercy Lingenfelter  
Bridge Publications, Inc.  
April 3, 1990  
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Please sign, date and return one (1) copy of this letter to confirm your agreement.

Should you have any questions or comments, please contact me as soon as possible.


Kindest regards,

SMOOKE, FAMILY REVOCABLE TRUST

By   
Nathan Smooke, Trustee

cc: Michael Smooke

ACCEPTED & AGREED:  
BRIDGE PUBLICATIONS, INC.

By 

Date \_\_\_\_\_