

EXHIBIT A-1

BILLBOARD SPACE LEASE

1. Alan Williams, hereinafter sometimes referred to as "Lessor," of 427 N. Gaffey Street, San Pedro, California, hereby leases to Regency Outdoor Advertising, Inc., a California Corporation, of 8820 Sunset Boulevard, 2nd Floor, West Hollywood, California 90069, hereinafter referred to as "Lessee" those certain premises, hereinafter referred to as "the premises" in the County of Los Angeles, State of California, described as follows: that portion of Lessor's property necessary or convenient for the erection and maintenance of Lessee's certain illuminated billboard sign containing one present existing (1) fourteen (14) by forty-eight (48) foot sign facing and such extensions (not to exceed 15%), cutouts, and/or embellishments to its facing as Regency's advertisers may request, located above a building at 427 N. Gaffey Street, San Pedro, California, and more particularly described as Lot 64, Tract 328, Book 35 of 98, in the official records of the Los Angeles County Recorder.
2. This lease shall be effective as of January 1, 2008.
3. This lease shall be for a period of ten (10) years commencing January 1, 2008, and ending at midnight December 31, 2017.
4.
 - a. The annual rent for the first year shall be \$12,500.00, payable at the time the Lease is signed by all parties. Rent shall be payable to Lessor at 427 N. Gaffey Street, San Pedro, California 90731, or such other place as Lessor may from time to time designate by written notice delivered to Lessee. The parties agree that \$7500.00 of the amount for the first year has already been paid to Lessor.
 - b. If the pedestrian bridge adjacent to the sign is removed, or is restructured in such a way whereby it ceases to be a visual impediment to the sign in its direction, and the Lessee, in its sole discretion, is able to increase the advertizing at the location by backing up the sign, the annual rent shall be increased by 50%, computed from the date the sign is backed up.
 - c. If Lessee is prevented by law, or government or military order, or other causes beyond Lessee's control from illuminating its signs on the subject property, the annual rent shall be reduced by 25%.
- 4.1. The annual rent shall be adjusted from the Base Date (January 1, 2008), in the Consumer Price Index of the Bureau of Labor Statistics of the United States Department of Labor for the CPI (All Urban Consumers), for the Los Angeles-Long Beach Urban Area, All Items (1982-1984 = 100), herein referred to as "CPI." Said increase shall not exceed three and one half (3.5) percent per annum. The annual rent, which shall be payable annually in advance, in one lump sum, within ten (10) days after written notification of the new annual rent is sent or delivered to Lessee, shall be calculated as follows: the Base Rent set forth in paragraph 4 of this lease shall be multiplied by a fraction, the numerator of which shall be the CPI (Consumer Price Index) of January 1 of each year during the term of this Lease, and the denominator of which

shall be the CPI of January 1, 2008. The sum so calculated shall constitute the new annual rent hereunder, but in no event, shall any such new annual rent be less than the rent payable for the year immediately preceding the rent adjustment. The calculation of the new rent shall be done as soon as reasonably possible after the beginning of the new year. Until Lessee is informed of the new rent by Lessor, Lessee shall pay the prior rent. Lessee shall pay to Lessor the difference in the rent, if any, within ten days of being notified in writing of the new rent.

5. Lessor shall not cause or allow an obstruction or impairment of Lessee's signs on the property, which are there pursuant to this lease. If such an obstruction or impairment occurs, the Lessee, without limiting any other remedies as may be available has the option of requiring the Lessor to remove said obstructions or impairment, or the Lessee may itself remove the obstructions or impairment charging the cost of said removal to the Lessor, or the Lessee may reduce the rental herein paid to the sum of Five (\$5.00) Dollars per year so long as such obstruction or impairment continues.

6. a. It is agreed between the parties that Lessee shall remain the owner of all advertising signs, beams used in the signs or structures for the signs, and improvements erected or made by Lessee, and that, notwithstanding the fact that the same constitute trade fixtures, Lessee shall have the right to remove said signs, structures, and improvements at any time during the term of the Lease, or within thirty (30) days after the expiration of the lease. In the event Lessee removes the sign either on its own initiative, for any reason whatsoever, or is ordered to remove the sign pursuant to government authority, Lessee shall take all appropriate care to minimize the impact the removal may have on Lessor's property and Lessor's well being and privacy. If Lessee is required to remove the sign pursuant to government authority, it may, at its own discretion, terminate this lease by giving the Lessor thirty⁰ written notice of such intent, no more than thirty (30) days after being notified of the removal requirement. If sign removal or any substantial work to modify the sign is to be undertaken, Lessee shall first confer with Lessor to agree on a schedule for the work, the level of effort to be undertaken, and the impact the work will have on Lessor's property and schedule. If support structures are to be removed, they shall be removed down to three feet below grade. Any damages arising from sign removal or work upon or modification of the sign, or further work required to bring the condition of Lessor's property back to what it was prior to the sign work, shall be the sole responsibility of Lessee, who shall promptly cause the repair work to be done to the reasonable satisfaction of Lessor. If Lessee does not make the repairs in a timely manner, upon thirty (30) days written notice to Lessee, Lessor, at his option, may get the repair work done, and Lessee shall promptly pay Lessor (or his assignee) for the itemized repair work performed at Lessor's expense. Any work contracted out by Lessor shall be billed to Lessee at 150% of its actual contract cost to Lessor. If Lessor performs the repair work himself, Lessor shall charge Lessee at \$40.00 per hour for labor plus 150% of the actual cost of materials used. Payment shall be paid within ten (10) days of the amount being billed in writing by Lessor to Lessee. It shall be treated as additional rent.

b. All Regency Outdoor Advertising employees and its agents, and/or contractors shall stay off Lessor's roof. Failure to do so shall result in a \$100.00 penalty for each occurrence, along with the cost of any damage which results from said breach. Lessor shall be

the person to verify whether or not a breach of this clause of the contract has occurred. Lessee shall pay the penalty and any additional damages within ten days of being notified in writing of the breach and the amount of any damages, if there are any. Any such penalty or damages shall be deemed additional rent.

7. It shall be the obligation and duty of the Lessee to maintain the sign and sign structure. The sign structure shall be painted as needed for maintenance and to keep it free of graffiti. If graffiti is not removed or painted over by Lessee within fourteen (14) days of being notified by Lessor in writing, Lessor shall have the right to hire someone to do the work. If that occurs, then Lessor shall charge the Lessee for the work done at the same rates as set forth in paragraph 6a. above. Said amount shall be treated as additional rent.

8. Lessee shall provide for the supply of electrical power to the sign by means separate from that of Lessor, and shall be responsible for the cost of all electrical power used in the constructions, operation, and maintenance of the sign.

9. Lessee shall, at Lessee's own cost and expense, comply with all statutes, ordinances, regulations, and requirements of all governmental entities, whether federal, state, county, or local, relating to Lessee's use of the premises, whether those statutes, ordinances, regulations, or requirements are now in force or are hereinafter enacted. The judgment of any court of competent jurisdiction, or the admission by Lessee in a proceeding brought against Lessee by any government entity that Lessee has violated any such statute, ordinance, regulation, or requirement shall be conclusive as between Lessor and Lessee and shall be grounds for termination of this Lease by Lessor.

10. Lessee shall be responsible for and shall pay all taxes, federal, state, or local, imposed upon the sign.

11. a. Lessee agrees to indemnify and hold Lessor and the premises free and harmless from any and all claims, liability, loss, damage, or expense resulting from Lessee's use of the premises, including, but not limited to all damage to persons or property as a result of the negligent or intentional acts of its agents, employees, or others employed in the construction, maintenance, repair or removal of its signs on the property.

b. Lessee shall, at its own cost and expense, secure and maintain during the entire term of this Lease and any renewals or extensions of this Lease a broad form comprehensive coverage policy of public liability insurance (issued by an insurer approved by Lessor and) insuring Lessor against loss or liability caused by or connected with Lessee's use of the premises under this Lease in amounts not less than \$1,000,000.00 for personal injury and \$500,000.00 for property damage.

12. Lessee shall have one option to renew this Lease, and continue its terms in effect for a

period of five (5) years after expiration of the initial term of this Lease. Lessee shall be deemed to have exercised the option unless Lessee gives written notice of its intention not to do so at least 180 days prior to the end of the original term of this Lease.

13. a. Lessor shall have the right to terminate this Lease by giving Lessee fourteen (14) days notice in writing and reenter and regain possession of the premises in the manner provided by law if Lessee materially defaults in the performance of any of the covenants, conditions, or agreements contained in this Lease.

b. Lessee's or Lessor's default in the performance of any of the covenants, conditions, or agreements contained in this Lease, or if there is any increase in the size of the display, it shall constitute a breach of this Lease. Should Lessee or Lessor materially breach this Lease, or should Lessee abandon the premises prior to the natural expiration of the term of this Lease, the non breaching party may, in addition to terminating this Lease, recover from the breaching party the amount necessary to compensate the non breaching party for all detriment proximately caused by the others failure to perform its obligations under this Lease.

c. The waiver by Lessor or Lessee of any breach by the other of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by the other, either of the same or another provision of this Lease.

14. The Lessee, at its option, may (i) terminate the Lease, or (ii) adjust the rental payments to Lessor in proportion to Lessee's loss of revenue from Lessee's sign attributable to any of the following circumstances by giving Lessor 30 days written notice under any of the following circumstances:

a. If the view of Lessee's sign is obstructed or impaired in any material way by a third party entity or act of God, and cannot be remedied within a thirty (30) day period.

b. If the value of such sign is diminished by reason of long-term diversion of vehicular traffic.

c. If the use of the sign is prevented or restricted from its then present use by law or governmental agency.

d. If the sign is properly ordered removed by any governmental agency.

e. If for any appropriate reason, a permit is sought by Lessee (after consultation with Lessor and obtaining Lessor's authorization for the purpose of modifying, altering, repairing, or rehabilitating the sign and such permit application is refused or rejected after making every reasonable effort to get is approved.

15. All notices required by this Lease or to be given pursuant to this Lease shall be in writing

and either personally served on the other party or delivered to the other party by first class United States mail at the address given for that party in Paragraph 1 of this Lease.

16. Time is expressly declared to be the essence of this Lease.

17. This lease shall be construed according to, and the rights of the parties shall be governed by, the law of the State of California.

18. If any legal action is necessary to enforce the terms of this Lease, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which that party may be entitled. This provision shall be construed as applicable to the entire Lease.

19. This lease sets forth the entire agreement between the parties with regard to the subject matter hereof. No other agreement, representations, or warranties have been made by either party to the other with respect to the subject matter of this Lease.

20. If any of the provisions of this Lease are found or deemed by a court of competent jurisdiction to be invalid or unenforceable, they shall be considered severable from the remainder of this Lease and shall not cause the invalidity or unenforceability of the remainder of this Lease.

21. This Lease may be amended only by a written agreement signed by both parties.

22. All notices required by this lease agreement shall be sent to Lessor by first class mail, addressed as follows:

Alan Williams
427 N. Gaffey Street
San Pedro, CA 90732

and to Lessee by first class mail, addressed as follows:

Regency Outdoor Advertising, Inc.
8820 Sunset Blvd., 2nd Floor
West Hollywood, CA 90069

23. This Lease may be signed in counterparts, and each signed counterpart, taken together, shall be deemed a complete signed Lease.

24. Any single award for the taking of all or any part of the premises by condemnation shall belong to Lessor, without any participation by Lessee; provided, however, that Lessee may petition for an award with respect to any loss Lessee incurs in removing its sign and trade

fixtures, its relocation expenses and loss of its business goodwill and leasehold interest in the premises as a result of a condemnation and Lessee shall be entitled to any such separate award but only to the extent such separate award does not diminish the award to Lessor for the taking of all or any part of the premises, and Lessor shall not be entitled to any portion of any such award to Lessee.

Executed at Los Angeles, California, on 1/10/09.

LESSOR

LESSEE

Regency Outdoor Advertising Company, Inc.

Alan Williams
ALAN WILLIAMS

by: Drake Kennedy
DRAKE KENNEDY, President

1-6-09