

## TRANSFER AGREEMENT AND RECEIPT

This Agreement is made this    day of July, 1999, by and between John Parman and Elizabeth Snowden, individually and doing business as that proprietorship known as Design Book Review ("DBR"), (hereinafter "transferors") and The California College of Arts and Crafts ("CCAC"), (hereinafter "transferee") of and concerning the following matters and facts:

WHEREAS, transferors are now the owners of a business enterprise, commonly known as DBR and located in San Francisco California (hereinafter "the business").

WHEREAS, transferors wish to transfer all of their right, title and interest in the business to transferee, and transferee agrees to accept all such right, title and interest and to assume certain enumerated liabilities as set forth herein.

WHEREAS, it is the intention of the parties that the transfer contemplated herein shall be a partial gift, except to the extent that CCAC shall assume existing enumerated liabilities of transferors.

NOW THEREFORE, in consideration of the covenants and mutual promises hereinafter set forth, it is agreed by the parties hereto as follows:

1. Transferors agree to transfer, and transferee agrees to accept all of transferors' right, title and interest in and to the business. Subject to the terms and conditions set forth in this agreement, transferors agree to transfer, convey, assign and deliver to transferee, and transferee agrees to accept from transferors, effective as of the close of business on 6/30, 1999, the following specified assets, properties and business of transferors, all of which are collectively referred to as the Assets. (a) The right to publish and distribute the magazine known as Design Book Review; (b) The right to conduct all business appurtenant to the publication of DBR, including but not limited to the right to advertise the magazine and sell advertising for the magazine; (c) The right to solicit subscriptions and collect money from subscribers; (d) All supplies, equipment, inventory, purchase and sales orders, materials, and works in progress; and (e) All claims and rights under leases, contracts, notes, evidences of indebtedness, copyrights, trademarks, service marks, trade names, trade secrets, licenses, royalty rights, deposits, and customer lists. The valuation and transfer date shall be "as of July/, 1999."

2. In recognition of transferors' gift of the Assets, transferee agrees to assume transferors' liabilities as set forth on Exhibit A attached hereto and hereby made a part hereof. For purposes of this paragraph and Exhibit A, transferors' liabilities shall not include subscription liabilities (i.e. amounts previously received by transferors for subscriptions to be fulfilled in the future).

3. Transferors hereby grant transferee the exclusive right and license to use the names "Design Book Review" and "DBR" and all related names by which transferors' business is identified, including those identified above. Transferors will promptly file a withdrawal of their fictitious name statement to permit transferee to concurrently file and publish under its own name. Transferee shall, in the use of the name, make clear to all customers, suppliers, employees and other persons with whom transferee does business that transferors are no longer affiliated with the business.

a. In all future issues of DBR, including, but not limited to any issues published by transferee following the effective date of this agreement, the following credit shall appear in the masthead, or in some other prominent location:

Founded by John Parman and Elizabeth Snowden, 1982  
Founding Editor: Richard Ingersoll

4. Transferors warrant and represent that there are no judgments, liens, claims or proceedings pending against them or the subject business. Transferors shall indemnify, defend and hold harmless transferee from and against any undisclosed judgments, liens, claims or proceedings currently existing or arising out of transferors' operation of the business.

a. Transferors warrant and represent that, within the times and in the manner prescribed by law, they have filed all federal, state, and local tax returns required by law and have paid all taxes, assessments, and penalties due and payable. There are no present disputes as to taxes of any nature payable by transferors.

b. Transferors warrant and represent that, during the period of discussion with transferee, transferors have used their best efforts, without having made any commitments on behalf of transferee, to preserve their business organization intact, to keep available to transferee their present employees, and to preserve their present relationships with suppliers, customers, and others having business relationships with it. During said period, transferors have not granted any increase in salaries payable to any employees, nor increased benefits payable to any employee under any bonus or pension plan or other contract or commitment.

c. None of the representations and warranties made by transferors contains or will contain any untrue statement of a material fact, or omit any material fact the omission of which would be misleading.

5. Transferors shall execute such documents as are necessary to transfer and/or license all of their right, title and interest in the business, its trademark(s), servicemark(s) and/or proprietary information, including but not limited to subscription lists and vendor lists, to transferee. Transferors shall, at any time before or after the closing date, execute, acknowledge and deliver any further deeds, assignments, conveyances and other assurances, documents, and

instruments of transfer reasonably required by transferee to effectuate the terms and conditions of this agreement. Transferors will take any other action consistent with the terms of this agreement that may reasonably be requested by transferee for the purpose of assigning, transferring, granting, conveying, and confirming to transferee, or reducing to possession, any or all property and assets to be conveyed and transferred by this agreement.

6. All leasehold interests transferred or assigned hereby shall be deemed to include all right, title and interest in leasehold improvements, fixtures, displays, furnishings and inventory thereon as of the date of transfer.

7. Transferors shall at their sole cost and expense:

a. Cause to be prepared and filed Withdrawal of Fictitious Name Statement and Bulk Transfer notices, as appropriate.

b. Notify the Franchise Tax Board of termination of their interest in the business and assume liability for any and all tax liabilities accruing before the date of this sale. Such tax liabilities shall include, but not be limited to, employment withholding taxes.

c. As appropriate, notify all suppliers of goods and materials, including printers, of the change in ownership.

d. Pay any applicable sales and/or income tax arising out of the transfer of the business and its assets, and be responsible for any withholding, social security and unemployment taxes of any kind relating to any period before the indicated date of sale.

8. Transferee shall, where necessary, at its sole cost and expense:

a. Apply for and obtain new state, federal and franchise tax numbers, business license and fictitious name statement.

9. Transferee hereby warrants that it has been given a full and complete opportunity to inspect the books, records, accounts receivable and the liabilities of transferors' business. The valuation of goodwill and accounts payable are transferors' good faith estimates and except as to the accuracy of documents and records provided, transferee assumes all risk as to said matters and is acting solely upon its own business judgment.

10. Transferee agrees to defend, indemnify and hold transferors harmless from any debts, claims, causes of action, liabilities and losses of any kind and description, occurring, arising or originating on or after the transfer date hereof ( , 1999). Transferors agree to defend, indemnify and hold transferee harmless for any debt, claims, cause of actions, liabilities and losses of every kind and description occurring, arising or originating prior to said transfer date.

11. In the event that a dispute arises concerning this Agreement or the accountings contemplated herein, that cannot be resolved informally between the parties, such dispute shall be submitted to final and binding arbitration in accordance with the rules of Arts Arbitration and Mediation Services, a program of California Lawyers for the Arts, or a comparable service if that program is no longer in existence. The arbitrator is authorized to award the prevailing party such sums as may be proper, including reasonable attorney's fees in addition to the costs and charges of the arbitrator. The arbitrator's award shall be final, and judgment may be entered upon it by any Court having jurisdiction thereof.

12. Each of the terms and conditions of this Agreement is a material one and no party may be in substantial compliance with the terms and conditions of this Agreement unless said party is in substantial compliance with each term and condition hereof. Said terms and conditions are not severable and the entire Agreement may be deemed void at the option of the non-defaulting party.

13. This Agreement represents the entire agreement between the parties hereto and each party hereby represents that there are no oral agreements or promises given or received in regard to the subject matter of this Agreement and that no party is relying on any representation not contained or referenced herein. This Agreement may be amended or modified only in writing, signed by the signatories to this Agreement, their agents, successors or assigns. Each party agrees that it has had the opportunity to review this Agreement with separate counsel and does hereby waive his/her/its right to invoke the provisions of California Civil Code §1654 with respect to interpretations of uncertainty of language.

14. Time is of the essence in this Agreement.

15. Each of the parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this agreement and in closing and carrying out the transaction contemplated by this agreement.

16. This agreement shall be binding on, and shall inure to the benefit of, the parties to it and their respective heirs, legal representatives, successors and assigns.

17. All representations, warranties, covenants, and agreements of the parties contained in this agreement, or in any instrument, certificate, opinion or other writing provided for in it, shall survive the closing.

18. All notices, requests, demands, and other communication under this agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed as follows:

To Transferors at:

c/o John Parman  
Gensler Corporate Services  
600 California Street, 11<sup>th</sup> Floor  
San Francisco, CA 94108  
(415) 627-3734  
(415) 627-3739 (fax)

To Transferee at:

David Kirshman  
California College of Arts and Crafts  
5212 Broadway  
Oakland CA 94618  
(510) 594-3688  
(510) 594-3797

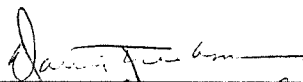
19. This agreement shall be construed in accordance with, and governed by, the laws of the State of California.

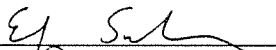
Executed at <sup>SAN FRANCISCO</sup>, California, on the date first written above.

California College of Arts and Crafts



John Parman

By   
Its Vice President for Finance



Elizabeth Snowden

EXHIBIT A

Liabilities Assumed by CCAC

| Vendor:        | Description:           | Invoice #:                 | Amount Owed:                                                                         |
|----------------|------------------------|----------------------------|--------------------------------------------------------------------------------------|
| Allen Press    | printing/mailing #39   | DEBR7110020                | \$8,953.78 (if payment is received before 1/1/99. Amt. Due discounted to \$7,453.78) |
| Tenazas Design | cover #39              | 1997                       | \$675.00                                                                             |
| Post Office    | business reply permits |                            | \$580 (5290 per '97, '98)                                                            |
| John Parman    | e-mail account         | reimburse<br>out-of-pocket | \$213.75 (1997)<br>\$239.40 (1998)                                                   |
| Laurie Snowden | tax accountant fees    | reimburse<br>out-of-pocket | \$500 (1996, 1997, some<br>1998)                                                     |
| Yingzhao Liou  | consultant             | Nov.-Dec.                  | \$2,000.00                                                                           |
| Cathy Lang Ho  | consultant             | Oct., Nov., Dec.           | \$3,600.00                                                                           |
| Brooks Fiber   | Long Distance Tel.     | current bill               | \$243.42                                                                             |