

4000 CHEVY CHASE DRIVE, LOS ANGELES, CA 90039 PH (818) 409-3354 / FAX (818) 244-4835

Dear Customer,

Our insurer has advised us that our company must have a written agreement with each of our tenants regarding our respective insurance obligations. We want to keep this as simple as possible, so this letter will constitute that agreement.

First, you must have a policy of insurance that covers General Liability & Automobile liability, losses in an amount no less than one million dollars per occurrence and two million dollars in the aggregate, Business Personal Property coverage for no less than the total replacement cost of all items stored at premises not owned and provide Proof of Workers' Compensation Insurance. You probably already have this.

Second, You must provide Scenic Expressions, Inc. with a certificate of insurance including the above mentioned entity, as an additional insured on all policies (except for Workers' Compensation-proof only required). We understand that this is a common practice, but of course you may want to check this with your own insurance advisor. (See Attached)

Third, in the event of any loss to your property that is an insured loss (meaning covered by your insurance) your insurance will be primary and non-contributory and Scenic's legal liability will be secondary, regardless of the cause of the loss.

Finally, Scenic agrees that at all times it will itself maintain a Warehousemen Legal Liability policy of insurance in no less than the types and amounts above for each of our facilities. However, in the event of a total or near total destruction of any facility, or the contents of any facility, Scenic's legal liability for any tenant in that facility shall be limited by the following formula:

Total Insurance/Total Rentable Square Footage of Facility x Tenants Square Footage

For example, if the rentable square footage of a facility that had been destroyed was 80,000, we would pay up to \$12.00 per rentable square foot (\$1 million divided by 80,000). If a particular tenant was using 7,000 square feet then our liability for damage or destruction of the tenant's property would be limited to \$87,500. This sum would be available once the tenant's policy proceeds had been exhausted.

Please sign and return this letter to us along with the Certificate of Insurance described above. If you have any questions please call Robert Larinto or Rebecca Garcia at (818) 409-3354.

Sincerely,

Robert Larinto, President
The Scenic Expressions, Inc.

Above Agreed To: ______

Production Name: ______