# STORAGE AGREEMENT

THIS STORAGE AGREEMENT (this “Agreement”) is made by and between The Scenic Expressions, Inc. (“Scenic”) and (“Client” and together with Scenic, the “Parties”) and is dated and effective as of , 202[\_] (the “Effective Date”). Capitalized but undefined terms shall have their applicable meanings as set forth in Section 1 or Exhibit C.

WHEREAS, Scenic provides for the intermittent storage of stage scenery, props, and related items for clients in the entertainment industry at various warehouses in Southern California and the Atlanta Georgia area, as well as providing pick-up and delivery services for such property to and from such warehouses; and

WHEREAS, Client wishes to store property owned or controlled by it at the Warehouse and, if so indicated in Exhibit C, wishes for Scenic to pick-up such property from the pick-up location indicated in Exhibit C.

NOW, THEREFORE, the Parties agree:

1. **Definitions**. As used in this Agreement, the following terms shall have the following meanings:
   1. “AAA” means the American Arbitration Association.
   2. “Alternate Warehouse” means any Scenic-controlled warehouse other than the

Warehouse.

* 1. “CAM Fees” means the monthly fees to operate and maintain common areas at the Warehouse such as the aisles, bathrooms, docks, utilities, etc.
  2. “Daily Rate” means the monthly Storage Fees divided by thirty (30).
  3. “Disposal Request” means Client’s request to remove and dispose of all, or any portion, of the Property.
  4. “Hazardous Materials” means any hazardous material or substance as determined by the State of California.
  5. “Labor Fees” means the hourly fee set forth in Exhibit C for all labor costs incurred by Client under Section 4.
  6. “Landlord” means the owner or other person who has the right to lease the Warehouse to Scenic.
  7. “Lease” means the lease between Scenic and the Landlord governing Scenic’s rights to the Warehouse.
  8. “Lock-up Space” means the area located within the interior of the walls of the lock- up area from ground level to the interior wall height and as designated in Exhibit C.
  9. “Manifest” means a signed and dated manifest reasonably detailing the items making up the Property along with any instructions concerning storage or other requirements and setting forth the Valuation.
  10. “Maximum Liability Amount” means Ten Thousand U.S. Dollars ($10,000.00).
  11. “Premises” means the building in which the Warehouse is located, and includes attendant loading docks, parking lots, and other improvements.
  12. “Property” means the scenery, props, and other items stored by Client in the

Warehouse.

* 1. “Removal Date” has the meaning set forth in Section 11.
  2. “Rules” means the California Arbitration Rules of AAA.
  3. “Storage Fees” means the monthly amount set forth in Exhibit C.
  4. “Storage Space” means the particular space within the Warehouse where the Property will be stored.
  5. “Term” has the meaning set forth in Exhibit C.
  6. “Transportation Fees” means the fees set forth in Exhibit C which are incurred if Client requests Scenic to perform any pick-up or delivery of the Property.
  7. “Valuation” means the reasonable replacement value of the Property identified on

the Manifest.

* 1. “Warehouse” initially has the meaning set forth in Exhibit C and, if applicable, subsequently means the Alternative Warehouse.

## Storage Space.

* 1. The Property shall be stored in the Storage Space. The location of the Storage Space for storage of the Property within the Warehouse shall be determined by Scenic in its sole discretion, may be contiguous or noncontiguous and may be re-located during the Term to a different location within the Warehouse as determined by Scenic in its sole discretion.
  2. Client understands and agrees that the fees for the Storage Space specified in Section 3 and in Exhibit C shall be due whether or not all or only a portion of the Storage Space is used to store the Property.
  3. The amount of the Storage Space may be increased or decreased at any time during this Agreement upon the written consent of both Parties. Unless the Parties mutually specify otherwise, any change in the amount Storage Space shall be effective on the first day of the month following the month in which the written consent is made. In the event that Client elects to have all, or any portion, of the Property stored in the Lock-up Space, then the terms and conditions in Exhibit B shall apply and are incorporated into this Agreement. The terms and conditions contained in Exhibit B are in addition to the terms of this Agreement and to the extent there is a conflict with this Agreement, the terms and conditions of Exhibit B shall control.

## Fees; Payment.

* 1. Obligation to Pay Fees.

Client shall pay to Scenic the Storage Fees, CAM Fees, Transportation Fees and Labor Fees in accordance with the terms of this Agreement.

* 1. Other Fees & Responsibilities.
     1. *Trash, Roll-offs and Dumpsters*. Clients are NOT ALLOWED to utilize Scenic’s dumpsters or equipment to remove, relocate, or dispose of Property. Any and all trash or unwanted assets must be either (i) removed by Client or (ii) Client may request that Scenic provide a dumpster and Scenic will connect Client with the trash vendor assigned to that area of the Warehouse and Client shall be solely responsible for all charges arising from the disposal of such items with the trash vendor. Upon receipt of a Disposal Request from Client, Scenic shall provide Client with the cost related to the Disposal Request, which Client shall pay to Scenic within five (5) days. In the event Scenic does not receive such amount, then it shall not be obligated to perform the Disposal Request.
     2. *CAM Fees.* The CAM Fees are based upon the percentage of floor area of the Storage Space as compared against the total floor area of each Warehouse and will change over time. The CAM Fees may differ based on each Warehouse. Client shall pay to Scenic the CAM Fees along with the Storage Fees on a monthly basis.
     3. *Tax Liability.* Client shall be fully liable for the payment at all times of all taxes imposed by any authority on the Property.
  2. Payment Due Date; Cure Period.
     1. *Payment Due Date.* All payments for the Storage Fees and CAM Fees are due and payable on the fifteen (15th) day of the month following the month in which such fees were earned for storage services provided by Scenic to Client under this Agreement. Scenic shall bill Client monthly for any Labor Fees, any Transportation Fees and any other fees earned and due under this Agreement, and Client shall pay all such fees within fifteen (15) calendar days of its receipt of the bill for such services.
     2. *Cure Period; Payment Default Termination Right.* If Client fails to cure an outstanding payment default by paying the Storage Fees, CAM Fees, Transportation Fees, Labor Fees or any other amount due under this Agreement within fifteen (15) calendar days after its receipt of written default notice from Scenic, Scenic shall have the rights specified in Section 13 in addition to any termination and other rights that it has under this Agreement or under applicable law. Interest on any late payment shall accrue at the rate of ten percent (10%) per annum from the payment due date specified in Section 3.3(a). Client may not dispute invoices, fees, or other charges after more than thirty (30) days from the date of invoice.

## Delivery, Removal and Relocation of Property; Manifest.

* 1. Delivery; Removal; Relocation. Upon providing reasonable prior written notice to Scenic, Client may deliver and remove the Property, or any portion thereof, at any time and from time to time during the Term. Notwithstanding the foregoing, any removal or other relocation of the Property within the Warehouse shall be performed solely by Scenic’s employees. If Client elects at any time to transport the Property to or from the Warehouse with its own vehicles, or those of a third party selected by Client, Scenic’s employees will load and unload the Property onto or from said vehicles. Notwithstanding

the foregoing, Client is permitted to handle, move or remove smaller items of the Property, including set dressing, props and other “smalls” to and from the Storage Space without the use of Scenic’s employees.

* 1. Manifest. At or prior to pick up or delivery of the Property, Client shall furnish to Scenic the Manifest. Any item making up the Property that has an extraordinary value shall be detailed by Client on the Manifest and a corresponding value shall be specified and included as part of the Valuation.
  2. No Consignee Status. Client agrees that the Property shipped to Scenic shall identify Client on the Manifest, bill of lading, or other contract of carriage as the named consignee, in care of Scenic, and shall not identify Scenic as the consignee. If, in violation of this Agreement, the Property is shipped to Scenic as named consignee on the Manifest, bill of lading, or other contract of carriage, Client agrees to immediately notify carrier in writing, with copy of such notice to Scenic, that Scenic named as consignee is the “in care of party” only and has no beneficial title or interest in the Property. In such event, Client agrees to indemnify and hold Scenic harmless from all claims for transportation, storage, handling, and other costs, expenses and charges relating to Scenic being named as consignee of such Property accepted by Scenic, including, without limitation, undercharges, rail demurrage, truck/intermodal detention, and other charges of any nature whatsoever.

## Transportation of Property and Transportation Fees.

If Client requests, Scenic will pick up, transport or deliver the Property (the “Transportation Services”) at any location reasonably specified by Client. Any such request shall (a) specifically identify the Property to be picked up or delivered, (b) specify the location for the pick up or delivery, including any specific instructions regarding pick up or delivery, (c) specify the date and time for pick up or delivery, and

(d) be made promptly with sufficient time in advance of the delivery time in order to permit Scenic to comply with the request. Scenic shall not be liable for any loss of any kind resulting from any delay in the pick up or delivery of any Property. Client shall be liable for and shall indemnify and defend Scenic for any claim, damage, or other cost incurred or arising from such request. Further, Scenic may refuse any request if Scenic reasonably believes that it cannot perform the pick up or delivery within the time specified by Client. Client shall prepare the Property for pick up in a segregated manner, properly marked, and packaged for handling and transportation.

## Inspection Rights.

Client, its employees, consultants and authorized representatives may enter the Warehouse at any time during normal business hours to inspect the Property, provided that Client provides reasonable advance written notice to Scenic.

## Relocation of Property.

* 1. Scenic may in its sole discretion relocate all or any portion of the Property to an Alternate Warehouse, provided that each of the following conditions are satisfied:
     1. The relocation is reasonably required due to Scenic’s business needs;
     2. The Alternate Warehouse is within the mileage radius specified in Exhibit C with respect to the Warehouse; and
     3. Scenic gives Client thirty (30) days’ advance written notice of the intended relocation, which shall specify the address of the Alternate Warehouse and the Property to be relocated.
  2. However, no thirty (30) calendar day notice shall be required if the relocation is due to (i) the termination of Scenic’s Lease or other event impairing Scenic’s ability to perform under this Agreement, (ii) fire, flood, earthquake or other damage to the Warehouse or (iii) any event or anticipated event which, in Scenic’s opinion, could reasonably cause damage to the Property. In such event, Scenic shall notify Client of the intended relocation at the earliest opportunity.

## Representations by Client; No Hazardous Materials Covenant.

* 1. Client represents and warrants that:
     1. It is the sole owner of the Property, or otherwise has the exclusive right of control over the Property, including the right to store and use the Property as contemplated by this Agreement;
     2. It has all requisite power and authority to execute and deliver this letter agreement, and to perform his obligations hereunder;
     3. This Agreement has been duly and validly executed and delivered by Client and constitutes (assuming due execution and delivery by both Parties) a valid and legally binding obligation of Client, enforceable against Client in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium laws, other similar laws affecting creditors’ rights and general principles of equity affecting the availability of specific performance and other equitable remedies;
     4. No third party consents or approvals are required for Client to enter this Agreement and perform its obligations hereunder; and
     5. The Property does not, nor does any portion of any Property, consist of, contain, or incorporate Hazardous Materials, toxic, ignitable, reactive, corrosive substances, or any substance that would otherwise cause harm to Scenic’s employees, the environment or the Warehouse or result in damage to other property stored within the Warehouse or the Premises.
     6. It has been provided with the opportunity to obtain such information concerning the Premises, the Warehouse, and the Alternate Warehouse as Client deems material to its decision to store its Property on the Premises, the Warehouse or the Alternate Warehouse and has had an opportunity to ask questions of, and to receive answers from, Scenic concerning the Premises, the Warehouse and the Alternate Warehouse.
     7. CLIENT ACKNOWLEDGES AND AGREES THAT SCENIC HAS NOT MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE PREMISES, THE WAREHOUSE AND THE ALTERNATE WAREHOUSE EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT AND THAT CLIENT IS NOT RELYING ON ANY OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED (ALL OF WHICH ARE HEREBY DISCLAIMED BY SCENIC).
  2. Scenic prohibits the storage of food other than canned items and water. Client agrees and covenants not to bring or permit to be brought any Hazardous Materials in the Warehouse, including the Storage Space and the Lock-up Space, or any of Scenic’s facilities, and Client shall be responsible for all costs and damages association with the discovery, removal, disposal and/or remediation of any such Hazardous Materials contained in the Property. In the event that the Property contains Hazardous Materials, Client, at its sole expense, shall immediately remove such Property from the

Warehouse and shall indemnify and hold Scenic harmless from any damages or losses in connection therewith.

## Insurance.

At all times during the Term, Scenic shall maintain comprehensive general liability insurance in an amount no less than One Million U.S. Dollars ($1,000,000) per occurrence and Two Million U.S. Dollars ($2,000,000) in the aggregate, as further detailed in Exhibit A. In addition, at all times during the Term, Client, at its sole cost and expense, shall maintain insurance policies in the types and amounts as further detailed in Exhibit A.

## Term and Termination.

* 1. This Agreement shall remain in effect until terminated by either Party as herein provided. Regardless of receipt of this signed Agreement, Property received by Scenic from Client constitutes Client’s acceptance in whole of this Agreement.
  2. Either Party may terminate this Agreement without cause upon thirty (30) calendar days’ prior written notice. However, Client may terminate on less than thirty (30) calendar day’s written notice if Scenic so consents in writing.
  3. Client may terminate this Agreement on twenty (20) calendar days’ written notice if Scenic gives Client the thirty (30) calendar day relocation notice specified in Section 7(c), provided that such termination notice is given within ten (10) calendar days following receipt of the relocation notice. If Scenic’s relocation notice is less than thirty (30) calendar days due to any circumstance described in Section 7(c), then Client may give notice of termination at any time in advance of the proposed relocation date.
  4. Scenic may terminate this Agreement immediately upon written notice to Client if

1. Client remains in default under this Agreement (after giving effect to the cure period) as set forth in Section 3 or Section 5 or (ii) Client or its employees, consultants or agents acted or threatened to act in a manner which would likely harm Scenic’s employees or interfere with the relationship between Scenic and its employees, cause damage to the Premises in general or any property in the Warehouse, jeopardize Scenic’s rights or impair its obligations under the Lease, or interfere with any labor contract between Scenic and the union representing Scenic’s employees in the Warehouse (if applicable) or (iii) the Lease is terminated for any reason or the Storage Space becomes unusable for any reason beyond Scenic’s control and Scenic cannot reasonably relocate the Property to an Alternate Warehouse.
   1. Client may terminate this Agreement immediately upon written notice to Scenic if Scenic fails to perform any obligation arising under this Agreement, provided that Client has first notified Scenic of the breach, and Scenic has failed to cure the same within fifteen (15) calendar days of its receipt of such notice.
   2. If the effective date of termination is after the 15th of the current month, the, Storage Fees for the final month shall be billed through the end of that month.
   3. Notwithstanding the termination of this Agreement in accordance with this Section 10, the following provisions of this Agreement shall survive and continue to bind the Parties as on-going, legally enforceable obligations: Sections 3.3, 4, 5, 10 through 15 and 17 and the terms in Exhibit A.

## Removal of Property Following Termination.

* 1. If this Agreement is terminated for any reason, Client shall remove all Property from the Warehouse (or if applicable, from any Alternate Warehouse) by the Removal Date.
  2. The Removal Date shall be as follows:
     1. If this Agreement is terminated without cause by either Party, the Removal Date shall be the effective date of termination; provided, however, that if Scenic consents to a notice period shorter than thirty (30) calendar days, as provided in Section 10.2, then the Removal Date shall be the date mutually selected by the Parties.
     2. If Client terminates this Agreement under Section 10.3, the Removal Date shall be the later of (i) the effective date of termination, or (ii) if Client may terminate on less than twenty

(20) calendar days’ notice under Section 10.3, five (5) business days after the effective date of termination.

* + 1. If Scenic terminates this Agreement under Section 10.4, the Removal Date shall be five (5) business days after Scenic gives written notice of termination.
    2. If Client terminates this Agreement under Section 10.5, the Removal Date shall be thirty (30) calendar days after Client gives written notice of termination.
  1. If the Removal Date is later than the effective date of termination, Client shall have no right to add any Property to the Storage Space following the termination date.
  2. Scenic’s employees, consultants or authorized agents shall remove and load the Property on Client’s vehicle or vehicles, unless Client elects to have Scenic deliver the Property to another location specified by Client. Any such election shall be made in writing and shall be delivered to Scenic sufficiently in advance of the Removal Date to enable Scenic to comply with the election and shall specify the delivery date and delivery location. All Labor Fees and (if applicable) Transportation Fees shall be paid by Client within five (5) business days after its receipt of invoice from Scenic.
  3. If the Property is removed after the effective date of termination, Client will pay Storage Fees to Scenic at the Daily Rate from the termination date to the Removal Date. Such additional Storage Fees shall be paid by Client to Scenic within five (5) business days after its receipt of invoice from Scenic.
  4. Notwithstanding anything to the contrary in this Agreement, all fees and other charges owing under this Agreement to Scenic must be paid in full before Scenic releases or delivers the Property.

## Limitation on Liability.

* 1. Scenic’s liability under this Agreement to Client shall be limited as follows:
     1. Lock-up Space. Scenic will have no liability with respect to any Property that is stored in a Lock-up Space.
     2. Storage Space. Scenic will not have any liability for any theft, misplacement or loss of or damage to any Property stored within the Warehouse (or, where applicable, any Alternate Warehouse), including a Storage Space, (i) unless Scenic has previously conducted an inspection

and physical inventory count and acknowledge the pieces comprising the Property on the Manifest or in another document signed by Scenic and, to the extent that any such Scenic inspection identifies any Property that is damaged, Scenic shall notify Client in writing of such damage, and (ii) provided that the damage or destruction is solely the result of Scenic’s gross negligence or willful misconduct, in which case Scenic’s insurance will be primary and its liability shall be limited to the lesser of (x) the Maximum Liability Amount, (y) the reasonable replacement cost of the damaged Property or (z) the reasonable cost of repair; provided, however, that Scenic shall first have the right, as specified below, to repair the damaged Property at its sole expense. Notwithstanding the foregoing, this Section 12.1(b) shall not apply to any Property stored in a Lock-Up Space, liability of which is governed by Section 12.1(a).

* + 1. Transportation Services. Scenic will only be responsible for loss, damage or destruction of any Property in connection with the storage provision of any Transportation Services if (i) the Property is inspected and counted as reflected in the Manifest and (ii) the damage or destruction is solely the result of Scenic’s gross negligence or willful misconduct, in which case Scenic’s insurance will be primary and its liability shall be limited to the lesser of (x) the Maximum Liability Amount, (y) the reasonable replacement cost of the damaged Property or (z) the reasonable cost of repair; provided, however, that Scenic shall first have the right, as specified below, to repair the damaged Property at its sole expense. Notwithstanding, Client shall always be fully liable despite any action or non-action by Scenic in connection with (A) any breach by Client of Section 8.2 or (B) any negligence, gross negligence or willful misconduct of Client that contributes to the damage or destruction of the Property.
    2. Catastrophe. If the loss, damage or destruction of any Property is the result of a Catastrophe (as defined below) which also destroys or materially affects the long-term use, viability or safety of the Warehouse in which the Property was stored, then Client’s insurance policy will be primary and non-contributory and neither Scenic nor Scenic’s insurance will be secondarily or otherwise liable.
    3. “Catastrophe” shall mean (x) any fire (from faulty wiring or otherwise) or flooding (from a broken fire sprinkler or pipe or otherwise), any natural disaster or Act of God, including a hurricane, tornado, flood, tsunami, tidal wave, dust storm, wildfire, firestorm, windstorm, storm, earthquake, mudslide, avalanche or volcanic eruption, and (y) any action by any unaffiliated third party, including terrorism or the crash of any vehicle into the affected Warehouse.
    4. Notwithstanding the foregoing, Scenic shall have no liability for any damage and no obligation to repair any such damage, unless Client gives written notice to Scenic within fifteen (15) days after discovery of the damage, and in no event later than thirty (30) days after the Removal Date. Such notice shall identify the Property that was damaged and shall describe the nature of the damage.
    5. Upon receipt of such notice, Scenic shall have the right to inspect the damaged Property. Within five (5) business days following such inspection, Scenic shall inform Client in writing of its election (i) to repair the damage or (ii) to pay Client the lesser of the amount specified in clauses (i) or (ii) in subsection (a) above. If Scenic fails to give any notice within such time period, Scenic shall be deemed to have elected not to repair the damaged Property, and Client may proceed to either replace or repair the damaged Property.
    6. If Scenic elects to repair, such repair shall be commenced and completed in a timely manner. Such repair shall substantially return the Property to its condition immediately prior to the damage.
    7. If Scenic elects not to repair, Client must replace or begin repairing the damaged Property within sixty (60) days from the end of the election period specified in subsection (c) above. Following such repair or replacement, Client shall submit a written demand for reimbursement, which shall include copies of all purchase or repair bills or invoices, as well as proof of payment.
    8. Scenic’s liability to Client shall be limited to the provisions expressly set forth in this Section 12. Without limiting the scope of the foregoing limitation, Scenic shall not be liable for any consequential, special, indirect, or general damages, including damages for loss of business opportunity, loss of profit, or emotional distress, resulting from any damage to the Property or from Scenic’s breach of any obligation under this Agreement.
    9. Scenic shall not be liable for any damage to the Property caused by the acts of others, including actions by the Landlord and its employees, consultants, agents and representatives.
    10. Notwithstanding anything to the contrary in this Agreement, Client acknowledges and agrees that Scenic’s maximum total liability arising from or related to this Agreement shall be the Maximum Liability Amount.

## Lien.

Pursuant to California Commercial Code Section 7209, Scenic shall have a lien against the Property to secure Client’s performance of its obligations under this Agreement, including the payment of Storage Fees, Labor Fees, and Transportation Fees. In the event Client is in default as provided in Section 3, or Section 5, or if Client fails to remove the Property by the Removal Date specified in Section 10, Scenic may enforce its lien as provided in California Commercial Code Section 7210(a). Enforcement of such lien shall not be mandatory, and in any event is in addition to any other remedy Scenic may have under this Agreement or at law or in equity.

## Disposition of Property for Failure to Remove.

If following the termination of this Agreement, Client fails to remove all of the Property, and if such failure continues for more than eighteen (18) calendar days after its written notice from Scenic, Client shall be deemed to have abandoned the Property, and shall cease to have any rights therein. If Scenic reasonably believes that the value of the Property is less than the monthly Storage Fees, then Scenic shall then have the right to remove the Property, or any remaining portion thereof, and to dispose of it in any manner determined by Scenic in its sole discretion. If Scenic reasonably believes that the Property is valued in an amount in excess of the Storage Fees, Scenic will dispose of it in a manner in accordance with applicable law. Client shall be liable for all Labor Fees and Transportation Fees connected with such disposition, as well as any out-of-pocket costs incurred by Scenic with respect to such disposition. The notice specified above shall describe Scenic’s intended disposition based on Scenic’s reasonably estimated value.

## Indemnification.

Client shall indemnify, defend, and hold harmless Scenic and its officers, directors, shareholders, managers, members, partners, employees, consultants, advisors, agents, representatives parents and subsidiaries (collectively, the “Indemnified Scenic Parties”) from and against any and all liabilities, claims, damages, or costs of any kind arising out of or caused by the actions or inactions of Client and its officers, directors, shareholders, managers, members, partners, employees, consultants, advisors, agents, representatives parents and subsidiaries that results in a breach of such Indemnifying Party’s obligations under this Agreement. Such indemnification shall include reasonable attorneys’ fees and court costs incurred by the Indemnified Parties in any action or proceeding in which such liability, claim, damage, or cost is asserted. Scenic agrees to indemnify and hold Client harmless for any third party claims that arise out of Scenic sole negligence.

## Increase in Fees.

Scenic may increase any Storage Fees, CAM Fees, Labor Fees, or Transportation Fees only upon thirty (30) calendar days’ written notice to Client. If Client chooses not to accept any such increase it may terminate this Agreement in accordance with Section 11(a). If Client fails to terminate within fifteen (15) calendar days of receipt of such notice Client shall be deemed to have accepted the increase in fees. Should Scenic elect, in its sole and absolute discretion, to install improvements at the Warehouse for the benefit of Client, after receiving approval from Client for their cost and installation, Client shall pre-pay the estimated cost within fifteen (15) calendar days of receipt of the estimated pricing schedule from Scenic. Promptly after completion of such improvements, Scenic shall send a reconciliation statement to Client. In the event that the estimated cost was less than the actual cost for the improvements, Client shall pay to Scenic the amount by which the actual cost exceeded the estimated cost within ten (10) days after receipt of the reconciliation statement. In the event that the estimated costs exceeded the actual cost for the improvements, then Scenic shall refund such amount in a manner directed by Client within ten (10) days after the reconciliation statement is sent to Client. The default and interest provisions set forth in Section

3.3 shall likewise apply to any increase in fees.

## Governing Law; Arbitration.

* 1. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of California.
  2. Any and all disputes arising out of or relating to this Agreement or the interpretation or enforcement thereof, but excluding any claims for injunctive relief, shall be submitted to binding arbitration. No action may be maintained by Client against Scenic for loss or damage to the Property unless timely written notice of a claim has been provided to Scenic, and unless such action is commenced either within three (3) months after the date of delivery by Scenic or within three (3) months after Client is notified by Scenic that loss or damage to the Property has occurred, whichever is shorter. The arbitration shall be conducted before a single arbitrator in accordance with the Rules of AAA that are in effect at the time a demand for arbitration is served. The arbitration need not be conducted through the AAA so long as it is conducted pursuant to the Rules. Any arbitration under this provision shall take place in Los Angeles County, California or at such other place as the Parties may mutually agree. The prevailing Party shall be entitled to recover reasonable attorneys’ fees and costs as determined by the arbitrator. Any Party who commences an action inconsistent with this provision shall waive its right to recover attorneys’ fees and costs. In addition to the exchange of information provided in Rule 21 of the Rules, the arbitrator may order the taking of depositions or such other discovery as may be determined by the arbitrator upon the application of either Party. The arbitrator shall have the same authority as a court of law under the California Code of Civil Procedure, including the resolution of discovery disputes, the issuance of sanctions for failure to comply with discovery orders, and the hearing of motions, including motions for summary judgment.
  3. The arbitrator shall furnish the Parties with a written award promptly after the conclusion of the arbitration. The award shall be in writing and shall state in detail the factual and legal findings and conclusions on which the award is based. In making the award, the arbitrator shall apply rules and principles established through statutory and case law applicable to the dispute. If the arbitrator fails to do so, the arbitrator will be deemed to have exceeded his or her power, and the award may be vacated under California Code of Civil Procedure Section 1286.2. The award shall be entered as a judgment by a court

of law, and shall have the same force and effect as, and be subject to all provisions of law relating to, a judgment in a civil action, and may be enforced like any other judgment of the court in which it is entered.

## Notices.

All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given and received: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. All notices must be sent to each representative of the respective Parties as listed on and in accordance with Exhibit C.

## Miscellaneous.

This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes any prior or contemporaneous written or oral agreement with respect to the same. Neither Party may assign this Agreement without the prior written consent of the other Party; provided, however, that (i) Scenic may assign or transfer its rights or obligations hereunder to one of its affiliates and

1. a sale, merger, change of control, reorganization or similar transaction involving Scenic shall not constitute an assignment for purposes of this Section 20. Any references to a Section or Exhibit here shall mean a Section in or Exhibit to this Agreement. Unless the context expressly provides otherwise, any references to a “day” or “days” in this Agreement shall refer to a calendar day or days, as applicable. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity or enforceability of the other provisions of this Agreement. This Agreement may be executed and delivered in any number of counterparts (and by facsimile transmission or email with scan attachment), and each such counterpart shall be deemed to be an original for all purposes, and all such counterparts shall collectively constitute one agreement. Any amendment or modification of this Agreement shall be in writing and signed by both Parties. Failure to insist upon strict compliance with any term, covenant, or condition of this Agreement shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any right or power under this Agreement at any time or times be deemed a waiver or relinquishment of such right or power at any other time or times. Any waivers must be in writing and signed by the Party against whom enforcement of such waiver is sought.

*[Remainder of page left intentionally blank. Signature page follows.]*

IN WITNESS WHEREOF, the undersigned Parties have agreed to and accepted the terms and conditions of this Agreement as of the date first set forth above.

# CLIENT: SCENIC:

[ ] THE SCENIC EXPRESSIONS, INC.

By: By:

Name: Name:

Title: Title:

# EXHIBIT A

**INSURANCE COMMITMENT LETTER**

The insurer of The Scenic Expressions, Inc. (“Scenic” or “we”) has advised us that Scenic must have a written agreement with each of our clients regarding our respective insurance obligations. We want to keep this as simple as possible, so this insurance commitment letter will constitute such written agreement between the undersigned client (“Client” or “you”) and Scenic.

First, Client must have a policy of insurance that covers (i) General Liability & Automobile liability, losses in an amount no less than One Million U.S. Dollars ($1,000,000) per occurrence and Two Million U.S. Dollars ($2,000,000) in the aggregate, and (ii) Business Personal Property coverage for no less than the total replacement cost of all Property stored at the Warehouse, and Client must provide Proof of Workers' Compensation Insurance in an amount required by applicable law. You probably already have this.

Second, you must provide Scenic 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.

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, except as provided in paragraphs (a) and (b) below.

* 1. Scenic will not have any liability for any theft, misplacement or loss of or damage to any Property stored within the Warehouse (or, where applicable, any Alternate Warehouse), including a Storage Space, (i) unless Scenic has previously conducted an inspection and physical inventory count and acknowledge the pieces comprising the Property on the Manifest or in another document signed by Scenic and, to the extent that any such Scenic inspection identifies any Property that is damaged, Scenic shall notify Client in writing of such damage, and (ii) provided that the damage or destruction is solely the result of Scenic’s gross negligence or willful misconduct, in which case Scenic’s insurance will be primary and its liability shall be limited to the lesser of (x) the Maximum Liability Amount, (y) the reasonable replacement cost of the damaged Property or (z) the reasonable cost of repair; provided, however, that Scenic shall first have the right, as specified below, to repair the damaged Property at its sole expense.
  2. Scenic will only be responsible for loss, damage or destruction of any Property in connection with the storage provision of any Transportation Services if (i) the Property is inspected and counted as reflected in the Manifest and (ii) the damage or destruction is solely the result of Scenic’s gross negligence or willful misconduct, in which case Scenic’s insurance will be primary and its liability shall be limited to the lesser of (x) the Maximum Liability Amount, (y) the reasonable replacement cost of the damaged Property or (z) the reasonable cost of repair; provided, however, that Scenic shall first have the right, as specified below, to repair the damaged Property at its sole expense. Notwithstanding, Client shall always be fully liable despite any action or non-action by Scenic in connection with (A) any breach by Client of Section 8.2 or (B) any negligence, gross negligence or willful misconduct of Client that contributes to the damage or destruction of the Property.

Fourth, Scenic agrees that, at all times, it will itself maintain a Warehousemen Legal Liability policy of insurance of no less than the types and amounts above for each of our warehouses. However, in the event of a Catastrophe, subject to Section 12 of the Agreement, Client’s insurance policy will be primary

and non-contributory and Scenic’s insurance and neither Scenic nor Scenic’s insurance will be secondarily or otherwise liable.

Finally, each Party (i) waives, and shall cause its insurance carrier to waive, its rights to subrogation with respect to any liability imposed by this Agreement, and any right of recovery against the other for any loss of or damage to or destruction of any property, including any deductibles and self-insured amounts, which loss, damage or destruction is (or, if the insurance required hereunder had been carried, would have been) covered under the terms of any policy of property insurance, to the extent such releases or waivers are permitted under applicable law and (ii) expressly waives, and irrevocably agrees not to pursue, directly or indirectly, any subrogation rights or other rights of recovery against the other Party or any affiliate thereof, or any current or former equity holders, directors, managers, officers or employees of any of the foregoing with respect to any claim made by a Party under an insurance policy, which waiver the other Party may enforce directly against the applicable insurer; provided, however, such waiver by Scenic shall not be effective with respect to Client’s liability for any Hazardous Materials contained in the Property or otherwise stored in the Storage Space or the Lock-up Space. The failure of a Party to insure its property shall not void this waiver. Each Party shall give each respective insurance company which issues policies of insurance, with respect to the items covered by this waiver, written notice of the terms of this mutual waiver, and to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of any of the coverage provided by such insurance policies by reason of such mutual waiver. For purposes of this waiver, any deductible with respect to a Party’s insurance shall be deemed covered by, and recoverable by such Party under, valid and collectible policies of insurance.

The undersigned have agreed to and accepted the terms of this insurance letter agreement as of the Effective Date.

# CLIENT: SCENIC:

[ ] THE SCENIC EXPRESSIONS, INC.

By: By:

Name: Name:

Title: Title:

# EXHIBIT B

**LOCK-UP RIDER**

Upon request and subject to availability, The Scenic Expressions, Inc. (“Scenic” or “we”) may provide, from time to time, lockable areas for the storage of smaller production assets, such as props, wardrobe, set dressing and production office materials for the benefit of the undersigned client (“Client” or “you”). These lock-up areas are hereinafter, referred to as “Lock-up Space”. Lock-up Space is configured and measured by a combination of floor space (footprint) and pallet racking shelves. The shelves are measured for square footage and are not subject to CAM Fees.

## Client is encouraged to do the following:

1. Provide its own lock for the Lock-up Space.
2. Use a “hot lock list” including only persons Client desires to have access to the Lock-up Space.
3. Client shall obtain an insurance rider from its insurance company to cover these assets in the event of loss, theft, damage or destruction.
4. Provide Scenic with an itemized inventory of the assets contained in the Lock-up Space.

# IMPORTANT INFORMATION:

* + 24-hour Access is only allowed in specific buildings. If Client is in a 24-hour building, Client will be provided with a key and an unique alarm password.
  + Clients utilizing a 24-hour accessible Lock-up Space will be assessed an additional $50 per month maintenance fee, which shall be paid on a monthly basis as described in Section 3 of the Agreement.
  + Storage outside of the Lock-up Space is not permitted without the prior written approval from Scenic. Any property stored outside of the assigned Lock-up Space will be billed monthly at $1.50 per square foot, which shall include pallet racking shelves.
  + Dumpsters/Trash: Scenic charges a $50.00 per month fee to discard its 30-gallon trash cans located in Scenic’s facilities. Client will not use any dumpster located at the Warehouse for the disposal of any of the Property or other materials or assets. Client’s violation of the foregoing will result in additional fees.
  + Utilities: Client agrees not to use Scenic’s utilities without prior written approval.
  + CLIENT SHALL NOT STORE FOOD or OTHER CONSUMABLES at the Warehouse.
  + Space Configuration: The Lock-up Space comes equipped with heavy duty pallet racks/organization shelving as a part of the Lock-up Space’s square footage footprint.
  + The cost of the rack & installation will be borne by Scenic and will remain its sole property.

Client MAY NOT use its own racking and MAY NOT alter or remove such racking.

* + Scenic’s insurance prohibits the use of the Lock-up Space as set or prop construction space so Client shall not use the Lock-up Space as set or prop construction space.
  + Client will be the only entity with access to the Lock-up Space. Scenic will have no access unless authorized by Client or unless emergency personnel require the Lock-up Space to be opened or accessed.

The undersigned have agreed to and accepted the terms of this Lock-up Rider agreement as of the Effective Date.

# CLIENT: SCENIC:

[ ] THE SCENIC EXPRESSIONS, INC.

By: By:

Name: Name:

Title: Title:

# EXHIBIT C

**STORAGE TERMS AND CONTACT INFORMATION**

## Storage Terms

Client’s pick-up location for the Property:

Warehouse location:

Lock-up Space location:

Term: Commencing on the Effective Date until terminated in accordance with Section 10 of the Agreement

Storage Fees:

CAM Fees:

Daily Rate (until the first full month of the Term): Labor Fees:

Transportation Fees:

Mileage Radius for Alternate Warehouse:

## Contact Information for Parties:

Scenic: The Scenic Expressions, Inc. 8238 Lankershim Blvd. North Hollywood, CA 91605 Phone: (818) 409-3354

E-mail:

Mark Larinto: [mark@thesceniccompanies.com](mailto:mark@thesceniccompanies.com) Robert Larinto: [rob.larinto@scenicexpressions.com](mailto:rob.larinto@scenicexpressions.com)

Client:

Attn:

Phone:

E-mail: