

## STORAGE AGREEMENT

THIS STORAGE AGREEMENT (“Agreement”) is made by and between Scenic Expressions, Inc. (“Scenic”) and (“Client”).

WHEREAS, Scenic provides various warehouses in Southern California for the intermittent storage of stage scenery, props, and related items for clients in the entertainment industry, and

WHEREAS, Client wishes to store property owned or controlled by it at the Scenic warehouse specified in this Agreement,

NOW, THEREFORE, the parties agree:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) “Property” means the scenery, props, and other items stored by Client in the Warehouse.

(b) “Warehouse” means the warehouse identified in Estimate.

(c) “Premises” means the building in which the Warehouse is located, and includes attendant loading docks, parking lots, and other improvements.

(d) “Lease” means the lease between Scenic and the Landlord governing Scenic’s rights to the Warehouse.

(e) “Landlord” means the owner or other person who has the right to lease the Warehouse to Scenic.

(f) “Storage Space” means the particular space within the Warehouse where Client’s Property will be stored.

2. Storage Space.

Client’s Property shall be stored in the Storage Space specified in Estimate. The location of the Storage Space within the Warehouse shall be determined by Scenic, and may be contiguous or noncontiguous.

Client understands and agrees that the fees for the Storage Space specified in Section 3 below shall be due whether or not all or only a portion of the Storage Space is used to store Client’s Property.

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 specify otherwise, any change in the Storage Space shall be effective on the first day of the month following the month in which the written consent is made.

3. Storage Fees.

Client shall pay to Scenic the monthly amount set forth in Estimate (“Storage Fees”), and at the time set forth in Estimate. If Client fails to pay any monthly fee within ten (10) days after written notice from Scenic, Client shall be in default of this Agreement, and Scenic shall have the rights specified in Section 14 below.

Interest on any late payment shall accrue at the rate of eighteen percent (18%) per annum.

4. Delivery and Removal of Property.

Client may deliver and remove its Property, or any portion thereof, at any time and from time to time during the term of this Agreement. However, any such delivery, removal, or other movement of Property within the Warehouse shall be performed solely by Scenic’s employees. If Client elects at any time to transport 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 the vehicles.

5. Labor Fees.

Client shall pay the hourly fee set forth in Estimate (“Labor Fees”) for all labor costs incurred under Section 4 above. Scenic shall bill Client monthly for all such labor costs. Client shall pay any such bill within 15 days of receipt.

The default and interest provisions set forth in Section 3 above shall likewise apply to Labor Fees.

6. Transportation of Property and Transportation Fees.

If Client requests, Scenic will pick up or deliver Property at any location specified by Client. Any such request shall (i) specifically identify the Property to be picked up or delivered, (ii) specify the location for the pick up or delivery, including any specific instructions regarding pick up or delivery, (iii) specify the date and time for pick up or delivery, and (iv) be made promptly 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. 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.

If Client requests Scenic to perform any pick up or delivery, Client will pay to Scenic the fees set forth in Estimate (“Transportation Fees”). Any such Transportation Fees shall be billed

and shall be payable in the same manner as Labor Fees, and shall be subject to the default and interest provisions of Section 3.

7. Inspection Rights.

Client, its employees, and its authorized representatives may enter the Warehouse at any time during normal business hours to inspect the Client's Property, provided Client gives reasonable advance notice to Scenic.

8. Relocation of Property.

Scenic shall have the right to relocate all or any portion of Client's Property to another Scenic warehouse ("Alternate Warehouse"), provided all of the following conditions are satisfied:

(a) The relocation is reasonably required due to Scenic's business needs.

(b) The Alternate Warehouse is within 33 miles of the original warehouse.

(c) 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. However, no thirty (30) 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, or other damage to the Warehouse, or (iii) any event or anticipated event which, in Scenic's opinion, could reasonably cause damage to Client's Property. In such event Scenic shall notify Client of the intended relocation at the earliest opportunity.

All costs of relocation shall be borne by Scenic.

9. Representations by Client.

Client represents and warrants that:

(a) It is the owner of the Property, or otherwise has the right of control over the Property, including the right to store and use the Property as contemplated by this Agreement.

(b) No Property or any part of any Property consists of, contains, or incorporates toxic, ignitable, reactive, or corrosive substances, or would otherwise cause harm to Scenic's employees or damage to other property stored within the Warehouse.

10. Insurance.

At all times during the term of this Agreement, Scenic shall maintain comprehensive general liability insurance in an amount no less than one million dollars (\$1,000,000) per occurrence.

11. Term and Termination.

This Agreement shall remain in effect until terminated by either party as herein provided.

(a) Either party may terminate this Agreement without cause upon thirty (30) days' written notice. However, Client may terminate on less than thirty (30) day's written notice if Scenic so consents in writing.

(b) Client may terminate this Agreement on twenty (20) days' written notice if Scenic gives Client the thirty (30) day relocation notice specified in Section 8 (c), provided such termination notice is given within ten (10) days following receipt of the relocation notice. If Scenic's relocation notice is less than thirty (30) days due to any circumstance described in Section 8(c), then Client may give notice of termination at any time in advance of the proposed relocation date.

(c) Scenic may terminate this Agreement immediately upon written notice to Client if:

(i) Client is in default of this Agreement, as set forth in Sections 3, 5, or 6;

(ii) Client is in breach of this Agreement, or Client or its employees have 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;

(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.

(d) Client may terminate this Agreement immediately upon written notice to Scenic if Scenic fails to perform any obligation arising under this Agreement, provided Client has first notified Scenic of the breach, and Scenic has failed to cure the same within five (5) business days of receipt of such notice.

(e) If the effective date of termination is other than on the last day of a calendar month, storage fees for the final month shall be prorated accordingly.

12. Removal of Property Following Termination.

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. The Removal Date shall be as follows:

(a) 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) days, as provided in Section 11(a), then the Removal Date shall be a date mutually selected by the parties.

(b) If Client terminates this Agreement under Section 11(b), 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) days' notice under Section 11(b), five (5) business days after the effective date of termination.

(c) If Scenic terminates this Agreement under Section 11(c), the Removal Date shall be five (5) business days after Scenic gives written notice of termination.

(d) If Client terminates this Agreement under Section 11(d), the Removal Date shall be thirty (30) business days after Client gives written notice of termination.

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.

Scenic's employees 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 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 billing by Scenic.

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 date of removal. "Daily Rate" means the monthly Storage Fees specified in Estimate divided by thirty (30). Such additional Storage Fees shall be paid within five (5) business days after billing by Scenic.

### 13. Limitation on Liability.

Scenic's liability to Client shall be limited to the following:

(a) Scenic shall be liable for any damage to Client's Property caused by Scenic or its employees, whether within the Warehouse (or, where applicable, any Alternate Warehouse), while loading or unloading the Property, or where the Property is in transit in Scenic's vehicles. Scenic's liability shall be limited to the lesser of (i) the reasonable replacement cost of the

damaged Property, or (ii) the reasonable cost of repair; provided, however, that Scenic shall first have the right, as specified below, to repair the damaged Property at its expense.

(b) Notwithstanding the foregoing, Scenic shall have no liability for any damage, nor any 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.

(c) 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 subsection (a) above. If Scenic fails to give any notice within such time, 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.

(d) 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.

(e) 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.

(f) Scenic's liability to Client shall be limited to the provisions expressly set forth in this Section 13. Without limiting the scope of the foregoing limitation, Scenic shall not be liable for any consequential or general damages, including damages for loss of business opportunity or emotional distress, resulting from any damage to the Property or from Scenic's breach of any obligation under this Agreement.

(g) Scenic shall not be liable for any damage to the Property caused by the acts of others, including actions by the Landlord under any Lease.

#### 14. Lien.

Pursuant to California Commercial Code Section 7209, Scenic shall have a lien against Client's 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 Sections 3, 5, or 6, or if Client fails to remove the Property by the Removal Date specified in Section 12, 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 at law or under this Agreement.

15. 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 five (5) business days after written notice by Scenic to Client, Client shall be deemed to have abandoned the Property, and shall cease to have any rights therein. 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. 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.

16. Indemnification.

Each party shall indemnify and hold the other party harmless, as well as its officers, directors, shareholders, agents, parents and subsidiaries ("Indemnified 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 the Indemnifying Party. Such indemnification shall include reasonably attorneys' fees incurred by the Indemnified Party in any action or proceeding in which such liability, claim, damage, or cost is asserted, provided the Indemnified Party timely tenders the defense of such action or proceeding to the Indemnifying Party, and the Indemnifying Party fails to timely provide such a defense.

17. Increase in Fees.

Scenic may increase any Storage Fee, Labor Fee, or Transportation Fee only upon forty-five (45) days' written notice to Client. If Client chooses not to accept any fee increase it may terminate this Agreement in accordance with Section 11(a). If Client fails to terminate within fifteen (15) days of receipt of such notice Client shall be deemed to have accepted the increase in fees.

18. Arbitration.

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. The arbitration shall be conducted before a single arbitrator in accordance with the California Arbitration Rules ("Rules") of the American Arbitration Association ("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 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.

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.

19. Entire Agreement.

This Agreement represents the entire agreement of the parties with respect to the subject matter hereof, and supercedes any prior or contemporaneous written or oral agreement with respect to the same.

20. Attorneys' Fees.

In the event of any action by either party to enforce arbitration, or to obtain injunctive relief, the prevailing party in such action shall be entitled to its reasonable attorneys' fees and costs.

21. Assignment.

Either party may assign this Agreement at any time upon written notice to the other.

22. Notice.

Any notice required hereunder shall be deemed satisfactory if hand-delivered or sent by first class mail to the parties at the respective addresses set forth in the New Customer Information Sheet.

23. No Waiver.

No waiver by either party of any breach by the other shall be deemed a waiver of any subsequent breach.

AGREED:

SCENIC EXPRESSIONS, INC.:

By: \_\_\_\_\_

Print & Title: Mark Larinto / Vice President

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print & Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

**INSURANCE**

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.

AGREED:

SCENIC EXPRESSIONS, INC.:

By: \_\_\_\_\_

Title: Mark Larinto / Vice President

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_