



REQUEST FOR PROPOSALS



For the lease of:

1101 N. Peters SPC #33, New Orleans, LA 70116

RFP RELEASE DATE:

May 14, 2024

DEADLINE TO SUBMIT QUESTIONS:

June 7, 2024 @ 4:00 PM CST

*All questions shall be made in writing via email to BRoss@frenchmarket.org

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I. BACKGROUND

The French Market Corporation (“FMC”), a self-sustaining public benefit corporation, is charged with the management of critical assets owned by the City of New Orleans including but not limited to the Shops of the Colonnade, French Market Farmers and Flea Market, Upper Pontalba Building, Riverside and Elysian Fields parking facilities, Oscar Dunn Park, Edison Park, Bienville Park, Joan of Arc Park, Dutch Alley, Latrobe Park, and Crescent Park. FMC managed properties are within the historic neighborhood referred to as the “French Market District” located in the heart of the French Quarter.

FMC seeks to showcase architectural, cultural, economic, and historical City assets while serving the needs of French Quarter residents, the citizens of New Orleans, and visitors to the area by providing retail and varied food and beverage opportunities to independent owner-operated businesses. The French Market is heavily trafficked by tourists and locals alike.

The FMC endeavors to provide opportunities for local, small and disadvantaged business enterprises. Such participation serves to assist the City of New Orleans in its efforts to foster an environment that provides economic opportunity and inclusion.

II. PREMISES

One of the most popular attractions at the Market is the fresh and delicious Farmers Market. Visitors come from near and far come to visit the market, full of local produce and specialty foods with worldly inspiration. The Farmers Market is open daily from 10 am to 6 pm, with full service eateries for breakfast, lunch and dinner, as well as unique drink, sweets and snack options.

In addition to the multitude of crafts, boutiques and specialty shops within the French Market District, the historic Flea Market hosts merchants from all over the world. This strip of open-air daily vendors next to the Farmers Market presents everything from t-shirts to handmade jewelry, accessories and photography representing a diverse community of New Orleans tradition and new creativity.

III. PROPOSAL GUIDELINES

Proposals shall demonstrate a respondent's ability to provide niche or unique local, regional, or national authentic retail merchandise and/or food offerings. At a minimum, the respondent's proposal shall include the following:

- a. Cover Letter
- b. Tab 1- Provide proof of working capital equivalent to one year's rent.
- c. Tab 2- Provide a detailed list of improvements including narratives, sketches of use of space, and estimated cost of improvements. Provide proof of funding to cover the minimum required improvements.
- d. Tab 3 - Provide an original notarized affidavit disclosing ownership. If applicable, provide a certified original copy of the Articles of Incorporation, Articles of Organization or Partnership Agreement.
- e. Tab 4 - Provide a banking reference and a supplier reference. If directly involved in/as product manufacturer or importer, please explain.
- f. Tab 5 - Provide a detailed business and marketing plan (see V. Business Plan) to support required sales volume.

Proposals must be submitted to the FMC in the form of one (1) hard copy and one (1) electronic copy (flash drive) no later than 4:00 p.m., June 14th, 2024 at the address noted below:

Attn: Brennan Ross
RFP Farmer's Market SPC # 33
French Market Corporation
518 St. Peters Street
New Orleans, LA 70116.

Please note, any questions relating to this RFP must be submitted in writing via email to Brennan Ross at BRoss@frenchmarket.org. Questions must be submitted by Thursday, June 7th at 4:00 pm.

At its sole discretion, the FMC reserves the right to reject proposals that do not meet the FMC's merchandising goals of preserving the character of the District and perpetuating its architectural, cultural, economic and historic qualities. Incomplete proposals will not be considered.

The FMC may deny the application of a respondent that directly or indirectly controls, manages, owns, operates, or has financial interest in, or participates in the management or operation of another space leased from the FMC, at the discretion of the Board of Directors.

Applicants must conform to all applicable zoning regulations of the City of New Orleans. The property is currently zoned VCS Vieux Carré Service District. Additional information regarding zoning can be obtained from the City Planning Commission's Comprehensive Zoning Ordinance website at <http://czo.nola.gov>.

IV. LEASE TERMS

Except as required with respect to permitted uses, no deviation from the Standard Lease Agreement (Attachment E) will be permitted. . Final lease terms shall be negotiated by the FMC with the successful respondent and shall be based in part on the capital investment in Tenant improvements. Terms are generally three (3) years, and may include renewal options based upon investments made by selected respondent.

The FMC has set the following rental terms for approximately 187 square feet of retail and/or food & beverage space in the Farmers Market, located at 1101 N. Peters St SPC # 33 (Attachment C).

The "Lease rate", as determined by the FMC, shall include but is not limited to the following items:

- a. Annual Base Rent of \$7,106/year payable in monthly installments of \$592.17 (\$38 per square ft. per year) for the first Lease Year, increased annually thereafter during the term of the lease in proportion to the percentage increase in the Consumer Price Index ("CPI") during the immediately preceding Lease Year;
- b. Percentage Rent - 8% of monthly gross sales in excess of the Monthly Base Rent;

- c. Advertising Rent - 1% of Gross sales;
- d. Common Area Rent - 100% of pro-rata and proportionate share of common area expenses, including but not limited to:
 - i. Janitorial and garden service (labor, equipment and supplies) covering all public areas in or adjacent to the French Market District, such as corridors, restrooms, plazas, stairways, and garden areas
 - ii. Electricity and globes for all public areas
 - iii. Water
 - iv. Salaries and costs of maintenance personnel
 - v. Garbage and other refuse services
 - vi. Security service (salaries and costs, and equipment)
 - vii. Pest and rodent control services
 - viii. Fire alarm monitoring costs
 - ix. Inspection, maintenance, and repair of common building systems (including but not limited to, sprinkler system, fire alarm, fluid coolers).

Common Area Rent averages \$23.04 Sq. Ft. / Yr. (\$1.92 Sq. Ft. / Mo.)

Any change of use, no matter how minor, and any addition or deletion of product lines or activities during lease negotiation or after execution of lease must be approved by the FMC. The FMC will monitor compliance with permitted uses and display restrictions. Tenant's failure to comply with the terms and conditions approved by the FMC will constitute a default under the lease.

V. BUSINESS PLAN

Applicants must submit a business plan with a narrative and, at a minimum, addresses the following elements:

- a. Explain rationale for considering the French Market, and specifically the Farmers Market, as a potential space to do business. Indicate reasons for believing that there is a demand for the proposed business. This must address three (3) market segments:
 - i. French Quarter retail sector or food and beverage sector, as appropriate

- ii. Tourism sector
 - iii. Metro area residents sector
- b. Explain the concept or theme of the proposed business. Please be as detailed as possible in your description to provide a complete picture of the use as it will be operated.
- c. Describe or list all possible items proposed to be sold in the space. Photos of items to be sold should be included.
- d. Provide a complete disclosure of all principals in the business, including names, addresses, telephone numbers, email addresses, and facsimile numbers.
- e. Provide complete information regarding your business experience, including:
 - i. Location(s), years, and experience of any current business operations, whether same as proposed business or not. FMC may request financial documentation of sales.
 - ii. Identify all partners and their experience in the proposed business, if any.

VI. NOTIFICATION AND LEASE EXECUTION

Once a proposal has been accepted by the FMC Board of Directors, the respondent will be notified in writing. Upon notification, the respondent will have forty-five (45) days from the date of acceptance to finalize a lease. Failure to finalize a lease within the 45-day period will invalidate the lease proposal and the FMC will be free to negotiate with other respondents for the space. At its sole discretion, the FMC reserves the right to extend the period for finalizing the lease for an additional thirty (30) days. Within five (5) business days of selection notification the respondent will be required to submit the following:

- a. A letter of intent and remit a non-refundable security deposit of \$592.17.
- b. Credit authorization for each principal party of the business.
- c. Financial statements of the applicant and, if corporation or partnership, of all principals.
- d. Profit and loss statements of existing retail business of which the proposed use is a branch or which will share resources of the applicant. Financial statements must

indicate personal liquidity equal to one year's rent.

- e. Source of financing.
- f. Insurance Certificate naming as "Additionally insured" – Landlord, the City of New Orleans, or as designated, evidencing the following coverages:
 - i. Commercial general liability insurance with minimum limits of \$1,000,000.00 per occurrence,
 - ii. umbrella coverage with minimum limits of \$3,000,000.00,
 - iii. Special Causes of Loss Property Insurance,
 - iv. Workers' Compensation insurance, and Employer's Liability Insurance with a limit of \$1,000,000.00 with respect to all persons that work on Premises.
 - v. If respondent intends to serve alcohol, a policy of Liquor Liability with minimum coverage of \$3,000,000.00 for each occurrence.

Additionally, within thirty (30) days of execution of lease, respondent shall supply Landlord with layout and design of the leased space interior including, but not limited to furniture, trade fixtures and color scheme. Tenant acknowledges that in order to preserve and protect the overall appearance and integrity of the property and surrounding historic area, Landlord reserves the right, during the term of the lease and any renewals thereof, to approve the overall appearance of the Leased Premises, including the interior layout and design, the floor plans, paint colors, furnishings and fixtures, and that no changes may be made from the approved design without the prior written consent of the Landlord.

Upon execution of the Lease Agreement, applicant will be required to submit the first month's rent.

VII. Attachments

- a. Attachment A – French Market District Map**
- b. Attachment B – Photos of SPC # 33**
- c. Attachment C – Farmers Market Floorplan**
- d. Attachment D – Current Tenant Design Examples**
- e. Attachment E – Sample Lease Agreement**

Attachment A – French Market District Map

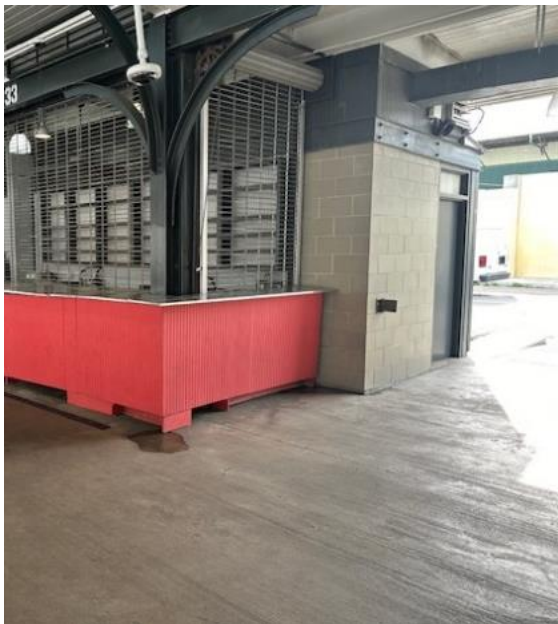
French Market District, highlighted properties



Attachment B – Photos of SPC # 33



(Front view, SPC # 33)



Facing Flea Market

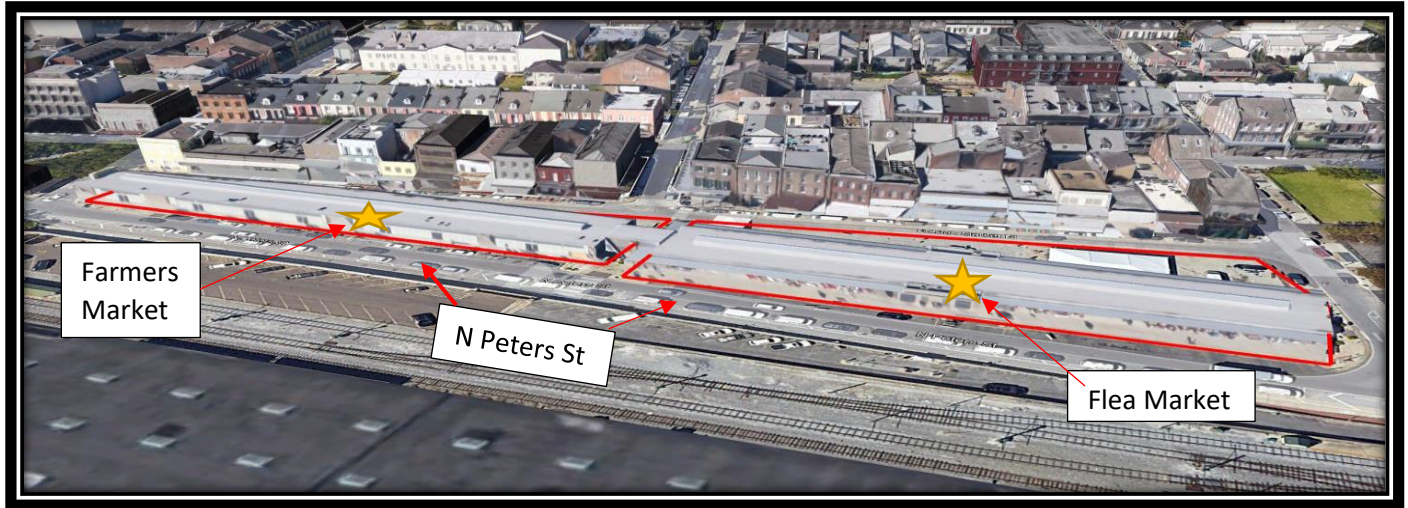


Facing Farmers Market entrance

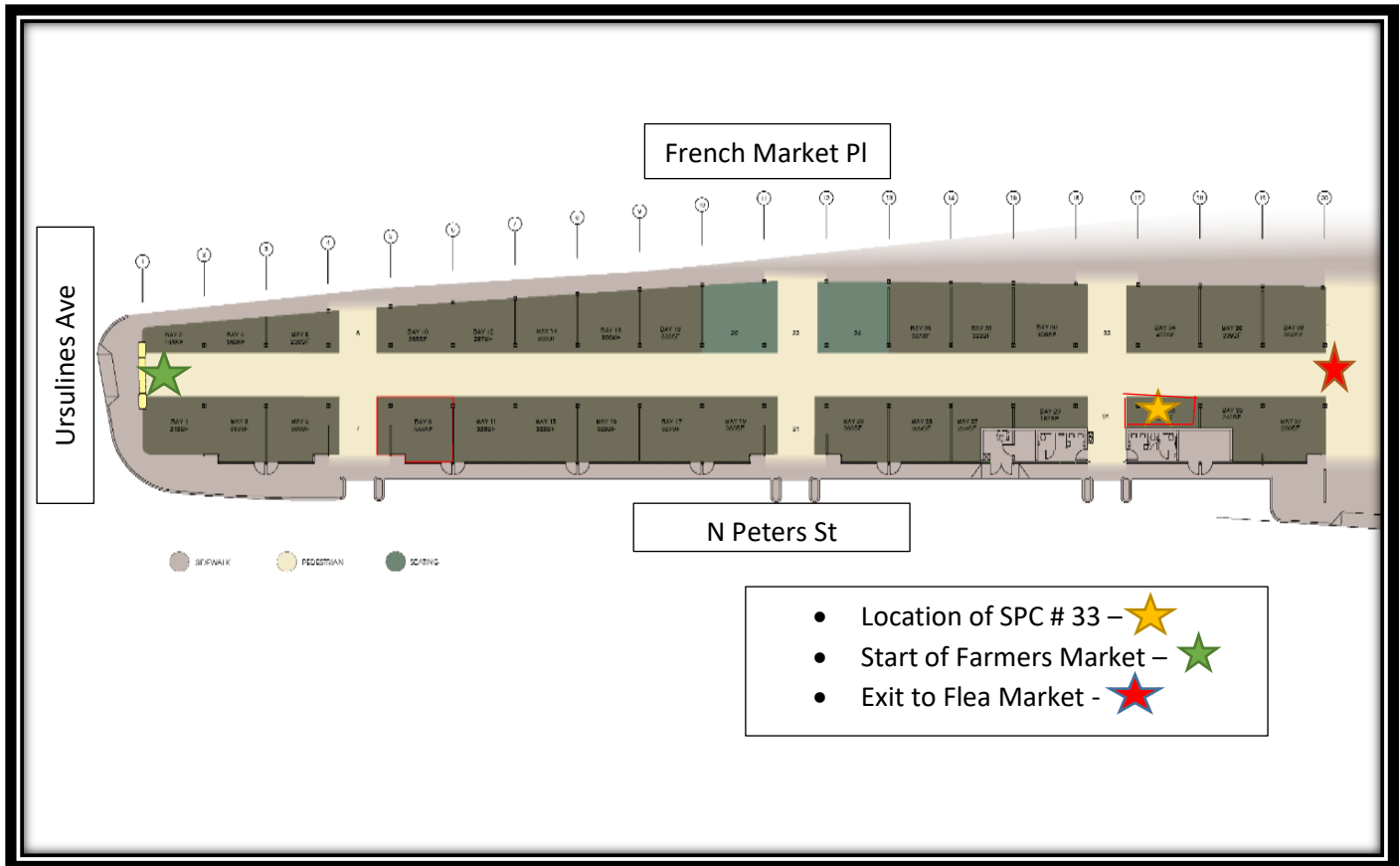
(Side view, SPC # 33)

Attachment C – Farmers Market Floorplan

(Aerial view, Farmers Market and Flea Market)



(Floorplan, Farmers Market)



Attachment D – Current Tenant Designs



Alberto's Gourmet Cheese – 329 sq. ft.



Loretta's Authentic Pralines – 382 sq. ft.



Crepes on the Market – 383 sq. ft.



Organic Banana – 426 sq. ft.



J'S Seafood Dock – 686 sq. ft.



French Market Produce – 1116 sq. ft.

Attachment E – Sample Lease Agreement

**COMMERCIAL LEASE
BETWEEN
FRENCH MARKET CORPORATION
AND
[LEGAL ENTITY NAME/SOLE PROPRIETORS NAME]**

On this ____ day of _____, 20__ (the “Effective Date”), FRENCH MARKET CORPORATION, a Louisiana non-profit corporation (“Landlord”) and [LEGAL ENTITY NAME/SOLE PROPRIETOR’S NAME], a [LEGAL ENTITY TYPE (Louisiana Corporation/Limited Liability Company/Partnership/Sole Proprietorship)] (“Tenant”) enter into this Commercial Lease (as amended or modified from time to time, this “Lease”).

Landlord hereby leases to Tenant, and Tenant leases from Landlord, the following described property (the “Premises”) for the term and for the rent and other terms and conditions set out in this Lease:

Approximately [SQUARE FOOTAGE IN WORDS] ([SQUARE FOOTAGE IN NUMBERS]) square feet of space that is located in [IDENTIFY THE EXACT BUILDING NAME] at [IDENTIFY THE EXACT BUILDING ADDRESS] (the “Building”) and that is designated as [IDENTIFY THE EXACT PREMISE ADDRESS] which said space is outlined in red on the print of a plan by [IDENTIFY THE EXACT ARCHITECT PLAN NAME], a copy of which is attached to this Lease as **Exhibit A**.

The Premises are located within the historic French Market (the “French Market”) located in the New Orleans French Quarter. The French Market is shown on **Exhibit B**, attached to this Lease.

I. DEFINED TERMS

A. Commencement Date. The term of this Lease will begin on the Effective Date *[alt if the Commencement Date is different than the Effective Date: [INSERT EXACT DATE]* (the “Commencement Date”).

B. Lease Term.

(i) This Lease has an initial term of [INSERT LENTH OF LEASE] commencing on the Commencement Date and ending on the day immediately preceding the [INSERT NUMBER OF YEARS] anniversary of the Commencement Date (the “Initial Term”); however, if the Commencement Date is not the first day of a calendar month, then the Initial Term will extend to the last day of the calendar month in which the expiration date of the Initial Term would otherwise have occurred.

(ii) Tenant has the right to renew the term of this Lease for [INSERT # OF RENEWAL OPTIONS] renewal term(s) (each, a “Renewal Term”) of [INSERT LENGTH OF OPTION] years each as set out in Section II.D.

C. Permitted Use. Throughout the Term (as defined below), the Premises will be used and continuously operated under the Trade Name (as defined below) for the use set out on Exhibit C, which is attached to this Lease (this use is the “Permitted Use”), and it will not be used or operated under any other name or for any other use or purpose whatsoever.

D. Annual Base Rent. Beginning on the Commencement Date *[alt if the rent commences later than the Commencement Date: Commencing on the earlier of (i) the day on which Tenant first opens for business in the Premises, or (ii) the ____ day after the Commencement Date (this earlier date is* (the “Rent Commencement Date”) and continuing for the remainder of the Term, Tenant will pay annual base or fixed rent payable under this Lease (the “Annual Base Rent”) in the following amounts:

(i) During the first Lease Year (as defined below) of the Initial Term, the Annual Base Rent will be equal to [INSERT ANNUAL RENT AMOUNT IN WORDS] Dollars (\$##,###.##) per year and will be payable in monthly installments of [INSERT

MONTHLY RENT AMOUNT IN WORDS] Dollars (\$##,###.##) each.

- (ii) During each subsequent Lease Year of the Initial Term, the Annual Base Rent will be increased in proportion to the percentage increase in the CPI (as defined below) during the immediately preceding Lease Year and will be equal to the product obtained by multiplying (a) the Annual Base Rent payable during the immediately preceding Lease Year, by (b) a fraction, the numerator of which will be the CPI Index Number (as defined below) for the month that is 2 months before the commencement of the Lease Year for which the Annual Base Rent is being determined, and the denominator of which will be the CPI Index Number for the month that is 2 months before the commencement of the immediately preceding Lease Year; however, if this product would be less than the Annual Base Rent payable during this immediately preceding Lease Year, then the Annual Base Rent will not be decreased but will be equal to the Annual Base Rent payable during this preceding Lease Year.
- (iii) During the first Lease Year of each Renewal Term, the Annual Base Rent will be equal to the Annual Base Rent per square foot for which Landlord is offering to lease comparable space in the French Market to new tenants that are not related to Landlord or the City of New Orleans that multiplied by the number of square feet in the Premises, and will be paid in equal monthly installments, each of which will be equal to 1/12 of this annual amount.
- (iv) During each subsequent Lease Year of each Renewal Term, the Annual Base Rent will be increased in proportion to the percentage increase in the CPI (as defined below) during the immediately preceding Lease Year and will be calculated as set out in Section I. D (ii) above (it will not be decreased if the CPI has decreased).

The “CPI” is the Consumer Price Index for All Urban Wage Earners and Clerical Workers (CPI-W) U.S. City Average (1982-84 = 100), as published by the Bureau of Labor Statistics, United States Department of Labor, or any successor index thereto, but if this index is changed, then the new index will be used with all applicable conversion formulae so that the replacement CPI will be as close as possible to the original CPI. The “CPI Index Number” will mean the CPI number listed by the Bureau of Labor Statistics for the applicable month.

The term “Lease Year” means the 12-month period beginning on the Commencement Date and ending on the day immediately preceding the first anniversary of the Commencement Date, and each subsequent 12-month period commencing on each anniversary of the Commencement Date; however, if this Lease ends on a day other than the day immediately preceding an anniversary of the Commencement Date, then the Lease Year for the year in which this Lease ended will contain fewer than 12 full calendar months and will end on the termination date.

E. Percentage Rent. The percentage rent payable under this Lease (“Percentage Rent”) will be equal to (i) **[INSERT PERCENTAGE IN WORDS]** percent (# %) of the Tenant’s monthly Gross Sales (as defined below) for each month or partial month during the Term, less (ii) the monthly installment Annual Base Rent payable with respect to that month or partial month. This Percentage Rent will be calculated and paid monthly as set out in Section IV.B. below. This Percentage Rent will commence on the Rent Commencement Date set forth in Section I.D. above.

F. Landlord’s Initial Address for Notices. Landlord’s initial address for notices (“Landlord’s Initial Notice Address”) will be 1008 N. Peters Street, 3rd floor, New Orleans, Louisiana 70116.

G. Tenant’s Initial Address for Notices. Tenant’s initial address for notices (“Tenant’s Initial Notice Address”) will be **[INSERT TENANT ADDRESS]**

H. Deposit. Tenant has delivered to Landlord a security deposit in the amount of **[INSERT AMOUNT IN WORDS]** Dollars (\$#,####.##) (the “Deposit”).

I. Tenant’s Trade Name. Tenant will at all times operate the Premises under the name **[INSERT TENANT TRADE NAME]** (the “Trade Name”).

J. Landlord’s Improvements; Tenant’s Acceptance of Premises “As Is”. If Landlord has agreed to construct improvements in Exhibit D to this Lease (the “Landlord Work Letter”), then these improvements will be “Landlord’s Improvements,” and Landlord will construct them at Landlord’s expense in accordance with the Landlord Work Letter. Tenant has inspected the

Premises and all other property leased or to be used hereunder and agrees that, except as expressly set forth in the Landlord Work Letter, Tenant takes the Premises and this other property “as is,” “where is.” Tenant hereby (i) accepts the Premises in their condition on the Effective Date and agrees that this condition is suitable for the Permitted Use, and (ii) waives all express or implied representations or warranties on the part of Landlord, including, but not limited to, all warranties that the Premises are suitable for the Permitted Use or are free from vices, defects, or deficiencies, whether hidden or apparent, and all warranties under La. Civ. Code arts. 2682(2), 2684, 2691, or 2696-2699, or any other provision of law, to the fullest extent permitted by Louisiana law.

K. Tenant’s Improvements. If Tenant has agreed to construct improvements in Exhibit E, which is attached to this Lease (the “Tenant Work Letter”), then these improvements will be “Tenant’s Initial Improvements,” and Tenant will construct them at Tenant’s expense in accordance with Exhibit E and the requirements of Article VII. of this Lease.

L. Date for Submission of Plans. If Tenant has agreed to construct improvements in the Tenant Work Letter, Tenant will submit its Plans to Landlord in accordance with Section VII.A. by no later than the [INSERT # OF DAYS-TYPICALLY 30th] day following the Effective Date (the “Date for Submission of Plans”).

M. Minimum Gross Sales. The minimum gross sales amount (“Minimum Gross Sales”) that will permit Landlord to terminate this Lease under Section II.E. is as follows:

- (i) During the first Lease Year of the Initial Term, the Minimum Gross Sales will be \$[INSERT PERFORMANCE GOAL].
- (ii) During each subsequent Lease Year of the Initial Term or Renewal Term, the Minimum Gross Sales will be equal to the Minimum Gross Sales for the prior Lease Year, increased in proportion to the percentage increase in the CPI during the immediately preceding Lease Year, calculated in the same way that increases in the Annual Base Rent are calculated for that Lease Year under Section I.D. above.

II. TERM

A. Term. The “Term” of this Lease means the Initial Term, but (i) it will include each Renewal Term when Tenant has exercised its right to renew for that Renewal Term, and (ii) if this Lease terminates before the original expiration date of the Initial Term or a Renewal Term, then the Term will come to an end on the actual termination date of this Lease.

B. Early Occupancy. If Tenant takes possession of the Premises before the Commencement Date for construction, for installation of furniture, fixtures, or improvements, or for other purposes, Tenant will be bound by all of the provisions of this Lease with respect to this occupancy, except that Tenant will not be obligated to pay the Annual Base Rent, the Common Area Rent (as defined below), or the Advertising Rent (as defined below) during this occupancy. However, this early possession of the Premises will not change the expiration date of this Lease.

C. Delay in Occupancy. If Landlord is delayed in delivering possession of the Premises to Tenant because the existing occupants have not vacated, because any work that Landlord is required to perform has not been completed, or for any other reason (and provided that Landlord is proceeding in good faith), this Lease will not be affected, and Tenant will not be entitled to any damages for such delay, but the Commencement Date will not occur, and no rent or other amounts will be payable until Landlord has actually delivered possession of the Premises to Tenant. The expiration date of the Term will not be changed by a delay in the delivery date.

D. Renewal Term. If this Lease grants Tenant the right to renew the Term for one or more Renewal Terms, then on each occasion on which Tenant has the option to renew for a Renewal Term, if (i) this Lease is then in full force and effect; (ii) an Event of Default has not occurred during the prior twelve (12) months, (iii) there is then no event or circumstances that with notice or an opportunity to cure, would result in an Event of Default, and (iv) Tenant has achieved or exceeded the Performance Requirements during the immediately preceding 12 months, Tenant will have the option to renew the Term for that Renewal Term by giving Landlord written notice of this exercise no more than 12 months and no fewer than 6 months before the expiration of the Initial Term or the immediately preceding Renewal Term, as the case may be. Each Renewal Term will be on the same terms and conditions as the Initial Term, except that the Annual Base Rent payable

during each Renewal Term will be as set out in Section I.D.(iii) and (iv) of this Lease, and Tenant will have no further option to renew following the last Renewal Term.

E. Termination for Failure to Achieve the Minimum Gross Sales. Tenant recognizes that Landlord is providing an improved space in an attractive location, and that Landlord's objectives are to generate as much new business for the commercial tenants in the French Market as possible and to assure compliance with Landlord's high standards of operation. Therefore, if in any Lease Year, Tenant's actual Gross Sales are not equal to or greater than the Minimum Gross Sales for that Lease Year, Landlord will have the right, at its option, to terminate this Lease by written notice (a "Performance Termination Notice") given to Tenant within 90 days after the later to occur of the last day of that Lease Year or the day on which Landlord has received all Monthly Reports (as defined below) for that Lease Year, unless the failure to achieve the Minimum Gross Sales was directly caused by Force Majeure (as defined below) and Tenant establishes that failure did indeed result from Force Majeure. If Landlord gives Tenant a Performance Termination Notice, then this Lease will come to an end on the 60th day following the Performance Termination Notice with the same effect as if that date were the original expiration date of this Lease.

III. DEPOSIT

Tenant has given Landlord a Deposit in the amount set out in Section I.H. of this Lease. Tenant hereby grants Landlord a security interest in the Deposit to secure the full payment of the Rent and performance of all other obligations by Tenant under this Lease. The Deposit is not advance rent, and Tenant may not deduct any portion of the Deposit from the Rent. No interest will accrue on the Deposit, and Landlord will not be required to keep the Deposit in a separate account. If Tenant fails to perform any of its obligations under this Lease, Landlord may use, apply, or retain all or any portion of the Deposit to perform the obligation or to compensate Landlord for any loss caused by the default. If Landlord uses, applies, or retains any of the Deposit as permitted in this Section, then Tenant will immediately deliver to Landlord the amount necessary to restore the Deposit to its original amount. On the expiration of this Lease, and provided that Tenant has vacated the Premises, leaving them in the condition required in this Lease and has otherwise complied with all of its obligations, Landlord will return the remainder of the Deposit to Tenant.

IV. RENT

A. Annual Base Rent. Tenant will pay the Annual Base Rent to Landlord in equal monthly installments *[alt if the rent commences later than the Effective Date: commencing on the Rent Commencement Date]*. Each monthly installment will be due in advance, on or before the first day of each calendar month during the Term as set out in Section I.D. of this Lease.

B. Percentage Rent.

(i) In addition to the Annual Base Rent, Tenant will pay Landlord Percentage Rent in the amount set out in Section I.E. of this Lease throughout the Term at the times set out in this Section IV.B.

(ii) On or before 20th day following the end of each calendar month or partial month during the Term, Tenant will deliver to Landlord (a) a detailed statement in the form prescribed by Landlord setting out the Gross Sales for that month or partial month signed by Tenant if Tenant is an individual or an officer of Tenant if Tenant is an entity, (b) copies of Tenant's City and State sales tax reports and returns for that month or partial month (the report required in (a) and the copies of the tax reports and returns required in this (b) are, collectively, a "Monthly Report"), and (c) payment of the Percentage Rent due and payable for that month or partial month.

(iii) Tenant acknowledges the importance of accurate records of sales and other transactions in or from the Premises. Tenant will therefore install and use for all sales and other transactions, a "point of sale" system in the Premises that accurately tracks sales and other transactions. Landlord has the right to review this equipment prior to installation and to accept or reject this equipment. The cost for this equipment and the cost of maintenance of it will be borne solely by Tenant.

(iv) In addition to this "point of sale" system, at all times during the Term, Tenant will maintain full, complete, and accurate hard-copy and digital books, records, and accounts, and other data that bears on or is necessary to verify Gross Sales and deductions and

exclusions from Gross Sales, including, but not limited to, sales tax reports sales slips, sales checks, bank deposit records, inventory and receiving records, and other supporting data, all in accordance with generally accepted accounting principles (collectively, the “Books and Records”). Tenant will keep and preserve the Books and Records for each Lease Year at its offices in New Orleans, Louisiana, during that Lease Year and for three (3) years thereafter, and Landlord will have the right, at its option, to inspect or audit these Books and Records throughout that period. Tenant also hereby authorizes the City of New Orleans Bureau of Revenue to release to Landlord all sales tax returns delivered by Tenant and all findings resulting from any sales audits made of Lessee’s books and records by the City of New Orleans, or its designee.

(v) If any such audit discloses that the actual Gross Sales by Tenant exceeded those reported or paid and that additional Percentage Rent is due, Tenant will immediately pay the Percentage Rent due on such excess, together with interest on this underpaid amount at the Default Rate (as defined below). In addition, (a) if the audit discloses that the actual Gross Sales exceeded those reported by more than three percent (3%) and that additional Percentage Rent is due, or (b) Tenant failed to provide a Monthly Report for any month during the period audited by Landlord, Tenant will pay the cost of Landlord’s audit and examination and at Landlord’s option, this event will be an Event of Default (as defined in Section XX.A. below). If Tenant performs an audit of all or a portion of its Books and Records with respect to any period during the Term, Tenant will promptly furnish to Landlord a copy of the portion of the audit report relating to Gross Sales, without cost or expense to Landlord.

(vi) Landlord’s acceptance of any sum paid to Landlord by Tenant as Percentage Rent will not be an admission of the accuracy of any Monthly Report of Gross Sales furnished by Tenant, or of the sufficiency of that Percentage Rent payment.

(vii) The term “Gross Sales” means the entire amount of (i) the selling price of all merchandise and services sold in or from the Premises by Tenant, its subtenants, licensees, concessionaires, or other persons or entities doing business at the Premises, whether for cash or for credit, and of all orders filled at or secured or received in the Premises by telephone, video, Internet, or other electronic, mechanical or automated means, by mail, house-to-house, or other canvassing, by personnel operating from, reporting to, or under the supervision of any employee, agent, or representative located at or operating out of the Premises, and (ii) all other revenues and receipts of business conducted in, at, or from the Premises. No deductions will be allowed for uncollected or uncollectible credit accounts. Gross Sales will not include the following:

- (a) Exchanges or transfers of merchandise between retail stores of Tenant where such exchanges are made solely for the convenient operation of Tenant’s business and not for the purpose of consummating a sale which has been made at, in, upon, or from the Premises, and not having the effect of depriving Landlord of the benefit of a sale that would otherwise have been made in, at, upon or from the Premises;
- (b) Returns to suppliers or manufacturers; and
- (c) The city, parish, state or federal sales, use, luxury or excise tax on such sales that is both added to the selling price (or absorbed in it) and paid to the taxing authorities by Tenant (but not by any vendor or vendee of Tenant).

In addition, Gross Sales may be reduced by credit refunds made upon any sales previously made by Tenant from the Premises and reported as Gross Sales by Tenant, but the reduction will be no more than the sales price previously reported as Gross Sales.

C. Common Area Rent.

(i) In addition to the Annual Base Rent and Percentage Rent, Tenant will pay Landlord its Proportionate Share (as defined below) of the Common Area and Operating Expenses (as defined below) (Tenant’s Proportionate Share of the Common Area and Operating Expenses is the “Common Area Rent”).

(ii) Tenant’s “Proportionate Share” is the percentage that the total space leased to Tenant in the French Market bears to the total space in the French Market that is leased to or available for lease to tenants at that time.

(iii) The "Common Area and Operating Expenses" are 100% of the expenses incurred by Landlord in the operation, maintenance, insurance, administration, management, cleaning, lighting, management, replacement, and repair of the French Market and its public areas, and include, but are not limited to, the following: (1) janitorial and garden service (labor, equipment and supplies) covering all public areas in or adjacent to the French Market, such as corridors, restrooms, plazas, stairways, and garden areas; (2) electricity and lighting for all public areas; (3) water; (4) salaries and costs of maintenance personnel; (5) garbage and other refuse services; (6) security service (salaries and costs, and equipment) (however, Landlord is not responsible for the safety and security of the Premises or Tenant's property, employees, or invitees, and Tenant hereby acknowledges that it is responsible for the security for the Premises and its property, employees, and invitees); (7) pest and rodent control services; (8) fire alarm monitoring costs; (9) inspection, maintenance, and repair of common building systems (including but not limited to sprinkler systems, fire alarms, elevators, and fluid coolers as well as all other electrical, plumbing, and other mechanical systems that serve the French Market); and (10) all insurance covering the French Market, including, without limitation, liability insurance and property insurance.

(iv) Tenant's Common Area Rent will be payable in monthly installments based on Landlord's estimates, but with an annual accounting. When Landlord gives Tenant notice of its estimate of Tenant's Proportionate Share of the Common Area and Operating Expenses for a calendar year, Tenant will pay Landlord the monthly amount of this estimate (1/12 of an annual estimate), monthly, in advance, along with Tenant's monthly installment of the Annual Base Rent for that month. If Landlord changes its estimate for a year, Tenant will begin paying the revised estimate with the first payment after it receives Landlord's notice of the changed estimate, and when Landlord gives Tenant notice of a new estimate for an upcoming year, Tenant will begin paying the new estimated amount along with the first Annual Base Rent payment for that year. Following the end of each calendar year or partial calendar year during which Tenant has paid estimated amounts on account of the Common Area and Operating Expenses, Landlord will furnish Tenant with a statement showing the total Common Area and Operating Expenses for that year, the Tenant's Proportionate Share of these Common Area and Operating Expenses, and the amount by which the estimated amounts paid by Tenant on account of the Common Area and Operating Expenses for that year exceed or are less than Tenant's Proportionate Share of the actual Common Area and Operating Expenses for that year. If Tenant's Proportionate Share of the Common Area and Operating Expenses for a calendar year or partial calendar year exceeds Tenant's estimated payments on account of these Common Area and Operating Expenses, Tenant will pay Landlord the deficiency within ten (10) days after receipt of the statement. If Tenant's payments on account of Common Area and Operating Expenses with respect to a calendar year or partial calendar year exceed Tenant's Proportionate Share of the actual Common Area and Operating Expenses for that calendar year or partial calendar year, Landlord will credit the overpayment to Tenant's next payments of Rent, or if the Term has ended and no subsequent payments are due by Tenant, Landlord will return the uncredited portion of the overpaid amount to Tenant.

D. Advertising Rent. In addition to Annual Base Rent, Percentage Rent, and Common Area Rent, Tenant will pay Landlord advertising and promotion rent (the "Advertising Rent") for each calendar month or partial month during the Term in an amount equal to one percent (1%) of the Gross Sales for that month or partial month. Tenant will pay Landlord the Advertising Rent for each calendar month or partial month on or before the 20th day following the end of that month or partial month, along with its payment of the Percentage Rent for that month or partial month. The Advertising Rent paid by Tenant to Landlord will be spent by Landlord from time to time for the purpose of providing advertising, publicity, and general business promotion of Landlord's own choosing for the general business promotion of the French Market.

E. Additional Rent; Meaning of the term "Rent". All amounts due by Tenant to Landlord under this Lease other than Annual Base Rent, Percentage Rent, Common Area Rent, and Advertising Rent, will be considered to be "Additional Rent." The term "Rent," as used in this Lease, will include the Annual Base Rent, Percentage Rent, Common Area Rent, Advertising Rent, and Additional Rent, collectively.

F. Payment of Rent. All Rent payable hereunder will be paid to Landlord at its Notice Address (as defined below) or at such other address as may from time to time be designated by notice in writing to Tenant, without notice or demand, on or before the date on which it is due.

G. Partial Payment of Rent Not Permitted. All Annual Base Rent payable hereunder will be paid to Landlord by the fifth day of the calendar month for which it is due. Partial payment of the rent owed under the Lease is not permitted and such payment will be returned to the Tenant.

V. USE OF PREMISES;
OBLIGATION TO OPERATE CONTINUOUSLY

A. Permitted Use. Tenant will use and occupy the Premises only for Permitted Use. The Premises will not be used for any other use or purpose whatsoever. Tenant will warehouse, store, and stock in the Premises only such quantities of goods, wares, and merchandise as are reasonably required by Tenant for sale at, in, on, or from the Premises. The Tenant will use for office, clerical, and other non-selling purposes only such space in the Premises as is from time to time reasonably required for Tenant's business in the Premises. Tenant will not use any portion of the Premises either as non-selling space or as storage, or for any business conducted by Tenant in locations other than the Premises.

B. Prohibited Uses. Without expanding the Permitted Use, Tenant will not sell or offer for sale or display any of the following goods or services: ceramic masks, decorative brass items originating in or made in the style of the Near East, North Africa, or India, T-shirts, massage parlor, tattoo parlor, package liquor, or any other items not listed under the Permitted Uses set forth in Exhibit C. In addition, Tenant will not use or permit any part of the Premises to be used in any manner that may impair the character or dignity of the French Market, or that may impose any additional burden upon Landlord in its operation of the French Market.

C. Continuous Operation; Business Hours. TENANT IS OBLIGATED TO OPEN FOR BUSINESS TO THE PUBLIC IN THE PREMISES, WITH ALL OF THE TENANT'S INITIAL IMPROVEMENTS COMPLETE, ON OR BEFORE THE COMMENCEMENT DATE AND TO CONTINUOUSLY OPERATE THE PERMITTED USE IN THE PREMISES DURING THE BUSINESS HOURS SET OUT BELOW FROM THE COMMENCEMENT DATE UNTIL THE END OF THE TERM. Throughout this period, Tenant's business hours will be at a minimum 10:00 a.m. to 6:00 p.m., seven days per week with the exception of holidays observed in the French Market and by the City of New Orleans (the "Business Hours"). Tenant will post the Business Hours on the main doors of the Premises. At all times and during all Business Hours, Tenant will carry a full and complete stock of seasonable merchandise and will maintain an adequate number of trained personnel for efficient service to customers in the Premises. In addition to its obligation to be open during the Business Hours, from time to time Landlord will have the right to host special events after hours to promote the French Market, and for these special events, Tenant will extend its business hours to include the special event hours.

D. Compliance with Laws and Regulations. Tenant will, at its sole expense, comply fully with all laws, orders, codes, rules, and regulations of all federal, state and municipal governments, all subdivisions and agencies thereof, and all agencies or commissions that exercise semi-governmental powers applicable to the Premises or Tenant's use or occupancy of the Premises (these laws, orders, codes, rules, and regulations are, collectively, "Laws"). Tenant will keep the Premises in compliance with all Laws and will not sell, use, or store, or permit to be sold, used, or stored, in or about the Premises, any article that may be prohibited by Laws or otherwise not in compliance with Laws.

E. Compliance with Insurance Requirements. Tenant will not leave the Premises vacant and will not do or permit to be done any act or permit any condition to exist in or about the Premises that may cause the premiums for insurance on the Building to increase or any insurance covering the Building to be cancelled. Tenant will not store, use, or sell, or permit to be stored, used, or sold, in or about the Premises, any article that may be prohibited by the standard form of fire insurance policy in effect from time to time. Tenant will, at its sole cost and expense, comply with the requirements and recommendations of any insurance organization or company, including, without limitation the board of fire underwriters, pertaining to the use or occupancy of the Premises by Tenant, if compliance with such requirements or recommendations is necessary for the maintenance of reasonable property or liability insurance coverage on the Building. Tenant will pay on demand any increase in premiums for property damage insurance carried by Landlord on the Premises or the Building arising from any activity of Tenant, whether or not Landlord has consented to such activity.

F. Windows and Signs. Tenant will keep its show windows, display cases, and signs illuminated during all Business Hours and, whether or not Tenant is open for business, during all

other hours that Landlord reasonably designates. Tenant will keep all of its show windows and display areas clean and attractively trimmed with appropriate and tasteful displays of Tenant's merchandise. Tenant will not cover or obstruct any windows, glass doors, lights, skylights, or other apertures that reflect or admit light into the Premises.

G. No Auction Sales. Tenant will neither conduct, nor permit to be conducted, on or about the Premises, any sale by auction, or any fire, distress or bankruptcy sale.

H. Sidewalks. Tenant will not use or permit to be used the sidewalks adjacent to the Premises for any vending machine, amusement device, scales, newsstand, cigar stand, sidewalk shop, tables, chairs, or other items or activities. Tenant will not place or display any merchandise or other object on or otherwise obstruct any sidewalks, walkways, or areaways without the written consent of the Landlord. Tenant will not distribute any handbills or other advertising, political, religious, or other matter on or about the sidewalks, streets, passageways, or public areas within or surrounding the French Market.

I. Animals. Tenant will not keep or permit the keeping of any animals of any kind, in, about, or upon the Premises.

J. Lodging Prohibited. Tenant will not use or permit the use of any portion of the Premises as living quarters, sleeping apartments, or lodging rooms.

K. Quality. Tenant recognizes that Landlord's objective at the French Market is to provide a center of high-quality shops and restaurants appealing to residents and tourists who are seeking first-quality and distinctive merchandise and food, drink, and services. Tenant will supply merchandise and services on this basis. Landlord will determine reasonable standards of quality for all goods used or sold by Tenant, standards of service in connection with their sale, and standards of quality and utility for all furnishings and fixtures of the Premises and the appearance of the interior space of the Premises (these standards are the "Operating Standards"). Tenant will comply with the Operating Standards and operate its business so as to sustain the goodwill and prestige that first quality tenants enjoys with the public.

L. Maximize Gross Sales. Tenant will at all times use its reasonable commercial efforts to maximize Gross Sales; however, this obligation will not override the primary obligation in this Lease to operate the Premises for the Permitted Use in a first class manner and in accordance with the Operating Standards.

M. Clean Environment. If any part of the Permitted Use is the sale of food for off-premises consumption, Tenant will be obligated to place all such food in containers that are approved by Landlord in advance, and at all times Tenant will keep the sidewalks, streets, and passageways in front of and adjacent to the Premises clean and free of all empty containers, paper cups, napkins, and other items used in connection with the food purchased from Tenant or others. Tenant acknowledges the importance of this requirement to the safety and cleanliness of the French Market for the benefit of all tenants and their customers and the citizens of New Orleans and its obligation to work cooperatively with other French Market tenants to keep the French Market clean and free from rubbish. If Tenant fails to keep the sidewalks, streets, and passageways in front of and adjacent to the Premises clean and free of empty containers, paper cups, napkins, and other items used in connection with the food purchased from Tenant, in each case within 24 hours after receiving written notice from Landlord to so comply, then in addition to Landlord's other rights and remedies under this Lease, Landlord will have the right to clean the area and in that event, Tenant will pay the cost of this cleaning plus an administrative fee of \$100.00, as Additional Rent, within five (5) days from the date of the invoice by Landlord, and if this failure occurs twice in any 12-month period and Landlord sends Tenant notice as provided above on each of these occasions, then a third failure by Tenant within the 12-month period following the second such notice will, at Landlord's option, be an immediate Event of Default.

N. Additional Requirements. If Tenant cooks, fries, or otherwise prepares food on the Premises or serves food on the Premises, Tenant will comply with the following additional obligations:

(i) Tenant will maintain in effect a contract with a professional pest and rodent control contractor for services to the Premises.

(ii) Tenant will install all grease traps and other equipment that are required by Laws

or governmental authorities, Tenant will maintain in effect a contract with a professional grease trap cleaning contractor to clean its grease traps and all grills and stoves in the Premises at least monthly, Tenant will use only ice machines approved by Landlord, and Tenant will store all trash, refuse, and garbage in a garbage storeroom or compartment that Tenant will install and keep in good repair at its sole expense. The temperature of this garbage storeroom or compartment will constantly be maintained at no less than 50 degrees or more than 55 degrees Fahrenheit or such other temperatures as Landlord will determine from time to time in its sole and absolute discretion.

(iii) If Tenant has or is required to have a commercial kitchen exhaust hood, Tenant will be required to furnish Landlord with (x) evidence of exhaust hood cleaning and inspection in accordance with NFPA 96, and (y) evidence of a fire suppression system inspection in accordance with NFPA 71 and 17A.

O. Name. Prior to, during, or after the expiration of the Term, neither Tenant, nor any person, firm or corporation that controls or is controlled by Tenant, (i) will use in its name, trademark, service mark, or style, or will publish, advertise, or operate under or use in any solicitation or otherwise the name “French Market Corporation,” “French Market,” “Upper Pontalba Building,” or “Upper Pontalba,” without the prior written approval of Landlord of the time, place, and manner of such publication, advertising, or use, (ii) will use or allow the use of “French Market Corporation,” “French Market,” “Upper Pontalba Building,” or “Upper Pontalba,” in any advertisement of its business or operations, on its website, in its internet address, or in any other electronic or other communication with respect to Tenant or its operations, without the written permission of Landlord in each case, or (iii) will operate under or use in any manner any name which includes the name “French Market” or “Upper Pontalba.” Any such prohibited use of the name “French Market Corporation,” “French Market,” “Upper Pontalba Building,” or “Upper Pontalba” will be a violation of Landlord’s rights in those names and an unfair trade practice as well as a violation of this Lease. Tenant will not change its entity or Trade Name and will not operate the Premises under any name other than the Trade Name or use any name other than the Trade Name in advertising Tenant’s business in the Premises without the prior written approval of Landlord.

P. Competitive Tenancies. Nothing in this Lease is intended to grant to Tenant an exclusive right to conduct business in French Market for any Permitted Use or otherwise.

Q. Hazardous Substances. Tenant will not introduce, generate, store, or dispose of or permit to be introduced, stored, or disposed of in or about the Premises any asbestos, petroleum products, or hazardous, infectious, or toxic chemicals, pollutants, materials, substances, or solid wastes (collectively, “Hazardous Substances”), the water supply or other utilities or drainage system supporting the Premises, or any property near the Premises, other than lawful amounts of Hazardous Substances that are necessary for the normal operation of the Permitted Use. In addition, Tenant will not bring any Hazardous Substances into any other parts of the French Market. With respect to the Hazardous Substances, if any, that are necessary for the normal operation of the Permitted Use, Tenant will comply, at its expense, with all Laws pertaining to the transportation, storage, handling, treatment, emission, use, or disposal of these Hazardous Substances, and in no event will Tenant dispose of any Hazardous Substances on the Premises. Tenant will also not permit any mold or bacterial or fungal matter to grow upon the Premises. Tenant shall indemnify, defend and hold Landlord harmless from and against any claim, damage or expense arising out of Tenant’s installation, use, generation, storage, or disposal of any Hazardous Substances.

VI. UTILITIES

A. Tenant’s Obligation to Pay for Utilities. From the first day Tenant enters the Premises (even if the Commencement Date has not yet occurred), through the last day of the Term, Tenant will pay for all water, gas, electricity, telephone services, sewer service, waste removal, and other services supplied to or consumed in or upon the Premises, whether or not these utilities are separately metered.

B. Utilities That Are Not Separately Metered. If any utility services are not separately metered to the Premises and Landlord supplies Tenant with these utility services, Tenant will pay Landlord its proportionate share of the charges for these utility services, as Additional Rent, in each case within 5 days after Landlord’s monthly bill. Tenant’s share of these utility costs will be determined by multiplying the total charges for the space covered by the utility meter by a fraction, the numerator of which will be the leasable square feet in the Premises and the denominator of

which will be the leasable square feet in all of the French Market property covered by this meter.

C. Utilities That Are Separately Metered to the Premises. When the Premises are separately metered for a utility service, for example, electricity, Tenant will obtain this utility service directly from the utility company or other service companies that supply this service to the general public and will pay all connection fees, deposits, and charges directly to this supplier.

D. Telephone and Internet Services. Tenant will install and maintain at all times during the Lease Term at its expense its own telephone service and internet (if desired) on the Premises, with the telephone number duly listed in large circulation telephone directories. Landlord will not provide Tenant with any telephone or internet services.

E. Landlord Not Responsible. Landlord will not be liable to Tenant or any other user of the Premises for any damage, injury, or loss on account of the interruption of, repairs to, or replacement of, or the quality or quantity of, any utility used in or for the Premises, whether or not supplied by Landlord, and Tenant waives all claims against Landlord for any lack of or interruption in utility services; however, if the utility service is not separately metered and is being provided by Landlord or if the interruption is caused by an event in the Common Areas, then after written notice of the interruption has been given by Tenant to Landlord, Landlord will use reasonable diligence to restore this utility service or to have it restored.

VII. TENANT'S ALTERATIONS AND IMPROVEMENTS

A. Tenant's Initial Improvements. During the period starting with Landlord's delivery of the Premises to Tenant and ending on the Commencement Date, Tenant will provide and construct, at its sole cost and expense, Tenant's Initial Improvements as provided below:

(i) Tenant will submit complete drawings and specifications with respect to Tenant's Initial Improvements, including, without limitation, details of mechanical and electrical installations and all parts of the Tenant's Initial Improvements that will affect the appearance of the interior and exterior of the Building and its structural, mechanical, or electrical components and including connected fixtures, lighting, equipment, and receptacle locations and load, motor sizes (if any) and locations, sound system wiring and outlets (if any) and special requirements of Tenant (collectively, the "Plans"), to Landlord for its examination and approval on or before the Date For Submission of Plans. Tenant will make all changes required by Landlord, and Tenant will not proceed with the construction or installation of Tenant's Initial Improvements until it has received the written approval of the Plans from Landlord.

(ii) On or before the Date For Submission of Plans and simultaneously with submission of the Plans to Landlord, Tenant will supply Landlord with a layout and design of the store interior including, but not limited to, furniture, trade fixtures, and color scheme. Tenant acknowledges that in order to preserve and protect the overall appearance and integrity of the French Market, Landlord reserves the right, during the Term of this Lease, to approve the overall appearance of the Leased Premises, including the interior layout and design, the floor plans, paint colors, furnishings, and fixtures, and no changes may be made from the approved Plans and design without the prior written consent of the Landlord.

(iii) Promptly after Landlord has approved Tenant's Plans, Tenant will submit to all appropriate governmental authorities all applications and other documentation necessary to permit Tenant to obtain all building permits and approvals required for the Tenant's Initial Improvements, and Tenant will pursue obtaining these permits and approvals diligently.

(iv) Tenant will commence Tenant's Initial Improvements in the Premises immediately upon the Landlord's delivery of the Premises to Tenant for the performance of this work, will proceed with it diligently and perform it in accordance with the remainder of this Article VII, and will complete it in strict accordance with Tenant's Plans as approved by Landlord (including the installation of all store and trade fixtures and equipment and all stock and inventory) in sufficient time to open for business to the public on the Commencement Date.

B. No Alterations or Improvements without Landlord's Prior Consent. Tenant's Initial Improvements will not be modified, and Tenant will not construct any other alterations, additions,

repairs, or improvements or perform any other physical changes in or about the Premises, without Landlord's prior written approval with respect to these alterations, additions, repairs, improvements, or other physical changes, including, but not limited to, their design and engineering and their the nature, style, location, and safety (the term "Tenant's Improvements" will include Tenant's Initial Improvements and all other alterations, additions, repairs, improvements, and other physical changes that Tenant may make in accordance with this Lease). Before commencing any Tenant's Improvements, Tenant will give written notice to Landlord describing these improvements and this work and will submit to Landlord for Landlord's review and approval all plans and specifications and other information requested by Landlord with respect to the proposed Tenant's Improvements. Upon Landlord's approval of the Tenant's Improvements and the plans and specifications for this work, the Tenant's Improvements so approved by Landlord will be commenced promptly and performed in accordance with the matters approved by Landlord.

C. Manner of Constructing or Performing Tenant's Improvements. All Tenant's Improvements will be constructed or performed by contractors and subcontractors licensed in the state of Louisiana and approved by Landlord. All Tenant's Improvements will be constructed with diligence, in a good and workmanlike manner, in accordance with all Laws, using materials of good quality, in accordance with the matters and plans and specifications to which Landlord has given its approval, and in accordance with this Article and the other provisions of this Lease. Tenant will notify Landlord in writing of the day on which the work of constructing these Tenant's Improvements will begin. No Tenant's Improvements may be constructed until Tenant has procured and paid for all necessary permits and authorizations of all governmental authorities having jurisdiction. No Tenant's Improvements will be constructed or other work by Tenant, performed, and no furniture, fixtures, or equipment will be installed, in a manner that damages the Building, and Tenant will immediately repair any damage caused by or in connection with the performance of the Tenant's Improvements or other work or the installation or removal of any improvements, furniture, equipment, or trade fixtures.

D. Tenant's Construction Insurance. Tenant or Tenant's contractor will procure and keep in full force and effect at all times during the performance of its construction or other such work in or about the Premises appropriate policies of insurance, including, but not limited to, builder's risk insurance naming Landlord and the City of New Orleans (the "City") as loss payees as their interests may appear, contractor's liability insurance with liability limits of no less than \$1,000,000.00 or such higher minimum limits as Landlord may from time to time reasonably require, naming Landlord and the City as additional insureds, worker's compensation insurance with Louisiana statutory limits containing waivers of subrogation in favor of Landlord and the City, and employers' liability insurance with limits of liability of at least \$1,000,000.00 or such higher minimum limits as Landlord may from time to time reasonably require and containing waivers of subrogation in favor of Landlord and the City. All such policies of insurance will satisfy Article XVI hereof, and Tenant will deliver to Landlord before construction begins the certificates of insurance and upon request, certified copies of policies, required in Article XVI of this Lease.

E. Laws. Tenant's Initial Improvements, and thereafter, all other Tenant's Improvements, will include all work necessary for compliance with Laws, including, without limitation, the law (including related regulations) commonly known as the "Americans with Disabilities Act" (the "ADA") (collectively "Laws"). Tenant's Improvements will in all other respects be performed in accordance with all Laws.

F. Bond. Tenant's Initial Improvements and any other work costing more than \$100,000.00 in the aggregate will be performed under a bonded contract, notice of which has been duly recorded prior to the commencement of the work in accordance with La. R.S. §§ 9:4811, 4812, and 4831. This bond will be issued by a surety approved by Landlord, will name Landlord and the City as co-obligees, will guarantee the faithful performance of the contract, and will guarantee the payment of all materialmen, subcontractors, laborers, and others, as required by the provisions of La. R.S. §9:4801, et seq. (as the same may be amended or replaced from time to time). Prior to the commencement of the Tenant's Initial Improvements or other Tenant's Improvements, Tenant will deliver to Landlord (i) a copy of the bonds required herein and (ii) evidence of recordation of the recorded contract.

G. Completion of Tenant's Improvements. After the completion of Tenant's Initial Improvements or other Tenant's Improvements costing more than \$20,000.00 in the aggregate and after the time for filing of liens or privileges under Louisiana's Private Works Act, La. R.S. §9:4801 et seq., has expired, Tenant will deliver to Landlord, a certificate of the Clerk of Court and Recorder of Mortgages for the Parish of Orleans dated after the time for the filing of liens and privileges with

respect to Tenant's Improvements has expired, showing that no mechanics', materialmen's or other liens or privileges have been recorded against the Premises or Tenant's interest in them.

H. No Liens. Tenant will promptly pay and discharge all claims for work or labor done, supplies furnished, or services rendered in connection with Tenant's Improvements or otherwise at the request of Tenant, and Tenant will keep the Premises and Tenant's interest in the Premises free and clear of all mechanics' and materialmen's liens in connection with work performed in the Premises by or through Tenant during the Term. If any such lien or privilege will at any time be filed, then within 10 days after the date after this filing, Tenant will cause this lien or privilege to be canceled of record, by bonding or otherwise.

I. Ownership of Tenant's Improvements; Removal of Tenant's Improvements. All Tenant's Improvements, including but not limited to, utilities, water lines and pipes, ventilation and hoods, pipes, stacks, duct work, electrical wiring, conduit and controls installed by Tenant, will be and remain the property of Tenant during the Term, and Tenant will insure and pay prior to delinquency all taxes and assessments with respect to these Tenant's Improvements. If Tenant removes any of Tenant's Improvements at any time during the Term (Tenant must obtain Landlord's prior consent for this removal), Tenant will repair and restore all damage caused by their attachment or removal. At the expiration or sooner termination of this Lease, Tenant's Improvements then on the Premises will automatically become the property of Landlord without any obligation on the part of Landlord to reimburse Tenant or any other person or entity for them, and Tenant waives all right to reimbursement or compensation from Landlord for any such Tenant's Improvements that become Landlord's property. However, if prior to this expiration or sooner termination or within 10 days after the expiration or termination date, Landlord notifies Tenant that it does not elect to become the owner of any or all of the Tenant's Improvements and that it elects that Tenant remove any or all of the Tenant's Improvements (the Tenant's Improvements so designated are the "Designated Improvements"), then the Designated Improvements will not become Landlord's property, and Tenant will immediately remove the Designated Improvements, and repair and restore all damage caused by their construction, attachment, and removal. Any Designated Improvements that remain on the Premises after the expiration or sooner termination of this Lease will be conclusively deemed to have been abandoned, and at Landlord's option, either (i) Landlord may remove and dispose of any or all of these Designated Improvements, and in that event, Tenant will pay the costs of this removal and disposition, plus 15% of these costs as administrative fees, within 5 days after demand from Landlord, or (ii) these Designated Improvements will be deemed to have become Landlord's property, without any obligation on the part of Landlord to compensate Tenant or any other person for them.

VIII. TENANT'S PERSONAL PROPERTY; PERSONAL PROPERTY TAXES

A. Tenant's Personal Property. Tenant will have and retain title to all furniture, equipment, trade fixtures, and other movable property placed in or on the Premises by Tenant or any other person or entity other than Landlord during the Term (the term "Tenant's Property" refers to this furniture, equipment, trade fixtures, and other movable property). At or before the expiration or sooner termination of this Lease, Tenant will, at Tenant's expense, remove all of Tenant's Property and repair all damage caused by the attachment or removal of this Tenant's Property. Any Tenant's Property that remains on the Premises after the expiration or sooner termination of this Lease will be conclusively deemed to have been abandoned, and at Landlord's option, either (i) Landlord may remove and dispose of any or all of this Tenant's Property, and in that event, Tenant will pay the costs of this removal and disposition, plus 15% of these costs as administrative fees, within 5 days after demand from Landlord, or (ii) any or all of the Tenant's Property will be deemed to have become Landlord's property, without any obligation on the part of Landlord to compensate Tenant or any other person for it.

B. Taxes on Tenant's Personal Property and Improvements. Tenant will pay, before delinquency, all property taxes on the furniture, fixtures, equipment, and other property of Tenant at any time situated or installed in the Premises, and on additions or improvements in the Premises made or installed by Tenant. If at any time during the Term of this Lease, any of these property taxes are assessed against the Building or the real property on which the Premises are situated, then Tenant will pay Landlord the amount of these property taxes within 15 days after Landlord's demand for this payment, accompanied by a copy of the tax bill.

IX. RADIUS RESTRICTION

To assure Tenant's ability to maximize Gross Sales, throughout the Term, neither Tenant nor any

of Tenant's parents, subsidiaries, affiliates, or sister companies, or any other companies that are directly or indirectly owned in whole or in part by Tenant, will open, operate, or hold any interest in any other store or establishment under the same name under which Tenant is operating or any other name under which Tenant is permitted to operate under this Lease, or for any similar or competing business, within 2 blocks in any direction from the Premises or within the area bounded by the center line of Toulouse Street, Dumaine Street, Royal Street, and the Mississippi River (the "Trade Area"). Landlord may specifically enforce this covenant, obtain an injunction, or exercise any or all of its other rights or remedies under this Lease if Tenant violates this covenant. In addition to these rights, if Tenant violates this prohibition, then at Landlord's option, all of the Gross Sales from this store within the Trade Area will be included in the Gross Sales used in the computation of Percentage Rent as though such sales had actually been made from the Premises, Tenant will report all such sales to Landlord and maintain records with respect to those sales as though they had been made from the Premises, and Landlord will have all of its audit rights with respect to those sales that it would have had under this Lease had those sales been made from the Premises.

X. MAINTENANCE AND REPAIR

A. Tenant's Duties. By executing this Lease, Tenant acknowledges that the Premises and appurtenances are in good, clean, and sanitary order and repair. Tenant assumes full responsibility for the condition of the Premises throughout the Term. Throughout the Term, Tenant, at its expense, will perform all necessary maintenance, repairs, and replacements to and will maintain in good order, repair, and appearance, (i) the entire front entrance, the storefront, all exterior and interior signs, and all glass in the doors or storefront or otherwise in the Premises, (ii) all balconies, verandas, platforms, terraces, or other appurtenances that serve only the Premises, (iii) all portions of the interior of the Premises, including, without limitation, all floor structures, walls, electrical and plumbing pipes, lines and fixtures, mechanical systems, utility installations, doors, and windows, and (iv) all heating, ventilating, and air conditioning equipment that serves the Premises, all other electrical, plumbing, and mechanical equipment serving the Premises, and all wires, pipes, and other conduits from the point at which they serve the Premises exclusively, even if this equipment or these parts of the Premises or the mechanical systems serving the Premises were originally supplied by Landlord. In addition, Tenant, at its expense, will keep and maintain the Premises and all adjoining areas clean and sanitary. In performing these maintenance, repairs, and replacements, Tenant will not alter the appearance of any portion of the Premises visible to persons outside the Premises without the prior written consent of Landlord. Without limiting the generality of the foregoing, Tenant's obligations will include keeping sewers and drains serving and surrounding the Premises open and clear. Tenant will not use the plumbing facilities of the French Market for any purpose other than the use for which they were constructed or dispose of any damaging or injurious substance in them. Tenant will not burn any papers, trash, or garbage of any kind in or about the Premises. Tenant will store all refuse and other waste materials within the Premises in a location that is not visible to those shopping in the French Market and will arrange for regular removal of this refuse and waste at its expense. Tenant will install and maintain proper and attractive trade fixtures. Tenant will clean the storefront windows and signs once a month at a minimum. Should the glass in any of the storefront windows be broken, Tenant will replace such glass with "safety glass" that is approved by the Landlord.

B. Landlord's Duties. Landlord will, at its expense, maintain the structural elements of the walls and columns, the foundation, the exterior sidewall, the roof of the Building, and all unexposed plumbing and electrical pipelines and fixtures that were originally installed by Landlord and that serve portions of the Building or the French Market other than the Premises or that serve both the Premises and other portions of the Building or French Market. Landlord will provide daily maintenance of all public areas, including the walkways and restrooms (other than restrooms within the Premises), and outdoor gardens. The costs of this maintenance and all other maintenance, repairs, and replacements of the public areas and the portions of the French Market other than those areas that are the responsibility of a tenant will be included in the Common Area and Operating Expenses, and Tenant will pay its proportionate share of these costs as its Common Area Rent. Except as provided in this Subsection, Landlord will have no obligation to maintain or repair any portion of the Premises or to provide any services whatsoever to Tenant or the Premises.

C. No Representations or Warranties. As more fully set out in Section I.J., Landlord has made no representations or promises with respect to this Lease, with respect to the Premises, with respect to the Permitted Use, or with respect to any matter related thereto, and Tenant hereby waives all express or implied warranties on the part of Landlord, including, without limitation, all implied warranties of merchantability and fitness or suitability for Tenant's use.

XI. SIGNS AND ATTACHMENTS; NO NOISE

Tenant will not place or permit to be placed any sign, marquee, awning, decoration, or other attachment on the roof, storefront, windows, doors, or exterior walls of the Premises without the prior written consent of Landlord. Landlord may, without liability and at Tenant's expense, enter the Premises and remove any sign, marquee, awning, decoration, or attachment placed on Premises without its consent. Only professionally-printed or painted signs may be placed in the windows and doors, and all such signs must be approved in writing, in advance, by the Landlord; no hand-written signs are allowed. Tenant agrees to comply with all rules, regulations, and requirements of the City, the Vieux Carré Commission, and all other governmental or quasi-governmental authorities with jurisdiction over the Premises and to purchase and install signs conforming to all of these rules, regulations, and requirements. At the end of the Term, Tenant will, at its expense, remove all of its signs, marquees, awning, decorations, and attachments from the Premises and when any such sign, marquee, awning, decoration, or attachment has been removed, Tenant will repair, at its expense, all damage to the Building caused by the erection, maintenance, or removal of that sign, marquee, awning, decoration or other attachment. Tenant will not use in, on, or about the Premises any advertising medium which may be heard or experienced outside the Premises, such as flashing lights, searchlights, bullhorns, amplified equipment, or phonograph or radio broadcasts, without the prior written consent of Landlord, which consent may be withheld by Landlord in its sole discretion.

XII. WASTE – NUISANCE

Tenant will not commit, or suffer to be committed, any waste upon the Premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant in the Building, the French Market, or any other part of the French Quarter in New Orleans, Louisiana and will not commit or suffer to be committed any act of thing that might be considered to violate any Laws or to be a nuisance by public authorities.

XIII. ENTRY OF THE PREMISES BY LANDLORD

Landlord and its agents, employees, and contractors will have the right to enter the Premises, from time to time, during reasonable hours (by pass key if Landlord reasonably believes the circumstances to be an emergency or the Premises to have been vacated), to inspect the Premises, to show the Premises to prospective purchasers, lenders, and during the last year of the term, tenants, to cure Tenant's defaults, or to perform such work to the Premises, the Building, or the French Market as Landlord considers necessary or desirable, or for any other reasonable purpose. Tenant waives all claims for an abatement of rent or damages in connection with any entry for these purposes or any work performed on the Premises, the Building, or the French Market by Landlord. Landlord will also have the right to place the usual "For Lease" signs on the Premises during the last year of the term.

XIV. PARKING

Tenant will not park, operate, load, or unload any car, truck, or other vehicle on any part of the French Market property except in areas designated by Landlord, and then the parking, operating, loading, and unloading will be in accordance with Landlord's rules and requirements and the car, truck, or other vehicle will not be permitted to remain in the designated area for longer than is permitted by Landlord. Landlord and its agents, employees, and contractors will have the right to remove or cause to be removed any car, truck, or other vehicle of Tenant, its employees, agents, contractors, or invitees that may be parked in any area other than the Landlord's designated areas, or that may remain in the designated area for longer than permitted by Landlord. Tenant hereby waives all claims against Landlord arising from the removal of any such cars, trucks, or other vehicles by Landlord or its agents, employees, or contractors, and Tenant will indemnify, defend, and hold harmless Landlord, its agents, employees, and contractors from and against any and all loss, cost, liability, damage, and expense (including, without limitation, reasonable attorneys' fees and costs) arising from or in connection with such removal. Landlord may at any time and in its sole discretion exclude Tenant and its employees from using parking facilities owned by Landlord or the City.

XV. DAMAGE AND DESTRUCTION

A. Landlord's Repair. If the Premises are damaged by fire or any other insured casualty, then, unless Landlord or Tenant terminates this Lease as permitted below, Landlord will repair the damage within a reasonable period after the casualty, but (i) Landlord will not be required to begin the repairs until Landlord has full access to the Premises and has received the proceeds of the insurance for these repairs, (ii) Landlord will not be obligated to perform repairs costing more than the net insurance proceeds it receives for these repairs, and (iii) Landlord will not be required to

repair or restore any of Tenant's Improvements, including, but not limited to, its floor or wall coverings, or any of its inventory, fixtures, equipment, furniture, or other property, and the Premises will not be considered untenable or unusable by reason of the fact that the Tenant's Improvements or its inventory, fixtures, equipment, furniture, or other property has not been repaired or restored.

B. Landlord's Right to Terminate. If (i) there is material damage to the Premises that is not covered by insurance; or (ii) the Premises are damaged from any cause to such an extent that they cannot be repaired in 60 days from the date of the casualty under applicable Laws and the condition of the labor market and availability of materials and supplies; or (iii) the Building or any part of the French Market is damaged from any cause to the extent of 33.3% or more of the replacement cost of the part that is damaged, even the Premises are not damaged; or (iv) more than 50% of the floor area either of the Building or of all of the buildings comprising the French Market is damaged from any cause, even if the Premises are not damaged; or (v) at the time of material damage to the Premises, the Annual Base Rent that would come due for the remainder of the Term is less than the cost of repairing and restoring the Premises, then Landlord will have the right, at its option, to terminate this Lease by written notice to Tenant given within ninety (90) days after the occurrence of the event causing the damage. If Landlord terminates this Lease under this Section, then Landlord will not be obligated to perform any repairs or restoration, Tenant's Annual Base Rent will be prorated to the date of the damage or destruction, and this Lease will otherwise come to an end on the date of the damage or destruction with the same effect as if that date were the original expiration date of the Term.

C. Tenant's Right to Terminate. If (i) the Building is totally destroyed at any time during the Term, or (ii) damage to the Premises occurs during the last year of the Term and makes the Premises as a whole unusable for Tenant's business purposes, and provided that the destruction or damage was not due to the act or omission of Tenant or any of its agents, contractors, licensees, or employees, then Tenant will have the right, at its option, to terminate this Lease by notice to Landlord given within thirty (30) days after the occurrence of the event causing the damage. If Tenant terminates this Lease under this Section, then Landlord will not be obligated to perform any repairs or restoration, all insurance covering Tenant's Improvements will belong and be paid to Landlord, Tenant's Annual Base Rent will be prorated to the date of the damage or destruction, and this Lease will otherwise come to an end on the date of the damage or destruction with the same effect as if that date were the original expiration date of the Term.

D. Rights and Obligations if Neither Party Terminates Upon Damage or Destruction. If neither Landlord nor Tenant terminates this Lease upon a damage or destruction as permitted in Section XV.B. or XV.C. above, then this Lease will be and remain in full force and effect, and while portions of the Premises remain unusable by reason of damage to or Landlord's work in the Premises, the Annual Base Rent will be abated in the proportion that the floor area of the Premises that is then unusable by reason of the damage or Landlord's work in the Premises bears to the entire floor area of the Premises immediately before the casualty. This proportionate abatement will begin on the date of the casualty and will end when Landlord has completed its work in the Premises to a degree sufficient to permit Tenant to perform its work in the Premises. There will be no rent abatement if only Tenant's Improvements or its inventory, fixtures, equipment, furniture, or other property are damaged or if no work by Landlord in the Premises is required. Upon any damage to the Premises or its contents, commencing promptly after the damage or if Landlord is obligated to perform repairs to the Premises, commencing promptly after Landlord has completed these repairs to a degree sufficient to permit Tenant to perform its work, Tenant will (x) restore Tenant's Improvements to their condition immediately before the casualty, (y) repair or replace its inventory, fixtures, equipment, furniture, and other property, and (z) if Tenant has closed, reopen for business. If Tenant fails to begin, proceed with, or complete the repair and restoration of Tenant's Improvements or its inventory, fixtures, equipment, furniture, or other property promptly as required in this Article, or fails to re-open for business as promptly as required, then at Landlord's option, an Event of Default will occur, and in addition to its other rights and remedies for this Event of Default, Landlord will have the right to receive all proceeds of Tenant's insurance covering Tenant's Improvements and all other Tenant property that is to remain on the Premises at the expiration or sooner termination of the Lease.

XVI. INSURANCE

Tenant will, at its sole cost and expense, keep and maintain in full force and effect throughout the Term the following policies of insurance:

- (i) A policy or policies of commercial general liability insurance naming as additional insureds Landlord, the City, and all other persons or entities that Landlord may designate from time to time, with minimum limits of \$1,000,000.00 combined single limit, on an occurrence basis, and umbrella coverage (including first dollar defense) with minimum limits of \$3,000,000.00, arising out of any one occurrence. This commercial general liability insurance will provide coverage for premises operations, personal injury, independent contractors, products and completed operations, products liability, and property damage and all other claims, demands, and actions for personal injury or death and property loss or damage arising from, related to, or connected with the conduct and operation of Tenant's business in the Premises and anywhere else in the French Market, Tenant's use, occupancy, or maintenance of the Premises and the surrounding areas, and all defects in and incidents occurring in, on, or about the Premises.
- (ii) Adequate glass insurance naming Landlord as loss payee in the full replacement cost of all plate glass located in or about the Premises.
- (iii) A policy of Special Causes of Loss property insurance, providing coverage for damage or other loss caused by fire or other casualty, including but not limited to, vandalism, theft, sprinkler leakage, water damage, explosion and other similar risks, in an amount adequate to cover the full replacement cost of all Tenant's Improvements and all personal property, inventory, fixtures, furnishings, and equipment of Tenant in the Premises, with a business interruption endorsement in an amount adequate to cover Tenant's lost profits and continuing expenses during the period Tenant is unable to do business in the Premises. Landlord will be a loss payee on this property insurance as its interests may appear.
- (iv) A policy of workers' compensation insurance in accordance with the statutory requirements of the State of Louisiana, and employers' liability insurance with a limit of \$1,000,000.00 with respect to all persons that work on the Premises. Each of these policies will contain a waiver by the insurer of all rights of subrogation against Landlord and the City.
- (v) If Tenant serves alcoholic beverages on or from the Premises, a policy or policies of liquor liability insurance, naming the Landlord, the City, and such other persons as Landlord may designate from time to time, as additional insureds, with total limits of liability of no less than \$3,000,000.00 for each occurrence.

All insurance will be in form and written by responsible companies that are satisfactory to Landlord, that are licensed to issue policies in Louisiana, and that have a A.M. Best Company rating of A-/VII or better. Tenant will deliver to Landlord duly executed certificates of each of these policies or renewals or replacements of them, and at Landlord's option and at its request, Tenant will deliver to Landlord certified copies of the policies themselves or their renewals and replacements, including the declarations page of the policies and all endorsements with respect to Landlord, the City, the Premises, and the required additional insureds, loss payees, and waivers of subrogation, at the following times: (a) before Tenant begins Tenant's Initial Improvements, and (b) from time to time during the Term, in each case no less than thirty (30) days prior to the expiration of any policies evidence of which was delivered previously. All certificates of insurance and policies that Tenant is required to maintain in this Lease will provide that the policy or policies will not be cancelled or modified without at least thirty (30) days prior notice to Landlord. In addition to the insurance enumerated above, Tenant will maintain insurance against such other perils and in such amounts as Landlord may from time to time reasonably require in writing.

XVII. INDEMNIFICATION AND WAIVERS

A. Tenant's Indemnity Obligations. Tenant will reimburse Landlord, the City, and their respective agents, employees, and representatives for and will indemnify, defend, and hold harmless Landlord, the City, and their respective agents, employees, and representatives from and against any and all loss or damage sustained by, liability or charges imposed on, and claims or causes of action asserted against, Landlord, the City, or any of their respective agents, employees, or representatives, to the extent arising out of (i) any accident or occurrence in or on the Premises, any use of or business conducted in or on the Premises, or any hidden or apparent defect in the Premises; or (ii) any damage to or loss of any property of Tenant or any person occupying the Premises or any of their respective agents, employees, or contractors, whether this damage to or loss of property occurs on the Premises or on any other part of the French Market; or (iii) any act, negligence, or fault of Tenant or any person occupying the Premises or any of their respective

agents, employees, or contractors, whether occurring on the Premises or on any other part of the French Market or (iv) any claim or loss resulting from a failure to comply with federal, state, or local laws, including without limitation, the law and related regulations commonly known as the “Americans with Disabilities Act” (the “ADA”). Tenant’s reimbursement and indemnity obligations will include, but not be limited to, any and all penalties, assessments, fines, damages, interest, settlement amounts, judgments, losses, reasonable attorneys’ fees, and other expenses, and will survive the expiration or other termination of this Lease. However, Tenant will not be required to indemnify Landlord, the City, or any other person or entity for damage or injury to the extent caused by the gross negligence or intentional misconduct of the person or entity seeking indemnification.

B. Tenant’s Assumption of Responsibility and Waivers. In light of Tenant’s insurance obligations under this Lease, Tenant hereby assumes full responsibility for the condition of the Premises throughout the Term, and Tenant hereby waives all rights and claims against Landlord and the City arising from (i) theft, vandalism, criminal acts, or lack of security (Tenant hereby acknowledges that it is solely responsible for its own security, and that neither Landlord nor the City is providing any security equipment, devices, or services); (ii) any acts or omissions of other tenants of the French Market or any other property owned or managed by Landlord or the City; (iii) any vice or defect in or the maintenance or use of the Premises, the Building, the French Market, or their fixtures or equipment; (iv) any water entering the Premises from the roof, water pipes, sprinkler lines or heads, plumbing or sewerage fixtures or pipes, heating, ventilating, or air conditioning fixtures or pipes or any freezing, bursting, or leaking of water in pipes or sprinklers, or leaks in the roof; (v) the lack of a sprinkler system or fire prevention system, or the failure of a sprinkler system or fire prevention system to work properly (Tenant hereby acknowledges that it has sole responsibility for insuring over loss or damage caused by malfunctions or failures to function of the sprinkler system or fire prevention system); or (vi) any lack of or failure of the plumbing, heating, or air conditioning system, or any other mechanical system. This Section will survive the termination of this Lease with respect to matters that occur during the term.

C. Tenant’s waiver of Warranty Against Vices or Defects. Tenant hereby (i) accepts the Premises in their condition on the Effective Date and agrees that this condition is suitable for the Permitted Use, and (ii) waives all express or implied representations or warranties on the part of Landlord, including, but not limited to, all warranties that the Premises are suitable for the Permitted Use or are free from vices, defects, or deficiencies, whether hidden or apparent, and all warranties under La. Civ. Code arts. 2682(2), 2684, 2691, or 2696-2699, or any other provision of law, to the fullest extent permitted by Louisiana law.

XVIII. MUTUAL WAIVER OF SUBROGATION

Tenant hereby waives its entire right of recovery against Landlord and the City for any and all loss or damage to any property, including, without limitation, Tenant’s Improvements and Tenant’s Property, and any and all loss of business income, arising out of or incident to perils insured or that could have been insured against by a “Special Causes of Loss” policy of property insurance, even if this loss or damage is due to the negligence of Landlord or the City or their respective agents, employees, contractors or invitees. Landlord hereby waives its entire right of recovery against Tenant for any loss or damage to any property, including, without limitation, the Building, arising out of or incident to perils insured against or that could have been insured against by a “Special Causes of Loss” policy of property insurance, even if this loss or damage is due to the negligence of Tenant or its agents, employees, contractors or invitees (excluding breakage or damage to glass). This waiver will include a waiver by each of Tenant and Landlord of all rights of subrogation that its insurers may have against Landlord or the City or against Tenant, as the case may be. Each party will, upon obtaining its insurance covering property loss or damage, give notice to its insurance carrier or carriers that this waiver of subrogation is contained in this Lease, and if any of these insurance policies does not permit a party to waive the insurer’s rights of subrogation, then that policy must contain an endorsement in which the insurer waives all of its rights of subrogation against Landlord and the City in the case of a policy maintained by Tenant, and against Tenant in the case of a policy maintained by Landlord.

XIX. EMINENT DOMAIN/EXPROPRIATION

A. Total or Substantial Taking. If all the Premises is taken for any public or quasi-public

use or under any statute or by right of eminent domain or expropriation or by private purchase in lieu of eminent domain or expropriation (“Taken” or a “Taking”), or so much of the Premises is Taken or damaged by a Taking that a reasonable amount of reconstruction will not render the Premises reasonably suitable for the continued conduct of Tenant’s business in a manner consistent with the conduct of this business prior to this Taking, then in either such event, this Lease will terminate on the date that possession of the Premises or this part of the Premises is Taken or on the date such damage occurs.

B. Partial Taking. If any part of the Premises is Taken but the remainder of the Premises (after the reconstruction of the then existing building and improvements) will be reasonably suitable for the continued conduct of Tenant’s business in a manner consistent with the conduct of this business prior to the Taking, and if Landlord elects, by written notice to Tenant within 30 days of such Taking, not to perform such reconstruction, this Lease will, as to the part so Taken, terminate as of the date that possession of such part is Taken, and all rent due hereunder will be reduced in the same proportion that the floor area of the portion of the Premises so Taken (less any additions to the Premises by reconstruction) bears to the original floor area of the Premises. If Landlord elects to perform this reconstruction, Landlord will, at its own cost and expense, make all necessary repairs or alterations to the Premises so that the remaining Premises are reasonably suitable for Tenant’s continued occupancy and for the conduct of its business. During the period of Landlord’s repair and restoration, the Annual Base Rent will be abated in the same proportion that it would if the Premises had been damaged or destroyed. If Landlord does not notify Tenant within 30 days after the Taking that it will perform the reconstruction, this Lease will terminate on the date on which possession of the part of the Premises is taken.

C. Damages. The portion of the compensation awarded or paid upon a Taking that is allocable to Tenant’s improvements and fixtures in, upon or forming a part of the Premises will be paid to Tenant. The remainder of the award or payment will belong to Landlord, and Tenant waives and assigns to Landlord any right it may have to any part of such remainder, including, but not limited to, all awards for loss of Tenant’s leasehold interest or estate.

XX. DEFAULT

A. Events of Default. The occurrence of any of the following will be an “Event of Default”:

- (i) Tenant fails to pay any installment of Annual Base Rent, Percentage Rent, Common Area Rent, Advertising Rent, or Additional Rent when due and this failure continues for 5 days after written notice by Landlord to Tenant that this payment is due; or
- (ii) Tenant fails to conduct its business continuously in the Premises on each day and during all hours during which it is required to conduct its business in accordance with Section V.C. of this Lease; or
- (iii) Tenant removes all or a substantial portion of its stock or trade fixtures from the Premises; or
- (iv) Tenant fails to provide Landlord with a policy or certificate of insurance required under this Lease or to maintain in effect the insurance coverages required in this Lease, and this failure is not cured within 5 days after written demand by Landlord; or
- (v) Tenant assigns this Lease or subleases the Premises or a portion of it in violation of this Lease; or
- (vi) Tenant violates any Laws, creates a hazard to property, health or safety, creates a nuisance to other tenants of the French Market, or disturbs the peaceful possession of any other tenant or occupant of the French Market or the French Quarter; or
- (vii) Tenant commits or has committed any act, or is charged with a felony, or has been or becomes involved in any situation or occurrence involving fraud, moral turpitude or otherwise reasonably tending to bring him into public disrepute, contempt, scandal or ridicule, or reasonably tending to shock, insult or offend any class or group of people, or reflecting unfavorably upon the French Market’s reputation or its products.
- (viii) Tenant violates or fails to perform or comply with any of the other terms, obligations, or agreements in this Lease (other than those referred to in the subparagraphs

(i) through (vii) or (xi) of this subsection) when this performance is due and this failure continues for 10 days after written demand by Landlord; or

(ix) Tenant, any person with a direct or indirect interest in Tenant, any parent or subsidiary of Tenant, or any other entity that is owned in whole or in part, directly or indirectly, by any person having a direct or indirect interest in Tenant does any of the following: (a) defaults on any material contractual obligations to Landlord or the City under any other lease or contract with Landlord or the City, (b) fails to pay any taxes to the City when due, (c) is found by a governmental authority or court to have violated any Laws, or (d) is convicted of a felony criminal offense; or

(x) Tenant makes an assignment for the benefit of its creditors or files a voluntary petition in bankruptcy, or is adjudicated as bankrupt in an involuntary proceeding, or applies for any other relief under the laws of the United States relating to bankruptcy or State laws relating to insolvency or should a receiver of other custodian be appointed for any of Tenant's property; or

(xi) The occurrence of any other event or circumstance described as an Event of Default in this Lease.

Notwithstanding anything to the contrary contained in subparagraphs (i), (iv) or (viii) above, if the same or similar breach of this Lease occurs twice during any 12-month period, then during the 12-month period following the 2nd such breach, Landlord will not be obligated to give Tenant notice of an additional breach of the same type or a period of time within which to correct the breach; instead, an additional breach of the same type during this 12-month period will constitute an immediate Event of Default, without the necessity of any notice or grace period.

B. Landlord's Default Remedies. If an Event of Default occurs, Landlord, may at its option, without further notice or putting in default, proceed for all past due Rent and other damages caused by the default and exercise any or all of the following rights or remedies:

(i) Landlord may retain this Lease in effect, reserve its right to proceed for enforcement of Lease obligations coming due in the future, and, at Landlord's option, (a) proceed for specific performance or a mandatory injunction requiring Tenant to perform its obligations, or (b) to the extent permitted by Laws, re-enter the Premises without terminating this Lease, and sublease it on Tenant's behalf, and in that event, Tenant will remain responsible for the difference between the Rent payable under this Lease and the rent payable by the subtenant; or

(ii) Landlord may terminate this Lease by written notice to Tenant, and this cancellation will be effective immediately upon this notice;

(iii) Tenant expressly waives the legal notice to vacate as provided in Article 4701 of the Louisiana Code of Civil Procedure; or

(iv) Landlord may accelerate and declare immediately due and payable the Annual Base Rent payable during the remainder of the Term (including all Renewal Terms for which Tenant is bound); or

(v) Landlord may exercise any other right or remedy provided in this Lease or at law.

Each right and remedy provided to Landlord in this Lease will be cumulative and will be in addition to every other right or remedy provided for in this Lease or at law, and the exercise or beginning of the exercise by Landlord of any one or more of these rights or remedies will not preclude Landlord's simultaneous or later exercise of any or all other rights or remedies.

C. Landlord's Damages Upon a Default Termination. If an Event of Default occurs and Landlord terminates this Lease, then Tenant will be and remain liable, not only for all Rent due at the time of the termination and for its other obligations incurred up to the date of termination, but also for holdover damages as provided in Article XXXII for the period from the termination date to the date on which Tenant vacates the Premises and for stipulated or liquidated damages for its nonperformance equal to the greater of (x) the amount of the Deposit, or (y) the sum of the following:

(i) All expenses that Landlord incurs in re-entering and re-possessing the Premises,

Landlord's Initials _____

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Tenant's Initials _____

curing any default by Tenant, removing Tenant’s Property and Tenant’s Improvements, if Landlord has elected to require such removal, making such reasonable, non-structural modifications as are required for a new tenant, protecting and preserving the Premises, and reletting the Premises, including attorney’s fees and disbursements and brokerage fees in doing so, plus

(ii) The amount by which (a) the aggregate of the Remaining Rent (as defined below) that Landlord was to have received under this Lease from the date of termination to the original expiration date of the Term (including all Renewal Terms for which Tenant has become obligated), with each payment of Remaining Rent being discounted to present value at the Discount Rate (as defined below), exceeds (b) the fair rental value of the Premises during this period, also discounted to present value at the Discount Rate. For purposes of this calculation, the fair rental value of the Premises during any period prior to the time at which Landlord could reasonably have been expected to have obtained a new tenant for the Premises (Tenant agrees that the Premises will be offered only after other comparable available space in the French Market has been leased, and that the new tenant must be of a similar or better quality, price point, and national reputation as the other tenants then in the French Market), will be zero, and if Landlord has leased the Premises to a new tenant, then the rent payable by the new tenant will be deemed to be the fair rental value of the Premises, and the period between the termination of this Lease and the commencement of the new lease will be deemed to be the time within which Landlord could reasonably have been expected to have obtained a tenant for the Premises.

(iii) The term “Remaining Rent” means the sum of (a) the aggregate Annual Base Rent that would have been payable under this Lease for the Lease Term if it had continued to its original expiration date, plus (b) the average Percentage Rent, Common Area Rent, and Advertising Rent for the last three Lease Years immediately preceding the Lease Year in which the default occurred, multiplied by the number of years that would have remained in the Lease Term if it had continued to its original expiration date, plus (c) the Additional Rent that would have come due hereunder during the period that would have remained in the Lease Term if it had continued to its original expiration date.

(iv) The “Discount Rate” will be the Federal Reserve rate of the Federal Bank of Atlanta at the time of the termination.

In addition, Landlord is hereby authorized, to the extent legally permitted, to sell, at public or private sale, with or without legal proceedings, and with or without notice, demand, advertisement, appraisalment, or any other formality, any and all of the contents of the Premises, and Landlord may purchase these contents at private sale or for the highest bid at public sale, and the proceeds of this sale, after deducting all costs, charges, attorneys’ fees, and expenses of the sale, will be applied to the payment of Rent and all other sums due by Tenant.

D. Landlord’s Failure to Exercise or Enforce not a Waiver. Failure by Landlord to exercise or enforce, strictly and promptly, any rights in the event of default by Lessee shall not be considered a waiver of such rights; and all rights and remedies of Landlord under this Lease in the event of default by Lessee shall be cumulative, and none shall exclude any other rights or remedies provided for hereunder or allowed by law. The receiving by Landlord or Landlord’s representative of any Rentals or Advances in arrears, or after notice of default or notice to vacate the Leased Premises or after the institution of any lawsuit for possession of the Leased Premises or for cancellation of this Lease, will not be considered as a waiver of such notice or lawsuit, or of any of the rights of Landlord.

XXI. LANDLORD’S ALTERNATIVE REMEDY OF LIQUIDATED DAMAGES FOR TENANT’S FAILURE TO OPERATE

Because of the difficulty of determining the damages caused by Tenant’s failure (i) to complete the Tenant’s Initial Improvements and open for business on or before the Commencement Date, or (ii) to conduct its business in the Premises fully fixtured, stocked, and staffed on each day following the Commencement Date in accordance and during the business hours required in Section V.C., Landlord and Tenant hereby agree that in addition to and not in lieu or limitation of Landlord’s right to seek specific performance of Tenant’s continuous operation obligation or to terminate this Lease, Landlord will have the right, at its option, to require Tenant to pay Landlord the following liquidated damages amounts in addition to all Annual Base Rent, Percentage Rent, Common Area Rent, Advertising Rent, and/or any Additional Rent:

- (i) After Tenant has initially opened for business, if on any day Tenant is open for business, but otherwise is in material violation of the operational requirements of Article V or the obligation to maintain the business hours required in Section V.C. of this Lease, then Landlord will have the right to require Tenant to \$125.00 per day for each day from the 2nd day after Landlord’s written notice to Tenant of the violation until the date on which Tenant again opens during all hours and conducts its business in accordance with the requirements of the Lease; and
- (ii) Should Tenant fail to open for business on the day on which it is required to open for business in this Lease or after Tenant has initially opened for business, should the Premises be closed on any day on which this Lease requires Tenant to be open, then Landlord will have the right, at its option, to require Tenant to pay \$500.00 per day for each day during which the Premises are closed.

These liquidated damages will be paid by Tenant on the first of the month following the date of each assessment. However, nothing in this section will create an obligation on the part of the Landlord to accept payment of any sum or performance of any obligation after its due date or will prevent Landlord from seeking specific performance or terminating this Lease by reason of Tenant’s failure to open and operate fully and completely during all required hours starting on the Commencement Date and on each successive day during the Term.

XXII. DELINQUENCY INTEREST AND LATE CHARGES

- A. **Interest.** If Tenant fails to pay any Annual Base Rent, Percentage Rent, Common Area Rent, Advertising Rent, or Additional Rent on the day on which it is due, Tenant will pay interest on the amount that was not paid when due at the rate of 18% per annum (the “Default Rate”), from the date on which the amount was due, until it is paid in full.
- B. **Late Charge.** In addition to interest at the Default Rate, if Tenant fails to pay any amount due under this Lease within 5 days after the due date, then in addition to the amount due, Tenant will pay Landlord a late charge equal to \$200.00 or 10% percent of the amount due, whichever is greater.
- C. **No Grace Period; Landlord Not Obligated to Accept Payment.** Payment of this interest and this late charge will not excuse or cure any default by Tenant under this Lease or be construed as a waiver of Landlord’s right to enforce any other remedies with respect to any other provisions of this Lease, and nothing in this section will be deemed to create a “grace period” for Tenant or any obligation on the part of the Landlord to accept payment of any past due amount or any interest or late charge.

XXIII. LANDLORD’S RIGHT TO CURE TENANT’S DEFAULTS

If Tenant fails to perform any of its obligations under this Lease or in any way defaults under or breaches any provision or term of this Lease, then in addition to and not in lieu or limitation of any other right or remedy hereunder or at law, Landlord may, but will not be obligated to, perform this obligation, or cure this default or breach and do all necessary work and make all necessary payments in connection with this performance or cure, for the account and at the expense of Tenant. If Landlord performs any such work or cures any such default, then Tenant will pay Landlord on demand (i) all costs and expenses incurred or paid by Landlord in performing this work or curing this default, including all attorneys’ fees, plus (ii) an additional amount of 15% of these costs, expenses, and fees as an administrative fee, plus (iii) interest at the Default Rate from the date on each of these charges was incurred until it is paid in full by Tenant.

XXIV. ASSIGNMENT AND SUBLETTING

- A. **Restrictions on Assignment and Subletting.** Tenant will not (i) assign this Lease, whether by merger, consolidation or otherwise, (ii) mortgage or encumber this Lease or Tenant’s rights under it, or (iii) sublet or permit the Premises or any part thereof to be used or occupied by others (any such use or occupancy will be considered a sublease unless all of Tenant’s rights and interests under this Lease are transferred, and then it will be considered to be an assignment) without the prior written consent of the Landlord. The transfer of any of the stock of a Tenant that is a corporation, a partnership interest in a Tenant that is a partnership, or a membership interest in a Tenant that is a limited liability company, will be conclusively deemed to be an assignment.
- B. **Conditions to Landlord’s Consent.** If Tenant wishes to sublease the Premises or any part

of it or to assign its rights under this Lease, then 60 days before the proposed effective date of the sublease or assignment, Tenant will provide Landlord with the name and address of and a financial statement for the proposed sublessee or assignee, the proposed terms of the sublease or assignment, the proposed form of the sublease or assignment, and a \$1,000 fee to cover Landlord's costs of reviewing Tenant's request. Without limiting Landlord's right to withhold its consent, Landlord will have the right to withhold its consent (i) if an Event of Default is then in existence, (ii) if the proposed sublessee or assignee does not have net worth that is equal to the net worth of Tenant on the Effective Date of this Lease, (iii) if the principals of the proposed sublessee or assignee do not have the operating experience of the principals of Tenant on the Effective Date, (iv) if the proposed sublease or assignment does not require the sublessee or assignee to use the Premises for the Permitted Use or is otherwise not on the same terms and conditions as this Lease, or (v) if the proposed sublessee or assign or any person with a direct or indirect interest in Tenant has (a) defaulted on any contractual or other obligations to Landlord or the City; (b) has been found by a governmental authority or court to have violated any Laws, or (c) has been convicted of a felony criminal offense.

C. Conditions if Landlord Consents to an Assignment or Sublease. If Landlord consents to an assignment or sublease, then (i) in the case of an assignment, the assignment document will include an agreement by the assignee in favor of Landlord in which the assignee assumes and agrees to be bound and liable to Landlord for all of the terms and provisions of this Lease, (ii) in the case of a sublease, the sublease will include an agreement by the subtenant in favor of Landlord in which the subtenant agrees that the sublease will be subject and subordinate to this Lease and all of Landlord's rights under this Lease, but that upon the occurrence of a default by Tenant, if Landlord, at its option, gives the subtenant notice requiring that subtenant pay its rent under the sublease directly to Landlord, then the subtenant will pay its rent directly to Landlord, and (iii) in the case of either an assignment or a sublease, the assignment document or the sublease will include an agreement by Tenant and all guarantors of this Lease (each of these guarantors is a "Guarantor") in favor of Landlord in which Tenant and all Guarantors acknowledge that neither the assignment or the sublease nor Landlord's consent to the assignment or sublease, will relieve or release Tenant from primary liability under this Lease or will relieve any of the Guarantors from their liability as Guarantors, but that Tenant and all Guarantors are bound and will remain bound as the primary obligors under this Lease notwithstanding the assignment or sublease. Tenant will provide Landlord with the original of each sublease or assignment document immediately after it is executed. If the aggregate amount of the rent, key money, buy-out price, and other consideration to be paid by the sublessee or assignee, net of leasing commissions, is greater than the Rent payable under this Lease, then Tenant will pay Landlord one-half of the excess.

D. Tenant and all Guarantors will remain bound. The making of any assignment, mortgage, pledge, encumbrance, or subletting, in whole or in part, whether or not with the consent of Landlord, will not operate to relieve Tenant or any of the Guarantors from their respective obligations under this Lease and, notwithstanding any such assignment, mortgage, pledge, encumbrance or subletting, Tenant will remain liable for the payment of all rental and other charges and for the due performance of all the covenants, agreements and provisions of this Lease, and all Guarantors will remain solidarily bound for the payment of this rental and these other charges and the performance of all covenants, agreements, and provisions, to the end of the Lease Term.

E. Liability of Assignee. Even if an assignee does not execute an assumption of the obligations of Tenant under this Lease as required above and whether or not this assignee has been approved by Landlord, this assignee will immediately upon the assignment become and remain liable for the payment of the Rent and other charges payable under this Lease, and for the due performance of all the covenants, agreements, terms and provisions of this Lease on Tenant's part to be performed to the end of the Term, and every provision of this Lease applicable to Tenant will also apply to and bind every such assignee with the same force and effect as though such assignee were Tenant named in this Lease.

F. Consents by Landlord Limited in Effect. Any consent by Landlord herein contained or hereafter given to any act of assignment, mortgage, pledge, or encumbrance will be held to apply only to the specific transaction approved by Landlord. This consent will not be construed as a waiver of the duty of Tenant, or its successors or assigns, to obtain from Landlord consent to any other or subsequent assignment, mortgage, or encumbrance.

G. Effect of Surrender or Lease termination on Subleases. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof will, at the option of Landlord, either terminate all or any existing subleases or sub-tenancies, or operate as an assignment to

Landlord of any or all such subleases or sub-tenancies.

XXV. COMMON AREAS

The “Common Areas” of the French Market are its public areas and its entrance ways, access ways, passageways, arcades, rest rooms (to the extent provided for tenant or public use), landscaped areas, and other areas designated from time to time by Landlord in its discretion for common use by the tenants of the French Market or the public. Tenant will have the non-exclusive right, along with the other tenants of the French Market and their employees and invitees, to use the Common Areas. In using the Common Areas, Tenant will not impede the use of the Common Areas by other tenants and their employees and invitees, and Tenant will use its best efforts to prevent its employees and invitees from loitering in the Common Areas or using the Common Areas for any use other than their intended purpose. Landlord will have the exclusive control and management over the Common Areas and will have the right, from time to time, at its option, to establish rules and regulations with respect to the use of the Common Areas, to close permanently or temporarily any portion of the Common Areas, to prohibit smoking and to increase, reduce, reconfigure, or change the Common Areas in any way Landlord determines to be necessary or desirable. Landlord will have no liability to Tenant for any closure, increase, reduction, reconfiguring, or other change in the Common Areas.

XXVI. LIMITED LIABILITY OF LANDLORD; CONVEYANCE BY LANDLORD

A. Limited Liability of Landlord. Landlord’s liability to Tenant under this Lease for damages, breach of lease, or otherwise, will be limited to and will not exceed Landlord’s equity interest in the Building and the rents from the Building. Tenant will look only to the interest of Landlord in the Building and the rents from the Building for the satisfaction of any judgment for the payment of money as a result of any negligence of or default of Landlord under this Lease, and no other property of Landlord will be subject to levy, execution or other enforcement procedure for the satisfaction of a judgment or other remedies. Notwithstanding anything to the contrary in this Lease, in no event will Landlord be liable to Tenant for loss of business or profits or other consequential damages.

B. Conveyance by Landlord. Landlord or its successors or assigns may, at any time during the Term of this Lease, convey its interest in the Premises. From and after the effective date of the conveyance, Landlord or its successors or assigns will be released and discharged from any and all obligations under this Lease, except those already accrued.

XXVII. CERTIFICATIONS BY TENANT

Tenant will, at any time and from time to time upon ten (10) days prior written request by Landlord, execute, acknowledge, and deliver to Landlord a statement in writing certifying (i) the Commencement Date of the Lease, (ii) that this Lease is unmodified and in full force and effect, or if there has been any modification, that this Lease is in full force and effect as modified and stating the modification, and (iii) the dates to which the Rent and other charges have been paid in advance, if any, together with such other matters that Landlord may reasonably require. It is expressly understood and agreed that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of the Building or the mortgagee or assignee of any mortgagee of any mortgage constituting a lien upon the Premises or upon the Building.

XXVIII. SUBORDINATION AND ATTORNMEN

A. Subordination. This Lease is and will remain subordinate to any mortgage that is now or in the future placed upon the Premises or the Building. Tenant will execute and deliver, without cost to Landlord, any instrument requested by the mortgagee to confirm the subordination of this Lease to any such mortgage. The mortgagee under any such mortgage, whether now existing or hereafter arising, will have the right to elect at any time that its mortgage will be inferior to this Lease, and in that event, the Tenant agrees to execute such instruments as may reasonably be requested by such mortgagee to evidence and make a record of the fact that this Lease is to be superior to such mortgage.

B. Attornment. If any mortgagee or the City or any other person or entity acquires Landlord’s interest in the Premises by reason of the enforcement of a mortgage or other succession to the rights of the Landlord under this Lease, then upon request of such successor, Tenant will attorn to and recognize the successor as the landlord under this Lease, provided that the successor

will not be obligated to pay amounts due by the prior lessor or be liable for defaults of the prior lessor. Upon demand of any such successor, Tenant will execute and deliver an attornment agreement to evidence and confirm these attornment provisions provided that this agreement contains an agreement by the successor that it accepts Tenant as its tenant under the Lease from and after the date on which the successor acquired the Premises.

XXIX. ATTORNEY'S FEES

If there is any action at law or in equity between Landlord and Tenant to enforce any provision or right hereunder, then Landlord, if the successful party in such action, will be entitled to recover all costs and expenses, including reasonable attorney's fees, from the Tenant. If the Landlord recovers a judgment in any such action or proceeding, these costs and expenses will be included in and as a part of such judgment.

XXX. WAIVER

No waiver of any default or breach of any covenant by either party hereunder will be implied from any omission by either party to take action on account of such default if such default persists or is repeated. No express waiver will affect any default other than the default specified in the waiver, and then its waiver will be operative only for the time and to the extent therein in it. Waivers of any covenant, term or condition contained herein by either party will not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by either party to any act by the other party requiring further consent or approval will not be deemed to waive or render unnecessary the consent or approval to any subsequent similar acts.

XXXI. NOTICES

All notices, demands, requests, and other such communications under this Lease will be in writing (unless otherwise specified) and will be considered given if (i) addressed to the other party's Notice Address (as defined below) and mailed by certified mail, postage prepaid; or (ii) delivered to the Notice Address by hand or by recognized national overnight courier such as Federal Express. Notices, demands, requests, and other such communications will be considered to have been given either (a) one day after the date on which it is mailed by certified mail, postage prepaid, addressed to the Notice Address, or (b) if transmitted by another method, on the date received, refused, or returned as not deliverable. A party's "Notice Address" will initially be the Landlord's Initial Notice Address or Tenant's Initial Notice Address, as the case may be, as set out in Article I of this Lease, but each party may designate a new Notice Address from time to time by no less than 15 days' prior notice to the other party.

XXXII. SURRENDER; HOLDING OVER

A. Tenant's Obligation to Surrender at the end of the Term. At the expiration or sooner termination of this Lease, Tenant will return the Premises to Landlord in the condition in which Tenant is required to maintain the Premises under this Lease, broom clean and free from trash, and will deliver all keys to the Premises to Landlord. Tenant hereby waives all notice to vacate under La. Code Civ. P. art. 4701 or any other provision of law, and waives any right under La. Civ. Code art. 2721 to claim that this Lease has reconducted by Tenant's holding over unless Landlord has agreed in writing that Tenant may stay after the expiration or termination date. If Tenant stays in the Premises with Landlord's consent, then this Lease will become a month-to-month lease, on the same terms that were in effect prior to the expiration date, except that either party may terminate this Lease, effective as of the last day of any calendar month, by notice given to the other 10 days before the end of that calendar month.

B. Liquidated Damages if Tenant Holds Over Without Consent. If Tenant does not surrender the Premises to Landlord on the expiration or sooner termination date in the condition required in this Lease and with all of the Tenant's Property having been removed, but instead holds over after Landlord has demanded in writing that Tenant vacate the Premises, Tenant will pay Landlord for each day of Tenant's continued occupancy, a liquidated damages amount equal to 5 times the daily rate of Annual Base Rent plus Common Area Rent and Advertising Rent payable under this Lease immediately prior to the expiration or sooner termination date. The assessment or payment of these liquidated damages will not extend the term of this Lease, give Tenant any right to remain in possession of the Premises after the expiration or sooner termination of this Lease, or waive any of the Landlord's rights under this Lease to evict Lessee or to collect any additional damages to which it may be entitled.

XXXIII. FORCE MAJEURE

If either party is delayed, hindered, or prevented from performing any obligation under this Lease by strikes, acts of God, lockouts, labor disputes, inability to procure materials, failure of power, riots or insurrection, governmental takings, or other causes of this nature that are not the fault of such party ("Force Majeure"), then the period for the performance of the obligation will be extended for the period during which the performance is hindered or prevented by the Force Majeure; however, promptly after the occurrence of the Force Majeure event, the affected party will provide written notice to the other party setting out the nature of this event, its effect on the affected party's ability to perform its obligations under this Lease, and the expected duration of the delay. Force Majeure will not operate to excuse Tenant from the prompt payment of Rent or any other payments required by this Lease, and a lack of funds will in no event constitute Force Majeure.

XXXIV. MISCELLANEOUS

A. Time. Time is of the essence hereof.

B. Captions. The captions in this Lease are for convenience only and will not in any way limit or be deemed to construe or interpret the terms and provisions hereof.

C. Words. The words "Landlord" and "Tenant," as used herein, will include the plural as well as the singular. Words used in the neuter gender include the masculine and feminine. If more than one person or entity executes this Lease as Tenant, each such person or entity will be individually and solidarily liable for the full payment and performance of all of the obligations of the Tenant under this Lease.

D. Choice of Law; Jurisdiction. This Lease will be construed and enforced in accordance with the laws of the State of Louisiana. Tenant hereby irrevocably and unconditionally submits, for itself and its property, to the sole and exclusive jurisdiction of the Civil District Court of the Parish of Orleans, State of Louisiana, and any appellate court thereof, in any action or proceeding arising out of or relating to this Lease or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in that state court. Tenant hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Lease in the Civil District Court of the Parish of Orleans, State of Louisiana. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in that court.

E. Amendment. This Lease cannot be amended, altered or modified in any way except in writing signed by the parties hereto.

F. Brokerage Fees. Tenant represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease, and Tenant agrees to indemnify Landlord against all liabilities arising from any such claim, including cost of counsel fees, if such claim arises by reason of acts or omissions of Tenant.

G. Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION, AND (C) IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

H. Complete Agreement. This Lease contains all terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental and use and occupancy of the Premises. No prior agreement or understanding pertaining to the Premises or their use and occupancy will be valid or of any force or effect.

I. Payments Due on Non-Business Days. Whenever any payment is due under this Lease on a Saturday, Sunday, or other day that is a holiday during which Landlord’s offices are officially closed (each such day is a “Non-Business Day”), then the day on which this payment is due will be extended to the next succeeding day that is not a Non-Business Day.

J. Exhibits. All Exhibits attached to and referenced in this Lease form an integral part of this Lease for all purposes.

XXXV. NOTICE OF LEASE

Tenant will not record this Lease. However, either Landlord or Tenant will, upon request of the other, execute and deliver to the other a notice of this Lease for recording in accordance with La. R.S. §9:2742, or any successor to it. This notice of lease may be recorded at the expense of the party that desires recordation. If a notice of lease is recorded by either party, then at the end of the Term, Tenant will execute and deliver to Landlord any document that Landlord may require to stating that this Lease has terminated and canceling the notice of lease from the public records.

XXXVI. MULTIPLE LEASEHOLD POLICY

Attached hereto as **Exhibit F** is Landlord’s Multiple Leaseholds Policy that has been adopted by the Board of Directors of the French Market Corporation and that is applicable to the Premises. Tenant agrees to comply with such policy to the extent Tenant holds a lease with Landlord in addition to this Lease.

XXXVII. SUCCESSORS

All the terms, covenants and conditions hereof will be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto; provided, however, that nothing in this paragraph will be deemed to permit any assignment, subletting, or occupancy contrary to the provisions of this Lease.

**[REMAINDER OF PAGE INTENTIONALLY BLANK]
[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, this Commercial Lease has been executed in multiple originals
on the ____ day of _____, 20__.

LANDLORD:

FRENCH MARKET CORPORATION

WITNESSES:

BY: _____

Kathleen Turner

Executive Director

TENANT:

[INSERT FULL TENANT NAME]

WITNESSES:

BY: _____

[INSERT SIGNATORY NAME]

[INSERT TITLE]

GUARANTY

In consideration for and as an inducement to Landlord entering into this Lease with Tenant, each of the undersigned (each such signatory, a “Guarantor”) hereby solidarily, personally and unconditionally guarantees to Landlord, its successors and assigns, the full and punctual payment of all Annual Base Rent, Percentage Rent, Common Area Rent, Advertising Rent, and other amounts due by Tenant and the full and punctual performance and observance of all the other obligations of Tenant under the Lease (the Annual Base Rent, Percentage Rent, Common Area Rent, Advertising Rent, and other amounts payable by Tenant and Tenant’s other obligations under this Lease are, collectively, the “Obligations”), hereby binding itself, himself, or herself solidarily with Tenant for the full payment and performance of all of the Obligations as if an original promisor and tenant. Each Guarantor waives all requirements of demand and putting in default, all pleas of division and discussion, and all right to demand security from the principal obligor. This Guaranty will be and remain in effect until all of the Obligations have been fully paid, performed, and satisfied, and each Guarantor’s obligations and liability under this Guaranty will be open and continuous for so long as any of the Obligations remains outstanding. Capitalized terms used in this Guaranty and not defined in this Guaranty will have the meanings assigned to them in the Lease.

This Guaranty forms a part of the Lease for all purposes.

GUARANTOR(S):

EXHIBIT A
LEASED PREMISES FLOOR PLAN

SAMPLE

EXHIBIT B
FRENCH MARKET BUILDING MAP

SAMPLE

EXHIBIT C

PERMITTED USED

[INSERT PERMITTED USES LANGUAGE]

SAMPLE

EXHIBIT D
LANDLORD WORK LETTER

LANDLORD SHALL PROVIDE THE FOLLOWING:

Landlord shall not be obligated to undertake any Landlord Improvements to the Leased Premises other than the following:

None.

With the exception of the above-listed Landlord Improvements, the Leased Premises are accepted by Tenant in its as-is condition as of the Effective Date.

SAMPLE

EXHIBIT E
TENANT WORK LETTER

TENANT SHALL PROVIDE THE FOLLOWING:

All of the improvements to the Leased Premises required for the permitting and operation of Tenant’s business that are not undertaken by Landlord as Landlord’s Improvements pursuant to Exhibit D.

SAMPLE

EXHIBIT F
MULTIPLE LEASEHOLD POLICY

Statement of Principal

The French Market Corporation recognizes not only its responsibility to provide entrepreneurial opportunities to the citizens of the City of New Orleans, but its obligation to provide citizens a reasonable return from FMC leasing operations. To achieve both ends, the FMC must seek tenant diversity as well as tenant economic and operational strength through rigorous examination of all current and future lessees.

Need for Flexibility

Flexible application of any policy, including this policy, is essential to enable the FMC Board of Directors to act on a case-by-case basis to ensure and protect the best interests of the FMC and the quality and profitability of retail operations.

Applicability

This policy applies to all of The Shops at the Upper Pontalba and French Market tenants. This policy shall apply to current individual, corporate and partnership tenants as well as to potential lessee corporations or partnerships with different ownership structures, but whose shareholders or principals also have substantial ownership or partnership interests in existing tenant FMC leaseholds.

Multiple Leaseholds Defined

For the purposes of this policy “Multiple Leaseholds” in the Shops at the Upper Pontalba or French Market are defined as two or more separate and distinct retail spaces whether or not they are adjoining spaces.

Open Competition for Expiring Leases

To allow for tenant upgrades and to increase the competition for desired retail space, any existing tenant of the Shops at the Upper Pontalba or French Market may openly compete for spaces made available upon the expiration of a lease for space in The Shops at the Upper Pontalba or French Market, provided tenant agrees to give up his or her currently leased space.

Multiple Leaseholds Derived from Lease Assignments

The FMC understands that there may well be occasions wherein either the rights of the tenant or the best interests of the FMC are served by having an existing tenant take-over another tenant’s lease. Such cases may derive from the death or disability of the tenant and the absence of any other qualified assignees. But in these instances as in all lease assignments such assignment can be approved only after the assigning tenant has shown good faith efforts to achieve the widest possible public knowledge of the lease’s availability for assignment.