



CITY OF NEW ORLEANS

Deputy Mayor Jenny Mains, M.D.
Office of Economic Development

June 8, 2026

Aisha Collier
Clerk of Council
City Hall – Room 1E04
1300 Perdido Street
New Orleans, LA 70112

Re: Proposed Agreement with Mercy Partners, LLC

Madame Clerk,

Pursuant to Rule 57, please find attached a proposed agreement between the City of New Orleans and Mercy Partners, LLC and a completed contract summary form.

Respectfully submitted,

A handwritten signature in black ink that reads "J.M.O." in a stylized, cursive font.

Jenny Mains, M.D.
Deputy Mayor
Economic Development
jenny.mains@nola.gov

cc: Justyn Hawkins, City Council Chief of Staff
Ashley Becnel, City Council Executive Counsel
Liz Brusseau, Deputy Director for City Council Relations





**CONTRACT SUMMARY
TO ACCOMPANY REQUESTS FOR CONTRACT APPROVAL
BEFORE SUBMISSION TO CLERK OF COUNCIL**

Requesting Department or Agency: Office of Economic Development

Name of Contact Person: Andrew Bagnato

Telephone Number: 504-617-0650

Email Address: andrew.bagnato@nola.gov

Initials of Sponsoring Councilmember(s): _____

PROVIDE THE FOLLOWING CONTRACT DETAILS

1. **The purpose and need for the contract:** To establish a water retention control structure and system connected into the City's existing storm drainage system, which will be operated and maintained by the Sewerage and Water Board of New Orleans

2. **The parties involved:** Mercy Partners, LLC

3. **The obligations, expectations, and deliverables of the parties involved:** The City will lease from Mercy Partners the land located at 301 N. Norman C. Francis Pkwy., New Orleans, LA 70119, formerly known as the Lindy Boggs Medical Center

4. **The duration of the contract:** 99 years

5. **The cost and any fiscal implications of the contract for the City:** n/a - The City has already received the necessary approvals for the expenditure of \$11,500,000 towards the Project via CEA. There is no additional "rent" for this lease.

6. **Describe disadvantaged business enterprise (DBE) participation:** N/A - DBE goals do not apply to leases.

LEASE OF LAND

STATE OF LOUISIANA

BY

PARISH OF ORLEANS

MERCY PARTNERS, LLC

CITY OF NEW ORLEANS

TO

CITY OF NEW ORLEANS

BE IT KNOWN that on the dates set forth below, before us, duly commissioned and qualified Notaries Public in and for the Parish and State aforesaid, and the undersigned competent witnesses, in whose presence this act is passed and executed this day in my office, personally came and appeared:

- (1) **MERCY PARTNERS, LLC**, a Louisiana limited liability company, with a permanent mailing address of 1000 South Norman C. Francis Parkway, New Orleans, LA 70125, herein represented by Paul H. Flower, its Manager, duly authorized to appear herein on its behalf (hereinafter referred to as “Lessor”), and
- (2) **THE CITY OF NEW ORLEANS**, herein represented by Helena N. Moreno, its Mayor, acting under and by virtue of authorization contained in Ordinance No. _____ M.C.S., adopted on _____, 2026, a certified copy of which is annexed hereto and made a part hereof (The City of New Orleans being hereinafter referred to as “City” or “Lessee”).

WHO DECLARED THAT:

For and in consideration of the rents hereinafter stipulated to be paid by Lessee, the parties rights and obligations under that certain Cooperative Endeavor Agreement dated _____, 2026 (the “CEA”), and of the performance and observance by Lessee of the covenants, conditions, and stipulations hereinafter contained, Lessor has leased, let, and demised unto Lessee, its successors and assigns, the following described property belonging to the Lessor (hereinafter collectively referred to as “Leased Premises”):

A. The subsurface located below the existing first floor building slab, or any replacements thereof or adjustments thereto, of the tract of land described on Exhibit A attached hereto and incorporated herein (the “Retention Area”).

B. The subsurface portions of Lessor’s property described on Exhibit B attached hereto and incorporated herein (the “Leased Inflow & Outflow Areas”). For clarity, the “Leased Inflow & Outflow Areas” shall not include any property located within the public right-of-way.

Lessee agrees and acknowledges the Leased Premises only includes the subsurface of the land described on Exhibit A and Exhibit B and shall not include the use of the surface of such tracts or any improvements constructed thereon or the right to construct any improvements on the surface of such tracts.

I. TERM

1.1 This Lease shall be binding upon the parties effective as of the date last executed by Lessee and Lessor. The original Term of this Lease shall be ninety-nine (99) years (the “Term”), commencing on the Delivery Date (provided below), with no renewals. As used herein the term “Lease Year” shall mean the twelve (12) month period during the Term commencing on the Delivery Date and each successive twelve (12) month period thereafter included in the Term of this Lease and, if the termination of the Term of this Lease does not coincide with the expiration of such twelve (12) month period, Lease Year shall mean the portion of such twelve (12) month period before such termination.

II. RENT

2.1 This Lease is made for and in consideration of a total payment of \$11,500,000.00 of rent, which is payable in accordance with the payment schedule described in the CEA, and for Lessor's and Lessee's performance of their respective obligations under the CEA.

2.2 Payment of rent shall be made at 1000 South Norman C. Francis Parkway, New Orleans, LA 70125, or at such other place as the Lessor shall designate in writing.

2.3 Intentionally Omitted.

III. USE OF THE LAND

3.1 Lessee is granted the right during the Term of this Lease to the exclusive use the Leased Premises (except as set forth in Section 3.8) for the following (collectively, the "Improvements"):

(a) a storm water drainage retention facility within the Retention Area and (b) inflow and outflow infrastructure within the Leased Inflow & Outflow Area designed to convey stormwater between the Retention Area and the public storm water drainage facilities located outside Lessor's property within the public right-of-way (the "Public Inflow & Outflow Areas"). Lessor shall, at its sole cost and expense, construct the Improvements substantially in accordance with the plans and specifications attached hereto as Exhibit C (the "Plans and Specifications") and otherwise in accordance with all City, State, and Federal laws, ordinances, codes, and regulations. No material changes (each, a "Change") may be made to the Plans and Specifications without the prior written consent of Lessee, which consent shall not be unreasonably conditioned, delayed or withheld. Within fifteen (15) days following receipt of Lessor's proposed Change, which request must clearly show the requested Change, Lessee shall deliver to Lessor its written approval or rejection thereof. If Lessee fails to provide any such approval or rejection within said 15-day period, Lessor's proposed Change shall be deemed approved by Lessee. In the event Lessee does not

approve Lessor's Change, Lessee shall provide detailed written reasons for such disapproval, and Lessor shall promptly thereafter resubmit the Change to Lessee, and the process shall be repeated until the Change has been approved, or deemed approved, by Lessee. The Plans and Specifications, with any approved Changes incorporated therein, shall be deemed added to this Lease as Exhibit C. The date Lessor substantially completes construction of the Improvements and Lessee accepts possession of the Improvements in writing is the "Delivery Date".

3.2 On the Delivery Date, Lessor shall donate the portion of the Improvements located within the Public Inflow & Outflow Areas (the "Off-Premises Improvements") to Lessee for the use and benefit of the Sewerage and Water Board of New Orleans ("SWBNO") on the terms and conditions described in the CEA. Lessee hereby grants Lessor, its successors or assigns, an irrevocable and transferable license commencing on the Effective Date and expiring one (1) year after the termination or expiration of this Lease, to enter upon Public Inflow & Outflow Areas for purposes of constructing the Off-Premises Improvements and exercising Lessor's rights and remedies under Section 3.6 and 5.1(b) of this Lease. After the Delivery Date, Lessor shall have no financial obligations associated with the maintenance, repair, and replacement of the Off-Premises Improvements. At all times during the Term after the Delivery Date, Lessee shall, at its sole cost and expense, keep and maintain the Off-Premises Improvements in good working order, condition, and repair, normal wear and tear excepted. In the event Lessee fails to perform its obligations after the expiration of the cure period provided in Section 5.1(b) and Lessor chooses, at its option, to perform Lessee's obligations, Lessee shall be obligated to immediately reimburse Lessor for any expenses Lessor incurs as a result of Lessee's failure to satisfy its obligations under this Section 3.2. Lessor shall be entitled to use City water from fire hydrants located on or adjacent to

Lessor's property free of charge in connection with Lessor's maintenance obligations under this Lease.

3.3 The Improvements located on the Leased Premises, including the Retention Area and the Leased Inflow & Outflow Areas, are referred to collectively herein as the "On-Premises Improvements". At all times during the Term, Lessor shall, at its sole cost and expense, keep the On-Premises Improvements in good working order, condition, and repair, normal wear and tear excepted. In the event Lessor fails to perform its obligations after the expiration of the cure period provided in Section 5.1(b) and Lessee chooses, at its option, to perform Lessor's obligations, Lessor shall be obligated to immediately reimburse Lessee for any expenses Lessee incurs as a result of Lessor's failure to satisfy its obligations under this Section 3.3. Notwithstanding anything to the contrary contained herein, Lessor's aggregate obligation to maintain the On-Premises Improvements in the condition required by this Section 3.3 shall not exceed \$65,000.00 (the "Maintenance Cap") for the first five (5) consecutive Lease Years of the Term (and together with each consecutive period of five Lease Years, each a "Maintenance Cap Period"). Effective upon the first day of the second Maintenance Cap Period and continuing thereafter on the first day of each Maintenance Cap Period during the Term, the Maintenance Cap shall increase by five percent (5%) over the Maintenance Cap for the prior Maintenance Cap Period. If the cost of maintenance exceeds the Maintenance Cap in any given Maintenance Cap Period (the "Maintenance Shortfall"), then Lessor shall be entitled to reimbursement equal to the Maintenance Shortfall from funds under the EDD CEA (as defined in the CEA) on the terms and conditions described in the EDD CEA. If the available funds under the EDD CEA (the "EDD Funds") are not sufficient to cover the applicable Maintenance Shortfall, then Lessor may use the EDD Funds collected in future years to satisfy the applicable Maintenance Shortfall on the terms and conditions described in the EDD

CEA. Lessor shall regularly inspect the condition of the On-Premises Improvements and shall, upon Lessee's advance written request, provide Lessee with a detailed written inspection report regarding the condition of the Improvements, provided, however, Lessor shall have no obligation to provide such written inspection report more often than once during each Maintenance Cap Period. Lessee shall, or shall cause SWBNO to, inspect the condition of the Off-Premises Improvements on an annual basis and shall, upon Lessor's advance written request, provide Lessor with a detailed written inspection report regarding the condition of the Improvements.

3.4 Lessor shall be solely responsible for securing the Retention Area with a lock and for any other security to the On-Premises Improvements as Lessor deems necessary in its discretion. Any and all activities relating to, on, or within any and all areas of the Leased Premises and On-Premises Improvements shall be the sole responsibility of the Lessor.

3.5 Prior to the signing of this Lease, Lessor and Lessee shall each have verified to its satisfaction that the intended use of the Leased Premises and Improvements complies with all applicable zoning laws, regulations, ordinances, and all other city, state, and federal laws.

3.6 Lessee shall surrender the On-Premises Improvements and the Leased Premises to Lessor at the termination of this Lease and Lessee shall cooperate with Lessor's efforts to close the point of connection between the On-Premises Improvements and the Off-Premises Improvements.

3.7 After the Delivery Date, Lessor shall not alter or modify the Improvements without Lessee's prior written approval of plans and specifications for such alterations or modifications, which approval shall not be unreasonably conditioned, delayed or withheld. Notwithstanding the foregoing, alterations in the ordinary course of Lessor's maintenance and repair obligations or in connection with Lessor's rights under Section 3.8 of this Lease shall not require Lessee's approval, provided that any such alterations or modifications do not materially diminish or impair the

capacity or function of the Improvements. All alterations of the Improvements shall be at Lessor's sole cost and expense.

3.8 Lessee agrees and acknowledges that Lessor intends to construct improvements on the surface of the land above the Leased Premises. Provided that none of the following activities will permanently or materially interfere with Lessee's use and enjoyment of the Improvements, it is expressly understood and agreed that Lessor may, at its sole option, and without Lessee's consent, and further without incurring any liability to Lessee and without it constituting an eviction: (i) construct new buildings, improvements or other constructions, or alter or remove same, on or above the surface of the land on which the Leased Premises are a part; (ii) construct, change and add to the risers, foundations, support columns, plenums, electrical wires, pipes, conduits, and ducts or other structural and nonstructural installations in the Leased Premises where desirable to serve Lessor's buildings, improvements or other constructions or to facilitate the construction, maintenance, repair, replacement, expansion or alteration of the Lessor's buildings, improvements or other constructions; (iii) temporarily obstruct or close off the Leased Premises or parts thereof, including the Improvements, and/or block the inflow and outflow of stormwater from the Improvements or other drainage improvements connecting to the Improvements for the purpose of maintenance or repairs, to remodel, construct or expand the Lessor's buildings, improvements or other constructions, or to undertake any other activity permitted under this Lease, including in connection with Lessor's rights under Section 3.3 or under this Section 3.8; (iv) grant third parties easements or servitudes within the Leased Inflow & Outflow Areas provided that such easements or servitudes do not permanently or materially interfere with Lessee's use of the Leased Inflow & Outflow Areas; (v) drain stormwater from the Leased Premises and Lessor's surrounding land and improvements into the Improvements located on the Leased Premises; and/or (vi) alter, modify

(including the elevation of the slab), or replace the slab located above the Retention Area and Lessee hereby acknowledges such slab shall not be part of the Leased Premises. Lessor and its employees, agents and contractors shall have access to the Leased Premises at all times during the Term for the purposes of inspecting the Leased Premises and for the purposes set forth in this Section 3.8.

IV. INSURANCE AND INDEMNITY

4.1 Notwithstanding anything to the contrary in this Article IV, Lessee shall retain the right to “Self-Fund” for any and/or all the insurance coverages as required under this Lease.

4.2 Subject to Section 4.1, Lessee shall purchase and maintain for the duration of the Lease insurance against claims, demands, lawsuits, or actions of any kind for injuries to or death of persons or damages to or destruction of property which may arise from or in connection with the Lessee’s use of the Leased Premises. The cost of such insurance shall be borne solely by the Lessee and shall be subject to the following requirements:

4.2.1. MINIMUM SCOPE AND LIMITS OF INSURANCE

a. Commercial General Liability

Commercial General Liability insurance, including Personal and Advertising Injury Liability, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general annual aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or similar acceptable to the Lessor, is to be used in the policy.

b. Intentionally Omitted

c. **Property Insurance**

Upon the Delivery Date, property insurance against all risks of loss to any of the Improvements or Lessee's betterments at full replacement cost with no coinsurance penalty provision.

d. **Umbrella Policy**

An umbrella policy of at least \$10,000,000 per occurrence.

e. **Worker's Compensation**

A policy or policies of worker's compensation insurance in the minimum amount required by law.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the Lessor requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Lessee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Lessor.

4.2.2. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and accepted by the Lessor. The Lessee shall be solely responsible for all deductibles and self-insured retentions.

4.2.3. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

- a. Commercial General Liability & Umbrella Policy. The Lessor, its officers, agents, employees and volunteers and Lessor's mortgagees and ground lessees shall be named as an additional insured on the Lessee's Commercial General Liability Policy and Umbrella Policy as regards negligence of the Lessee and liability arising out of the use of and operations within the Leased Premises by Lessee. ISO Form CG 20 10 (for ongoing work),

or equivalent, is to be used when applicable during construction. ISO Form Endorsement Additional Insured—Owners, Lessees or Contractors—Completed Operations (CG 20 37), or equivalent acceptable to the Lessor, is to be used to provide additional coverage for injury or damage that occurs after the work is completed—work that is included within the “products-completed operations hazard.” ISO Form Additional Insured—Managers or Lessors of Premises (CG 20 11), or equivalent acceptable to the Lessor, is also to be used. The coverage shall contain no special limitations on the scope of protection afforded to the Lessor.

- b. The Lessee’s insurance shall be primary coverage, at least as broad as ISO Form CG 20 01 04 13, as respects the Lessor, its officers, agents, employees and volunteers. Any insurance or self-insurance maintained by the Lessor shall be excess and non-contributory of the Lessee’s insurance.
- c. Lessee and its insurers agree to waive any right of subrogation which any insurer may acquire against the Lessor by virtue of the payment of any loss under insurance required by this contract.
- d. All Coverages
 - i. Each insurance policy required above shall provide that coverage shall not be canceled, except with prior notice to the Lessor of no less than 60 days.
 - ii. The acceptance of the completed work, payment, failure of the Lessor to require proof of compliance, or Lessor’s acceptance of a non-compliant certificate of insurance shall not release the Lessee from the obligations of the insurance requirements or indemnification agreement.

- iii. The insurance companies issuing the policies shall have no recourse against the Lessor for payment of premiums or for assessments under any form of the policies.
 - iv. Any failure of the Lessor to comply with reporting provisions of the policy shall not affect coverage provided to the Lessor, its officers, agents, employees and volunteers.
- d. The obligations for Lessee to procure and maintain insurance shall not be construed to waive or restrict other obligations. It is understood that neither failure to comply nor full compliance with the foregoing insurance requirements shall limit or relieve Lessee from any liability as a result of their activities/operations in conjunction with this Lease.

4.2.4. ACCEPTABILITY OF INSURERS

All required insurance shall be provided by a company or companies lawfully authorized to do business in Louisiana. Insurance is to be placed with insurers licensed and authorized to do business in the State of Louisiana with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Lessor. If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Lessee shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance within 30 days.

4.2.5. VERIFICATION OF COVERAGE

- a. Lessee shall furnish the Lessor with Certificates of Insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by the Lessor before work commences and upon any contract renewal or insurance policy renewal thereafter.

- b. The Certificate Holder shall be listed as follows and be delivered via US Mail to:

MERCY PARTNERS, LLC
1000 South Norman C. Francis Parkway
New Orleans, LA 70125

Lessee shall update the information and address for the Certificate Holder upon the Lessor's request.

- c. In addition to the Certificates, Lessee shall submit the declarations page for each insurance policy and copies of all required Additional Insured Endorsements. The Lessor reserves the right to request complete certified copies of all required insurance policies at any time.

4.2.6. INDEMNIFICATION/HOLD HARMLESS AGREEMENT

- a. Lessor agrees to protect, defend, indemnify, save, and hold harmless, Lessee and its officers, directors, officials, agents, servants, employees, advisors, consultants, contractors, subcontractors, volunteers, or other representatives (collectively, the "Lessee Indemnitees"), from and against any and all claims, demands, lawsuits, actions, damages, expenses, and liability for injury or death to any person, including, without limitation, employees, agents, contractors, and invitees of Lessee or employees, agents, contractors, and invitees of the Lessor, or the damage, loss, or destruction of any property, including, without limitation, property of either Lessee or the Lessor, or other loss or damage incurred by Lessor, which may occur, arise out of, or in any way relate to: (i) the acts, omissions, or misconduct of Lessor, its employees, agents, servants, officers, directors, visitors, students, contractors, or subcontractors; (ii) the breach by Lessor of any of its obligations under this Lease; or (iii) the operations within and use of the Leased Premises or the Improvements by Lessor, its employees, agents, servants, officers, directors, visitors, students, contractors, or subcontractors. The obligation to indemnify shall extend to and encompass all costs incurred by Lessee and any Lessee Indemnitee in defending such claim, demand,

lawsuit, action, or liability, including, without limitation, attorney, witness, and expert witness fees, and any other litigation related expenses.

- b. Lessee's obligations pursuant to this Section 4.2.6 will not extend to those claims, demands, suits, or causes of action arising out of the gross negligence or willful misconduct of Lessee and its officers, agents, servants, employees, and volunteers.
- c. Lessor has an immediate and independent obligation to, at Lessee's option: (a) defend Lessee and Lessee Indemnitees from or (b) reimburse Lessee and Lessee Indemnitees for their costs incurred in the defense of any claim, lawsuit, action, damage, expense, or liability that actually or potentially falls within this indemnity, even if: (i) the allegations are or may be groundless, false, or fraudulent; or (ii) Lessor is ultimately absolved from liability.
- d. Intentionally Omitted.

4.3 Subject to Section 4.1, at the end of every five (5) Lease Years there shall be a revaluation of the coverage amount of the comprehensive general liability insurance policy and excess/umbrella liability policy by the Lessor and the Lessee to determine if the limits are adequate. If the Lessor determines that the limits shall be raised, the Lessee shall implement such change within forty-five (45) days after its receipt of the written request from the Lessor.

V. DEFAULT

5.1 Conditions of Default: The following are conditions that constitute default under this Lease:

- a. If Lessee fails to fulfill any monetary obligations of Lessee to Lessor, and Lessee fails to cure such monetary default within ten (10) working days after written notice from Lessor to Lessee of such monetary default.

b. If Lessee or its designee fail to perform any of its other non-monetary obligations (including, without limitation, repair or maintenance of the Off-Premises Improvements) under this Lease when due or called for, and fails to cure such non-monetary default within thirty (30) working days after written notice from the Lessor; provided, however, that (i) if the nature of the non-monetary default is the result of a force majeure occurrence or is otherwise of a nature such that it cannot be fully cured within that thirty (30) day period, Lessee shall have such additional time as is reasonably necessary to cure the default so long as Lessee is proceeding diligently to complete the necessary cure and (ii) if the non-monetary default results in an emergency involving possible injury to property or persons in or around the Leased Premises then no advance notice shall be required for Lessor to exercise its remedies under Section 5.2(f) below.

c. If Lessee shall be adjudged bankrupt, or a receiver be appointed for Lessee's property, or if Lessee's interest in this Lease shall pass by operation of law to any person or legal entity other than Lessee, or on the occurrence of dissolution, financial failure, or insolvency, and such adjudication, appointment, or order is not vacated, dismissed, or set aside within thirty (30) days from its entry.

5.2 Remedies for Default: If any of the conditions of default outlined above in Section 5.1 are found to exist, following the notice and cure rights set above, then the Lessor's remedies are as follows:

a. Intentionally Omitted.

b. For all other conditions of default, if Lessee does not cure the default, the Lessor may, after the expiration of the notice and cure periods set forth in this Lease, elect to terminate this Lease immediately and seek all remedies as provided under law and equity. Notwithstanding anything to the contrary in this Lease, Lessee agrees and acknowledges that all rent and other amounts paid by Lessee to Lessor, including, but not limited to prepaid rent, shall be fully earned

upon payment and Lessee shall not be entitled to a refund of any such amounts upon termination of this Lease.

c. Intentionally Omitted.

d. If the Lessor elects to terminate this Lease for failure by Lessee to cure any of the conditions of default or at the expiration of the Term, Lessor shall, at its sole cost and expense, within thirty (30) days of such termination, close the Improvements, including blocking the inflow and outflow of stormwater at the point of connection between the Leased Premises and the Off-Premises Improvements, redirect all stormwater to detention areas located outside of the Leased Premises, and otherwise secure the Leased Premises to prevent further use for the purposes set forth in this Lease, all in a good workman like manner and in accordance with applicable laws. The obligations in this Section 5.2(d) shall survive the expiration or termination of this Lease.

e. If the Lessor at any time by reason of Lessee's default pays any sum or does any act that requires payment of any sum, the sum paid by the Lessor shall be immediately due and owing by Lessee to the Lessor at the time the sum is paid.

f. In the event Lessee fails to perform its obligations under this Lease, and Lessor chooses, at its option, to perform Lessee's obligations, Lessee shall be obligated to immediately reimburse the Lessor for any expenses the Lessor incurs as a result of Lessee's failure to satisfy such obligations.

g. If the Lessor institutes legal proceedings to enforce any of its rights or remedies under this Lease, then the Lessor shall be entitled to a recovery of reasonable attorneys' fees, costs, and other expenses reasonably incurred by way of such action.

h. All rights and remedies provided under this Lease are cumulative and may be pursued singularly, or in any combination, and in any order. Further, Lessor shall have the right to pursue any one or all such remedies that may be provided in law or equity.

i. The failure to enforce any of the terms of this Lease will in no event be deemed a waiver of the right to enforce the terms and provisions at a later time.

VI. ASSIGNMENT

6.1 Except as herein provided, Lessee may not assign, mortgage or encumber this Lease in whole or in part, nor sublet all or any portion of the Leased Premises or Improvements, without the prior written consent of Lessor, which may be granted or withheld in Lessor's sole discretion. Such assignment shall require the assignee to undertake all of Lessee's obligations under this Lease and shall include the Lessor as intervenor.

6.2 The consent by Lessor to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting.

6.3 No assignment, under letting, occupancy, or collection shall be deemed acceptance of the assignee, subtenant, or occupant as Lessee. Similarly, no assignment, under letting, occupancy, or collection shall be deemed a release of Lessee from further performance by Lessee of the covenants and requirements of this Lease on the part of Lessee, including, but not limited to the provisions of Sections II and III.

6.4 This prohibition against assignment or subleasing includes those by operation of law, legal process, receivership, bankruptcy, or otherwise, whether voluntary or involuntary.

6.5 The Lessee, by its acceptance hereof, acknowledges that Lessor may mortgage or collaterally assign its interest in and to this Lease and the leasehold estate created hereunder to lenders providing financing to Lessor.

6.6 Notwithstanding anything to the contrary contained in this Lease, any assignment in contravention of this Section shall constitute a default under this Lease and shall be null, void, and unenforceable.

6.7 Lessor may, without the need for prior written consent of Lessee, assign this Lease in connection with the sale, transfer, ground lease or mortgage of the Leased Premises. Furthermore, Lessor may subject the Leased Premises to a condominium regime or remove the Leased Premises from a condominium regime. This Lease shall in all respects be junior and subordinate to any mortgages, ground leases or other matters of record and subject to all of the provisions contained therein. In the event of any conflict between the terms of this Lease and any other matters of record, the provisions of the other matters of record shall prevail. Notwithstanding anything to the contrary in this Section 6.7, and upon payment by Lessee of all of the rent herein provided and the observation and performance of all of the covenants, terms and conditions on Lessee's part to be observed and performed, Lessee shall quietly hold and enjoy the Leased Premises for the Term without hindrance or interruption by Lessor or any other person or persons lawfully or suitably claiming by, through or under Lessor, subject to the terms and conditions of this Lease. This Lease and the rights of Lessee shall, at Lessor's option, be at all times subject and subordinate to any mortgage or deed of trust (as the same may be renewed, replaced, modified, extended or consolidated) hereafter encumbering Lessor's interest in the Leased Premises, provided that any such lender or mortgagee ("Mortgagee") shall execute an agreement in form and substance reasonably acceptable to Lessee agreeing that Lessee's rights under this Lease shall not be disturbed by reason of any foreclosure or other exercise of rights by such Mortgagee so long as Lessee is not in default beyond any applicable notice or curative period. Lessee agrees to attorn to any Mortgagee holding a beneficial interest in a mortgage or deed of trust, purchaser at a

foreclosure sale or grantee of a deed in lieu of foreclosure. Any Mortgagee may at any time elect to cause this Lease to have priority over its mortgage by executing unilaterally an instrument subordinating its mortgage to this Lease, or accepting a mortgage containing a clause providing for such subordination. Lessee shall, within thirty (30) days after Lessor's request, execute, acknowledge and deliver any and all instruments reasonably required by Lessor or Lessor's Mortgagee to ratify or confirm the foregoing.

VII. ESTOPPEL CERTIFICATION

7.1 Either party shall, without charge, and at any time, within thirty (30) days after written request of the other, certify by written instrument duly executed and acknowledged to any mortgagee or purchaser, or proposed mortgagee or proposed purchaser, or any other person, firm, or corporation specified in such request: (a) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity of the Lease and that the Lease is in full force and effect; (c) as to the existence of any default hereunder; (d) as to the existence of any offsets, counterclaims, or defenses hereto on the part of such other party; (e) as to the commencement and expiration dates of the terms of this Lease and whether there are any remaining options to extend the Lease; and (f) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the party requesting it and any other person, firm, or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing same.

VIII. NOTICE

8.1 All notices, demands, and requests which may or are required to be given by either party to the other shall be in writing. All notices, demands, and requests by the Lessor to Lessee shall

be deemed to have been properly given if served personally on Lessee or if sent by United States Postal Service, registered mail, postage prepaid, addressed as follows:

To Lessee: Director
 Office of Community Development
 1340 Poydras Street, Suite 1000
 New Orleans, Louisiana 70112

and

Director
Department of Public Works
1300 Perdido Street, Suite 6W03
New Orleans, Louisiana 70112

With a Copy to: City Attorney
 1300 Perdido Street, Room 5E03
 New Orleans, Louisiana 70112

And With Copy to: Real Estate Administrator
 Division of Real Estate and Records
 1300 Perdido Street, Room 5W06
 New Orleans, Louisiana 70112

or at such other place as Lessee may from time to time hereafter designate in written notices to the Lessor. All notices, demands, payments, and requests by Lessee to the Lessor shall be deemed to have been properly given or made if served personally on, or if sent by United States Postal Service, registered mail, postage prepaid, addressed as follows:

To the Lessor: 1000 South Norman C. Francis Parkway
 New Orleans, LA 70125
 Attn: Paul Flower

With a copy to: Kevin Leftwich
 Jones Walker, LLP
 201 St. Charles Ave., 50th Floor
 New Orleans, LA 70170

or at such other place as Lessor may from time to time hereafter designate in a written notice to Lessee.

IX. AS-IS CONDITION AND WAIVER OF WARRANTY

9.1 Lessee accepts possession of the Leased Premises as of the Delivery Date “as-is, where-is” and without any warranty whatsoever. Lessee waives any rights or claims against Lessor for damages or losses resulting from (i) defects existing on the Leased Premises as of the Delivery Date, if any, including hazardous materials, or (ii) Lessee’s use of the Lease Premises, including any and all acts or omissions of Lessee, and its and their volunteers, students, vendors, contractors, subcontractors, employees, agents, or invitees. EXCEPT AS EXPRESSLY SET FORTH HEREIN, LESSEE HEREBY WAIVES ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES ON THE PART OF LESSOR, INCLUDING, BUT NOT LIMITED TO, ALL WARRANTIES THAT THE LEASED PREMISES ARE SUITABLE FOR THE USED PERMITTED HEREIN OR ARE FREE FROM VICIS, DEFECTS, OR DEFICIENCIES, WHETHER HIDDEN OR APPARENT, AND IF THE LEASED PREMISES ARE LOCATED IN LOUISIANA, ALL WARRANTIES UNDER LA. CIV. CODE ARTS. 2682(2), 2684, 2691, OR 2696-2699, OR ANY OTHER PROVISION OF LAW.

BY INITIALING BELOW, LESSEE EXPRESSLY ACKNOWLEDGES THAT LESSEE HAS READ THIS WAIVER, HAS HAD IT BROUGHT TO LESSEE’S ATTENTION, HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH ITS ATTORNEY, AND THAT LESSEE UNDERSTANDS AND ACCEPTS ITS TERMS.

Initials of Lessee’s Authorized Representative

X. MANDATORY CITY LEASE PROVISIONS

10.1 Inspector General Statement: This section is intended to meet the statement requirements regarding the City of New Orleans Office of Inspector General, as codified in the Code of the City

of New Orleans Chapter 2, Article XIII, Section 2-1120 (20), as per Ordinance No. 24395 M.C.S. Lessor will abide by all provisions of City Code Section 2-1120, including but not limited to City Code Section 2-1120 (12), which requires the Lessor to provide the Office of Inspector General with documents and information as requested as related to this Lease. Failure to comply with such requests shall constitute a material breach of this Lease. In signing this Lease, the Lessor agrees that it is subject to the jurisdiction of the Orleans Parish Civil District Court for purposes of challenging a subpoena. Lessor further hereby expressly and explicitly agrees to cooperate with the Inspector General in any investigation, audit, inspection, performance review, or hearing pursuant to said chapter.

10.2 Convicted Felon Statement: The Lessor complies with §2-8(c) of the Code of the City and no principal or official of the Lessor has, within the preceding five years, pled guilty to or been convicted of a felony under state or federal statutes for embezzlement, theft of public records, bribery, falsification or destruction of public records, and/or receiving stolen property.

10.3 Non-Solicitation Statement: Lessor has not employed or retained any company or person, other than a bona fide employee working solely for him, to solicit or secure the subject contract. Lessor has not paid or agreed to pay any person, other than a bona fide employee working for him, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the subject contract.

XI. MISCELLANEOUS

11.1 This Lease and the performance thereof shall be governed, interpreted, construed, and regulated by the laws, ordinances, and codes of the City, the State of Louisiana, and the United States Federal Government.

11.2 Lessee shall pay the cost of promulgation of the Ordinance authorizing this Lease.

11.3 The covenants and agreements contained in this Lease shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

11.4 The Leased Premises and Improvements described above may not interfere with any servitude for public utility facilities for private and public utility companies and said utility companies shall have the right of ingress and egress to and around the Improvements with vehicles and equipment at any and all times.

11.5 Intentionally Omitted.

11.6 Lessee shall pay all real estate taxes and assessments imposed upon the Leased Premises, if imposed by any governmental body.

11.7 In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision, and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

11.8 Both parties acknowledge that public and private utilities will be allowed to cross the Leased Premises, if needed, to provide their appropriate services to property within the area.

11.9 Lessor and Lessee shall comply with all applicable zoning laws, ordinances, and regulations of the City of New Orleans, as well as all applicable State or Federal laws, codes, and regulations.

11.10 Because of the nature and complexity of the obligations to be undertaken under this Lease, the parties agree that nonbinding mediation shall serve as the initial method for resolving any disputes related to or arising out of the obligations contemplated under this Lease (each, a "Dispute"). Either party may initiate mediation by written notice to the other party identifying the Dispute and proposing at least three qualified, neutral mediators. The parties shall jointly select a

mediator within 15 days of the notice, and the mediation shall be held within 45 days thereafter, unless the parties agree in writing to extend these periods. The mediation shall take place in New Orleans, Louisiana, and the parties shall share the mediator's fees and expenses equally, provided that each party shall bear its own attorneys' fees and costs. Completion of one mediation session (lasting at least one full day, unless earlier terminated by the mediator) or 60 days having passed after the mediator's appointment, whichever occurs first, shall satisfy this requirement and shall be a condition precedent to the initiation of any lawsuit arising out of the same Dispute. In the event any dispute may not be reasonably resolved through mediation, the parties will consent to the jurisdiction of the State Civil Courts of the Parish of Orleans and will formally waive any pleas of jurisdiction on account of residence elsewhere.

[The remainder of this page is intentionally left blank]

(Signatures and Exhibits contained on the following pages)

THUS DONE AND PASSED in multiple originals on the _____ day of _____, 2026, in the presence of the undersigned competent witnesses, who hereunto sign their names with the said Appearers, and me Notary, after due reading of the whole.

WITNESSES:

LESSOR: **MERCY PARTNERS, LLC**

Signature

Print Name:

BY: _____

Print Name: Paul Flower

Its: Manager, Authorized Representative

Signature

Print Name:

NOTARY PUBLIC

THUS DONE AND PASSED in multiple originals on the ____ day of _____, 2026, in the presence of the undersigned competent witnesses, who hereunto sign their names with the said Appearers, and me Notary, after due reading of the whole.

WITNESSES:

LESSEE: **CITY OF NEW ORLEANS**

Signature

Print Name:

Signature

Print Name:

BY: _____,

HELENA MORENO, MAYOR
CITY OF NEW ORLEANS

APPROVED AS TO FORM AND
LEGALITY BY:

NOTARY

CITY OF NEW ORLEANS, CITY COUNCIL

BY: _____
CITY COUNCIL PRESIDENT

[EXHIBITS A-C CONTAINED ON THE FOLLOWING PAGES]

[Lessee's Signature Page]