

Louisiana ArtWorks Building
725 Howard Avenue
New Orleans, Louisiana 70113



For Additional Information, please contact:

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504-581-5005

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201 St. Charles Avenue, Suite 4411
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1. Marketing and Disposition Plan
2. Disposition Timeline
3. Louisiana ArtWorks Property Overview
4. Aerials, Floor plans, and Site plan
5. Letter of Intent Format
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Marketing and Disposition Plan

Corporate Realty has been retained by the Louisiana Artists Guild, a 501(c)(3) non-profit entity (d/b/a Louisiana ArtWorks), to assist Louisiana ArtWorks in the timely marketing and disposition of the Louisiana ArtWorks property at 725 Howard Avenue in New Orleans. Objectives of this marketing and disposition effort are as follows:

- (i) To sell the ArtWorks property in the most expeditious and efficient manner possible;
- (ii) To maximize the revenue (i.e. purchase price) to be generated;
- (iii) To select a purchaser that has the financial capabilities, experience, track record, and overall business plan to complete all necessary renovations and modifications to the property to put it into active commerce as soon as possible; and
- (iv) To select a purchaser whose intended and committed use of the property meets the legal requirements for “public purpose” as defined in the Louisiana Constitution, provided that an arts-related public purpose is preferred by the Seller.

To streamline and expedite this disposition process, we are providing all interested parties with as much building information on the property as possible. This information is summarized on the attachment entitled Louisiana ArtWorks Property Overview. Additionally, please note the following about the property and the disposition process:

The property, including all movable and immovable property, located at 725 Howard Avenue, is being sold absolutely “as is, where is” without any representations or warranties whatsoever including waivers of redhibition. All interested parties are expected to do their own due diligence. All physical due diligence, including property inspections, must take place prior to purchaser making an offer. Once offers are made and a purchaser is selected, the only closing contingencies will be for title and environmental.

In addition, the sale of the property is subject to the satisfactory resolution and release, in Seller’s sole discretion, prior to or contemporaneously with closing, of the mortgages encumbering the property in favor of the City of New Orleans and the State of Louisiana, Office of Community Development (together, the “Mortgages”). In the event that a satisfactory resolution of the Mortgages has not been reached, in Seller’s sole discretion, prior to the closing date set forth in the purchase agreement, Seller may elect, in its sole discretion, to extend the closing date in order for additional time in which to obtain the satisfactory resolution of the Mortgages. Alternatively, if, at any time, Seller determines that it is unable to achieve a satisfactory resolution of the Mortgages, Seller may terminate the purchase agreement.

- Attached is a Letter of Intent form that should be used for all offers. The terms and conditions outlined in this LOI form are the specific terms and conditions required by Seller, provided, however that the Seller shall have the right to require additional terms and conditions in its sole discretion.
- Corporate Realty is in possession of a full set of architectural and engineering plans for the property. These plans are dated 8/31/2001 and 4/22/2002 respectively, and were produced by Ronald Filson Architects and Moses Engineers. These are not final as-built plans but do appear to be the construction documents used in the actual renovation and construction of the property. Neither the Seller nor Corporate Realty warrant the accuracy of these plans or whether the property was constructed and renovated pursuant to these plans. These plans will be reproduced and made available to any prospective purchaser; however, the cost of such reproduction must be borne by each purchaser (approximately \$200.00 per set).

- **Offering Process:** All offerors should note the following and all offers submitted should include the following:

Once a prospective purchaser is selected, a Purchase and Sale Agreement will be negotiated that will provide the prospective Purchaser with 30 days for **Due Diligence for title and environmental only**. All physical inspections and other Due Diligence must take place prior to the prospective purchaser being selected. Attached is a Disposition Timeline providing key dates and deadlines for the marketing and disposition process. The Disposition Timeline is an estimated timeline only and the Seller reserves the right, in its sole discretion, to extend (but not shorten) the Disposition Timeline as circumstances may require. Also attached is a Letter of Intent (LOI) format that should be used by all prospective purchasers, provided, however, Seller also reserves the right to negotiate and modify the terms and conditions set forth in

Marketing and Disposition Plan, continued

the LOI and/or the purchase agreement. All offers must also include the following:

1. Letter of Introduction

This letter should clearly and succinctly explain your concept, why you are interested in this project, and your overall qualifications. Additionally, please include detailed information on your source(s) of equity and debt for this proposed acquisition and your proposed redevelopment.

2. Conceptual Plan

Profile your proposed development in a way you feel best illustrates your vision and ability to realize it, together with a timeline of your development process. In addition, a budget outlining the projected costs of such redevelopment, your sources of funds, and a general operating pro-forma is important.

3. Previous Experience

Please provide one or more examples of projects completed by your team and/or your team's members. Project descriptions should make it clear if a project was co-developed and respective roles the developers/investors played. Remember to include the following:

Name and location of the project and current status of the project;

Size and cost of the project;

Year started and completed;

Role of the responsible developer(s)/investor(s);

Photographs and drawings as necessary to properly communicate the project;

4. Structure and Description of your team

Please include in your description, a summary and resume of all key players on your team, the roles they will play, including contact information for each participant.

5. Public Purpose

Please include a very clear explanation of how your proposed project fits the Public Purpose definition and criteria defined in this Package, including a description of the arts-related public purpose, if applicable.

6. Letter of Intent

Please include a letter of intent using the template provided with this package.



Disposition Timeline

Note: The disposition timeline set forth below is an approximate timeline. The Seller reserves the right to negotiate the dates set forth in the timeline and in its sole discretion, to extend (but not shorten) such dates in the event that circumstances require an extension of time.

Wednesday, October 30 – Monday, December 2, 2013

- Distribution of Sales Package/Flyer.
- Tours of Property.
- Calls made to prospective purchasers.

Tuesday, December 3, 2013

(Receipt of Offers to Purchase)

- Non-binding Letters of Intent are due by the close of business (5:00 p.m. C.S.T.). Letters of Intent should be sent to:

Corporate Realty, Inc.
Attn: Michael J. Siegel or Hayden W. Wren
201 St. Charles Avenue, Suite 4411
New Orleans, Louisiana 70170
(504) 581-5005 • (504) 585-2605 (Fax)

- Accompanying the Letter of Intent shall be (i) documentation as to members of Purchaser's "team," (ii) a detailed summary and description of its redevelopment plan, (iii) its projected source of funds for this transaction, and (iv) additional information as requested in the Disposition Package.

Wednesday, December 4 - Tuesday December 10, 2013

- All Letters of Intent are reviewed.
- Individual interviews and follow up questions and negotiations take place.

Wednesday, December 11, 2013

(Notification of Primary Acquisition Candidate)

- Finalist is identified. Negotiations with other prospective purchasers cease.

Friday, December 13, 2013

(Execution of Letter of Intent)

- Letter of Intent (non-binding) between the parties is executed.
- As part of Letter of Intent, the parties agree to execute a binding Contract of Sale by Monday, January 6, 2014.

Monday, January 6, 2014

(Execution of Purchase & Sale Contract)

- Contract of Sale is executed.
- Due Diligence period (30 day maximum) begins.
- Earnest Money (refundable) deposited with escrow agent (\$250,000).

Thursday, February 6, 2014

(End of Due Diligence)

- Due Diligence ends.
- At this time Purchaser must deposit an additional \$250,000 with escrow agent; all earnest money (\$500,000) is at risk (non-refundable).

Friday, February 28, 2014

(Transaction closes)

- Act of Sale.

Property Overview

Owner:

Louisiana Artist Guild (non-profit)

Property Description:

The property is a group of renovated (historic) and newly constructed buildings, and including all movable property located therein, that were developed over the past 10+ years by and for the non-profit Louisiana ArtWorks. Louisiana ArtWorks raised and/or borrowed and spent in excess of \$25.0 million on these buildings with the intent to building and operating a concept to house artists' studios, offices, gift shop, teaching areas, entertainment areas, and other related art spaces. The project contains a total of 93,649 sf in a combination of 1, 3, and 5 story interconnected building. The project was renovated although certain elements were never finished.

Existing encumbrances against the property include:

- Real Estate Mortgage, Security Agreement and Assignment of Leases and Rents in favor of the City of New Orleans dated July 26, 2002 (securing a note in the principal amount of \$7,100,000.00) and recorded on July 29, 2002 at N.A. No. 2002-37409, MIN 663048, official records of Orleans Parish, State of Louisiana.
- Mortgage Securing Future Advances in favor of the State of Louisiana, Division of Administration, Office of Community Development dated June 9, 2010 (securing a note in the principal amount of \$2,250,000.00) and recorded on June 11, 2010 at N.A. No. 2010-22779, MIN 1011295, official records of the Orleans Parish, Louisiana.
- Loan and Regulatory Compliance Covenant in favor of the State of Louisiana, Division of Administration, Office of Community Development dated June 9, 2010 and recorded June 11, 2010 at N.A. No. 2011-22778, MIN 1011294, official records of Orleans Parish, Louisiana.

Legal Description:

Lot AC, Square 216, First Municipal District, Orleans Parish, Louisiana. Primary street address is 725 Howard Avenue, New Orleans, Louisiana.

Site:

Irregularly-shaped parcel bounded by Howard Avenue (96.53'), Carondelet Street (149.52'), St. Joseph Street (155.95'), and St. Charles Avenue (side), containing a total of 22,613 square feet. (See attached site plan).

Zoning:

The subject site's underlying zoning description is CBD-7; however, the subject is also burdened by a supplementary, Downtown Development Review Overlay Zoning. CBD-7 zoning regulations generally allow various commercial, residential and/or mixed-use development, and it allows for most all forms of development which would be reasonably proposed for construction upon the subject property. The Downtown Design Review Overlay (DDR) is a supplementary standard, and it is intended to encourage architectural and design continuity within a designated geographic area.

Building Square Footage Summary:

Project Floor Level	Gross Enclosed Building Area (SF) Per Level	
1st	20,061	*
2nd	18,623	*
3rd	14,991	
4th	20,993	
5th	16,984	
Equip. Penthouse	1,997	
	93,649	

* Excludes 1,452 sf of interior "art yard" courtyard, but includes 4,263 sf of mezzanine spaces)

Overview of Central Systems:

HVAC:

- The building cooling needs are met by two (2) nominal 171 tons air cooled water chillers located on the roof, chilled water is pumped throughout the facility to air handling and fan coil units.
- Heating needs are met two (2) gas fired, hot water boilers located on the roof; hot water is pumped throughout the facility to the air handlers and fan coil units.
- Conditioned air is distributed via ductwork and grilles.
- An outdoor air fan provides conditioned (chill water) air to the facility.
- The HVAC system is controlled by an EMS system.

Electrical:

- Service (Entergy) to the building is 480 volt three phase power and is distributed via switchboards and panel boards located throughout. There are 480 volt to 120/208 volt transformers on the floors to provide power for outlets, copiers, etc.
- A 500 KW roof mounted gas fired generator provides emergency power for the facility.
- Lighting is controlled by the EMS system.

Plumbing:

- Water service (S&WB). There are two (2) pumps which maintain pressure throughout the building.
- Hot water is provided by two (2) gas fired heaters.

Life Safety:

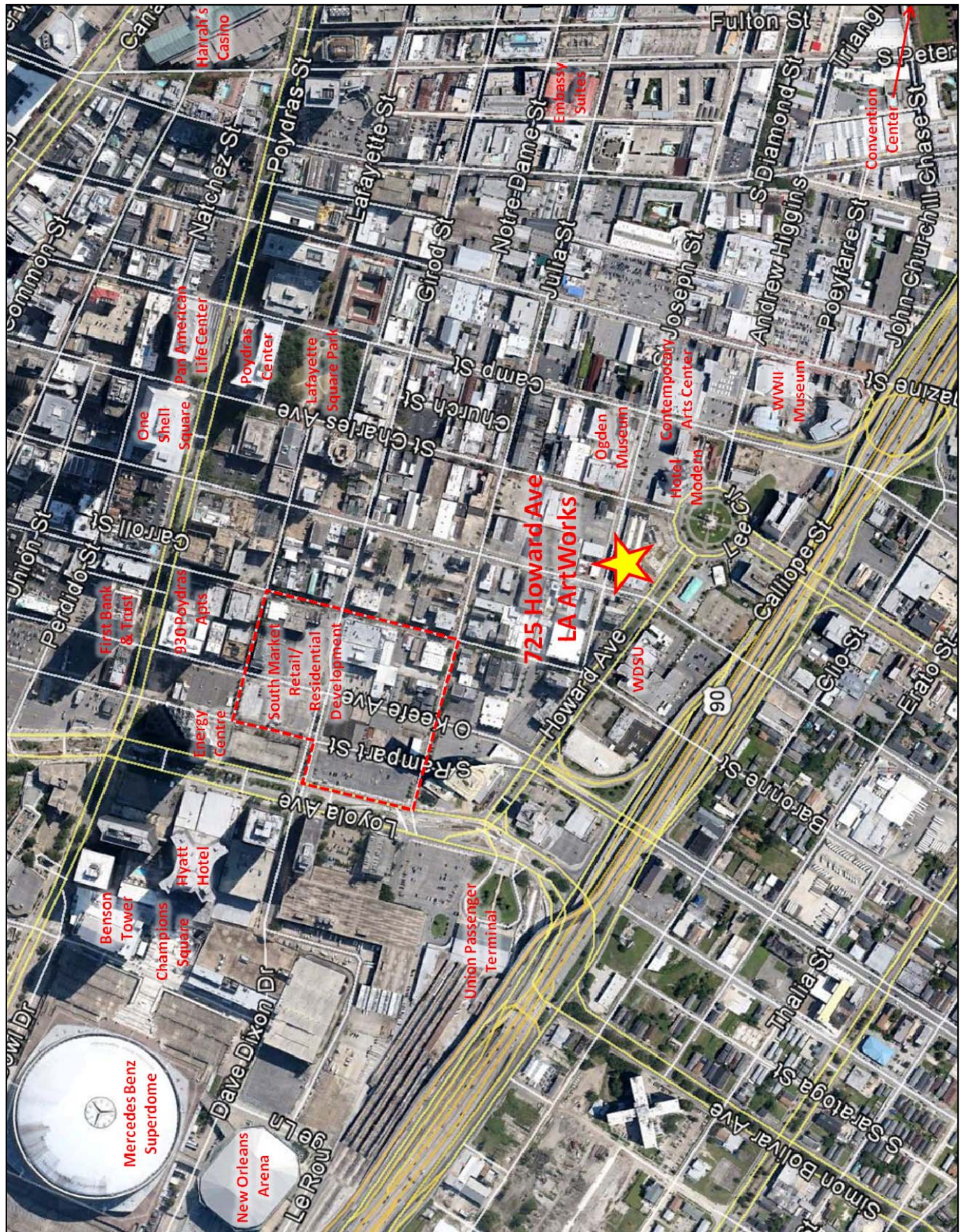
- The building is fully sprinkled with water provided by a 1250 GPM electric fire pump.
- The building has a fire alarm system.

Elevators

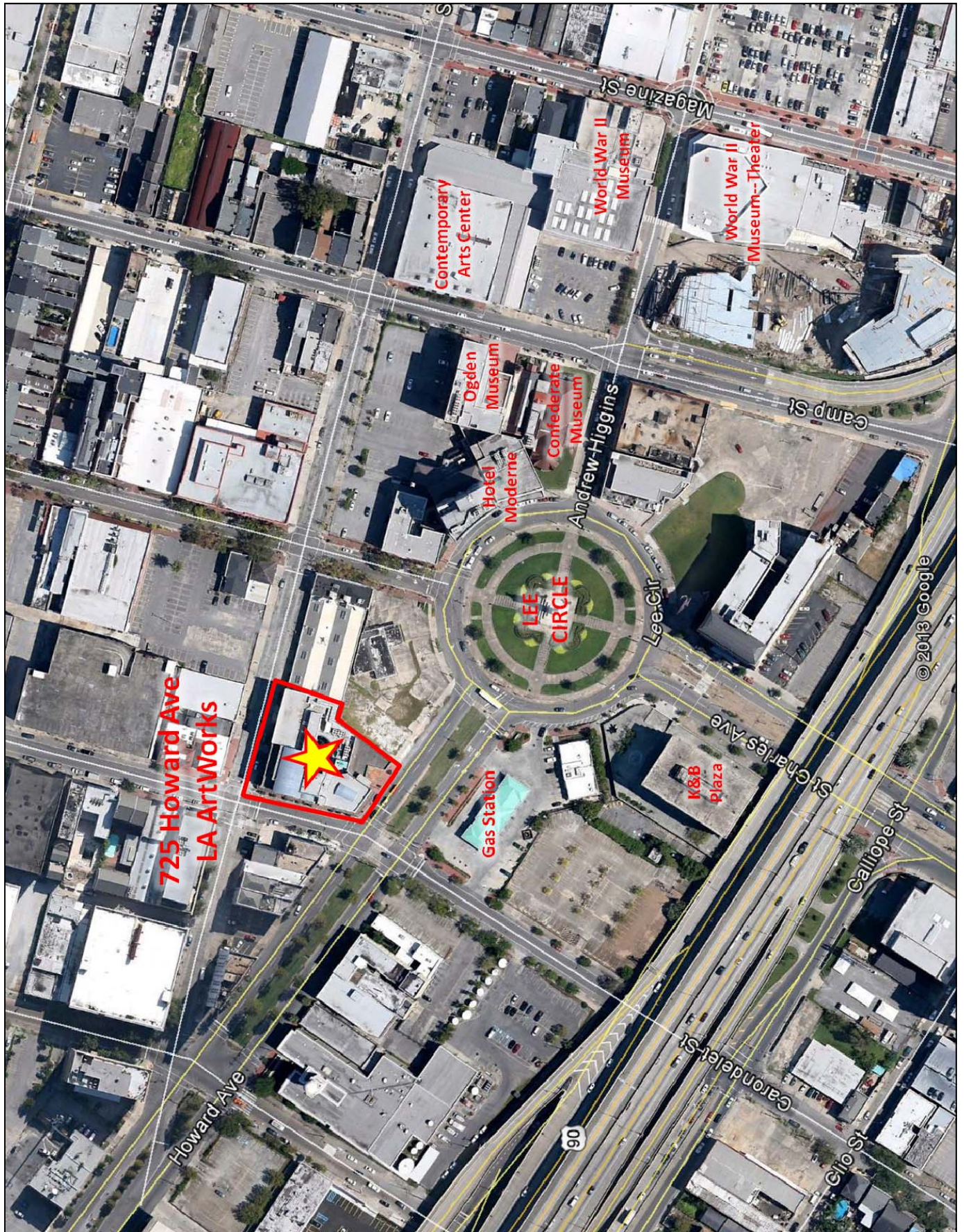
- The building features five (5) elevators.



Location Aerial



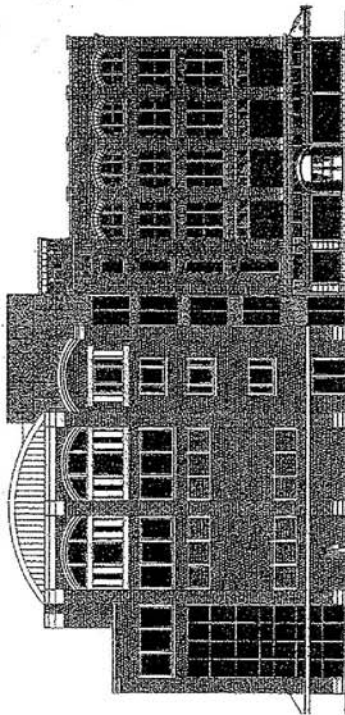
Aerial



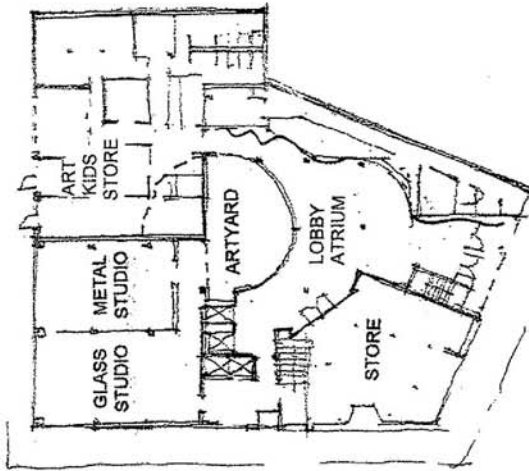
CORPORATE REALTY



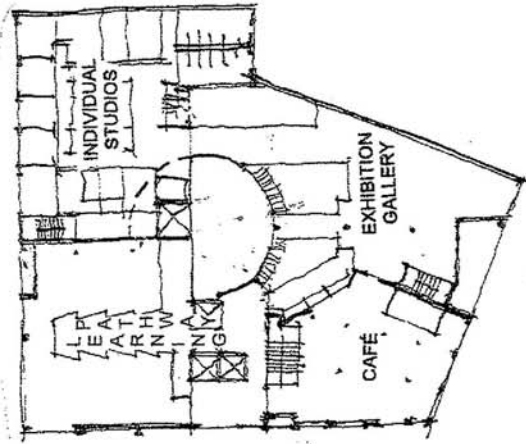
LOUISIANA ARTWORKS



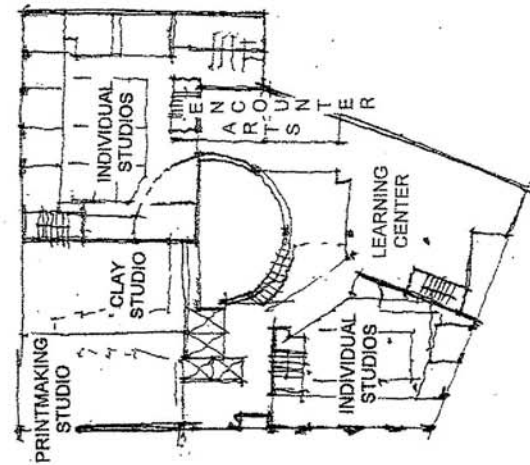
CARONDELET ST. ELEVATION



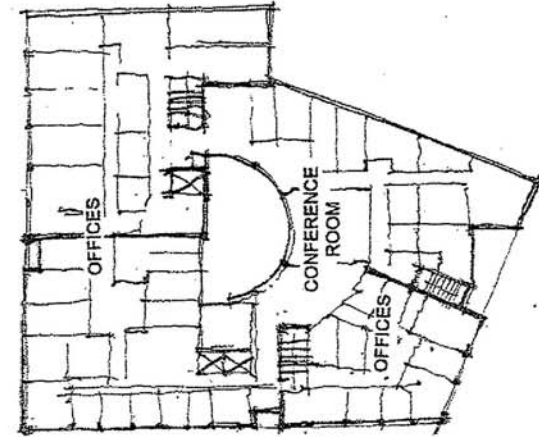
GROUND FLOOR



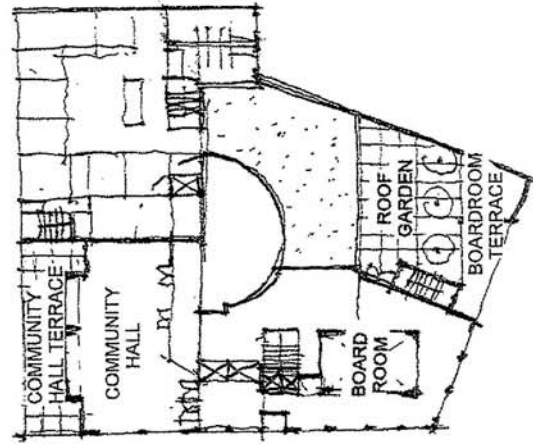
SECOND FLOOR



THIRD FLOOR



FOURTH FLOOR



FIFTH FLOOR

CARONDELET ST.



CORPORATE REALTY

_____, 2013

Mr. Michael J. Siegel, President
Corporate Realty, Inc.
201 St. Charles Avenue, Suite 4411
New Orleans, LA 70170

Re: **Louisiana ArtWorks**
725 Howard Avenue
New Orleans, LA

Dear Mike:

This letter will outline the basic terms and conditions of our proposal under which _____ (“Buyer”) will purchase from Louisiana Artists Guild, dba Louisiana ArtWorks, a Louisiana non-profit corporation (“Seller”) the ArtWorks movable and immovable property at 725 Howard Avenue, New Orleans, LA (the “Property”).

1. **Description of Property.** The Property consists of a series of interconnected buildings, together with all movable property located therein, containing a total of approximately 93,649 sf on a site containing 22,613 sf. The municipal address is 725 Howard Avenue, New Orleans, Louisiana.

2. **Description of the Transaction.** Buyer will purchase the 100% fee simple interest in the Property for _____ 00/100 Dollars (\$_____) in cash at Closing (as defined herein) (the “Purchase Price”), net of the Deposit (as defined below) and interest thereon. Buyer acknowledges that, anything contained in this Letter of Intent or any other document to the contrary notwithstanding, the sale of the Property will be conditioned on Seller’s ability to obtain the satisfactory resolution and release, in Seller’s sole discretion, prior to or contemporaneously with closing of the Property, of the mortgages encumbering the Property in favor of the City of New Orleans and the State of Louisiana, Office of Community Development (together, the “Mortgages”); in the event that a satisfactory resolution of the Mortgages, in Seller’s sole discretion, has not been reached prior to the expiration of the Inspection Period set forth in the purchase and sale agreement by and between Seller and Buyer (the “Agreement”), Seller may elect to, but is not obligated to do so, extend the Closing date in order to allow Seller additional time in which to obtain the satisfactory resolution of the Mortgages (and in such case, Buyer agrees to execute an amendment to the Agreement and any

other documents as may be required by Seller to extend such period and the date for Closing). In the event that Seller is unable to obtain the satisfactory resolution and release of the Mortgages, in Seller's sole discretion, or in the event that Seller does not elect, or is unable to effect any other title curative work, in Seller's sole discretion, Seller may terminate the Agreement, and in the event that Seller terminates the Agreement for this reason only, the Deposit held by Seller shall be returned by Seller to Buyer. Anything contained herein or in any other document to the contrary notwithstanding, Seller shall not be obligated to undertake any title curative work or incur any expense in connection with any title curative work, but may elect to do so, in Seller's sole discretion. One of Seller's requirements for the sale of the Property is that Buyer demonstrate, and the State of Louisiana shall have approved, that the Buyer's proposed use of the Property shall have satisfied all requirements necessary for a Public Purpose in accordance with the Louisiana Constitution, and an arts-related public purpose shall be preferred by Seller; the act of sale of the Property or a restrictive covenant respecting the Property, together with any other documents that may be required by Seller, shall contain, a restriction that the use of the Property shall be limited to a use that satisfies such Public Purpose.

3. **Documentation.** Promptly after receipt of notification of Seller's acceptance of this proposal, Buyer and Seller will commence the negotiation of a binding purchase and sale agreement (the "Agreement"). The final, executed Agreement will be in form and substance satisfactory to both parties and their counsel. Buyer and Seller shall use their reasonable efforts to execute the Agreement within fifteen (15) days.

4. **Board approval by Seller.** Prior to the expiration of the Due Diligence Period, Seller shall submit the Agreement to its board of directors for approval ("Board Approval"). Should Seller be unable to obtain Board Approval for any reason whatsoever on or before the expiration of the Due Diligence Period, Seller may, at its sole election, extend the time for obtaining Board Approval (and in such case, Buyer agrees to execute an amendment to the Agreement and any other documents as may be required by Seller to extend such period and the date for Closing), or Seller may elect to terminate the Agreement, and if Seller elects to terminate the Agreement for this reason, then the Deposit shall be returned to Buyer, and except as otherwise provided herein, neither party shall have any further obligations under the terms hereof.

5. **Due Diligence.**

a. Following execution of the Agreement, Borrower shall have a period of thirty (30) days (the "Due Diligence Period") to conduct due diligence for title, survey and environmental matters ("Title and Environmental Due Diligence") only. Prior to execution of this Agreement, Buyer shall have conducted, and Buyer acknowledges and agrees, that all other due diligence respecting the Property, including, without limitation, financial feasibility studies, zoning, flood zone, drainage, soil conditions, physical inspections, and any other economic and other factors that Buyer deems relevant or material to Buyer's criteria and standards for the Property of the Property, including, without limitation, Buyer's due diligence and determination that Buyer is able to satisfy Seller's requirement and Louisiana law that the Property shall be

used for a Public Purpose, shall have been completed prior to Buyer's submission of this Proposal. Buyer will complete its Title and Environmental Due Diligence within thirty (30) days from the execution of the Agreement.

b. In connection with Buyer's Title and Environmental Due Diligence, Seller will make available to Buyer within five (5) days after the execution of the Agreement, all documents, records, and other information relating to the Property's title and environmental condition reasonably requested by Buyer, provided that such documents are in Buyer's possession. Seller shall also make the Property available for physical and other inspections to be made by Buyer, during reasonable business hours and on reasonable notice; however, such inspections shall not be part of Buyer's actual Due Diligence and shall not be a basis for terminating the Agreement. Buyer shall indemnify and hold Seller harmless in connection with any such inspections made by Buyer or on Buyer's behalf.

c. Within three (3) business days after the execution of the Agreement, Buyer shall deposit Two Hundred Fifty Thousand and 00/100 (\$250,000.00) Dollars (the "Deposit") with Baronne Title Co., Inc. 201 St. Charles Avenue, 50th Floor, New Orleans, LA 70170 (the "Title Company") to be held in a non-interest bearing account. The Deposit will be applied to the Purchase Price at Closing if a Closing occurs, and subject to the terms and conditions of the Agreement will be refundable if Buyer terminates the Agreement on or before the expiration of the Due Diligence Period for a permissible reason, all as more fully set forth in the Agreement.

6. **Closing.** The Closing shall take place within fifteen (15) days following the expiration of the Due Diligence Period (the "Closing"), provided, however, Seller reserves the right, in its sole discretion, to extend (but not shorten) all time periods, including the Closing as circumstances require. If Buyer gives written notice to Seller of a bona fide title, survey or environmental objection on or before the expiration of the Due Diligence Period, and if Buyer does not elect to terminate the Agreement on or before the expiration of the Due Diligence Period, then, as more fully set forth in the Agreement, Buyer may extend the Due Diligence Period for an additional thirty days upon the payment of an additional deposit in the amount of Two Hundred Fifty Thousand and 00/100 (\$250,000.00) Dollars, which additional deposit, together with the Deposit, shall be upon receipt by the Title Company, fully earned by Seller and non-refundable for any or no reason, except as otherwise provided in the Agreement.

7. **Costs and Prorations.** Buyer will pay its own due diligence costs and property inspection fees, including the cost of any additional environmental, asbestos and physical audits it deems necessary and all closing costs, legal fees, financing, appraisals, recording, and other fees and expenses associated with the closing of the purchase of the Property. Each party will pay its own legal fees. Buyer shall reimburse Seller for all demonstrated out of pocket costs, including, without limitation, architect's and engineering fees and title abstract fees and title curative work up to \$10,000 at Closing. Buyer shall also pay all survey costs and the premiums for the owner's and lender's policies for the title policies in the amount of the Purchase Price together with any endorsements requested by Purchaser or any lender of Purchaser, which

policies and the title commitment shall be issued by the Title Company. Rents, real estate taxes, utilities, operating expenses, water and sewer rents and similar charges will be prorated as of the date of Closing.

8. **Estoppel Certificates.** Not applicable.

9. **Warranties and Representations.** The Property shall be sold AS IS WHERE IS without any warranties whatsoever except warranties of title and Seller's counsel shall issue the title insurance insuring Buyer's purchase of the Property, at Buyer's expense.

10. **Brokers.** The parties acknowledge that Corporate Realty, Inc. has acted as the Seller's broker in connection with this transaction; however, no commission shall be due to Corporate Realty or any other broker relative to this transaction. Each party shall indemnify the other as to any and all claims by any other brokers and/or finders who claim to have rendered services to such party.

11. **Exclusivity.** In consideration of Buyer's effort and expense in analyzing this acquisition, Seller agrees that as long as Buyer is proceeding in good faith to negotiate a formal written contract, Seller will not make, accept, negotiate, facilitate or otherwise pursue any offers for the sale, purchase or refinancing of the Property or its interest therein.

12. **Expression of Intent.** This letter is not intended to be binding and will not give rise to any right or obligation based on any legal or equitable theory (including any right to continue negotiations), it being intended that only a subsequent formal written contract, if executed and delivered by both parties, will bind the parties as to any matter which is the subject of this letter.

13. **Termination.** If an Agreement is not fully executed within 15 days of the date of this LOI, the terms of this LOI will expire, or Seller may elect to extend the time in which to negotiate an Agreement by written notice to Buyer.

14. **Further Negotiation.** Buyer acknowledges and agrees that Seller reserves the right to negotiate further the terms and conditions of this letter of intent.

We look forward to working with you on this transaction.

Sincerely,

BY: _____

Mr. Michael J. Siegel
_____, 2013
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Agreed and accepted this ____ day of _____, 2013.

By: _____



CORPORATE REALTY

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made and entered into effective as of the ____ day of _____, 2013 (the "Effective Date"), by and between the following:

LOUISIANA ARTISTS GUILD, dba Louisiana Artworks, a Louisiana non-profit corporation, represented herein by its undersigned representative, duly authorized hereto ("Seller"); and

_____, a _____, represented by its undersigned representatives, duly authorized hereto ("Purchaser");

who agree as follows:

1. Agreement to Purchase.

1.1. Agreement and Description of Property. Subject to the terms and conditions of this Agreement, Seller agrees to sell and Purchaser agrees to purchase from Seller a certain tract of land, together with all buildings and improvements thereon, containing approximately 93,649 square feet more particularly described on Exhibit A (the "Property") and bearing the municipal address 725 Howard Avenue, New Orleans, Louisiana 70130. The sale of the Property shall also include all movable property located in or on the Property (the "Movable Property"). Contemporaneously with the execution of this Agreement, Purchaser shall provide evidence, and the State of Louisiana shall have approve on or before the expiration of the Inspection Period as more fully set forth below, that the Purchaser's proposed use of the Property shall have satisfied all requirements necessary for a public purpose in accordance with the Louisiana Constitution (the "Public Purpose"). At Closing, the act of sale of the Property or a restrictive covenant respecting the Property, together with any other documents that may be required by Seller, shall contain the Restrictive Covenant (as defined in Section 8 of this Agreement) that the use of the Property shall be limited to a Public Purpose. The Restrictive Covenant is a material and integral consideration for the sale of the Property by Seller to Purchaser, shall be deemed a covenant which shall run with the Property and shall bind all future owners and transferees of the Property and the use of the Property.

2. Purchase Price and Deposit.

2.1. Price. The purchase price ("Purchase Price") for the Property, including the Movable Property, shall be _____ and No/100

(\$ _____) Dollars, payable in cash or immediately available funds at the closing of the purchase and sale (the "Closing").

2.2. Deposit. On the Effective Date, Purchaser shall deliver to Baronne Title Co., Inc, 201 St. Charles Avenue, New Orleans, LA 70170-5100 (the "Title Company") a deposit in immediately available funds in the amount of \$250,000.00 (the "Initial Deposit"). The Initial Deposit shall be applied to the Purchase Price at the time of Closing, except as otherwise provided in this Agreement. The failure of Purchaser to deliver the Initial Deposit shall be deemed a default under this Agreement, and Seller shall be entitled to enforce all remedies provided under this Agreement or by law. If Purchaser does not elect to terminate the Agreement on or before the expiration of the Inspection Period, then, on the Effective Date, Purchaser shall deliver to the Title Company an additional deposit in the amount of Two Hundred Fifty Thousand and 00/100 (\$250,000.00) Dollars (the "Additional Deposit"), which Additional Deposit, together with the Initial Deposit, shall, upon receipt by the Title Company, be fully earned by Seller and non-refundable for any or no reason. The Initial Deposit and the Additional Deposit shall be credited to the Purchase Price if a Closing occurs. For convenience of reference, the Initial Deposit and the Additional Deposit may hereinafter sometimes be collectively referred to as the "Deposit".

3. Inspection Period. Seller shall deliver to Purchaser within five (5) days after the Effective Date of this Agreement the following property documents (the "Property Documents") to the extent they are in the possession of Seller and readily available for delivery to the Purchaser:

- a. Building plans;
- b. The most recent survey; and
- c. Information respecting title to the Property;

The Property Documents shall be delivered by Seller without any representation or warranty regarding the accuracy or correctness of the Property Documents. Purchaser accepts the Property Documents at its own risk and expressly releases and renounces any claim or cause of action against Seller based upon any defect or inaccuracy contained in the Property Documents.

At the sole expense of Purchaser, Purchaser shall have thirty (30) days from the Effective Date of this Agreement (the "Inspection Period"), to conduct due diligence for title, survey and environmental matters only ("Title and Environmental Due Diligence").

Purchaser hereby certifies to Seller (the "Due Diligence Certification") that prior to execution of this Agreement, except for the Title and Environmental Due Diligence, Purchaser shall have conducted, all due diligence respecting the Property and the Movable Property, including, without limitation, financial feasibility studies, zoning, flood zone, drainage, soil conditions, physical inspections of all aspects of the Property, and any other economic and other factors that Purchaser deems relevant or material to Purchaser's criteria and standards for the Property and the Movable Property, and further including, without limitation, Purchaser's due diligence and determination that Purchaser is able to satisfy Seller's requirement and Louisiana law that the Property shall be used for a Public Purpose ("Physical and Economic Due Diligence"). This partial enumeration

is in no way intended to limit the Physical and Economic Due Diligence of the Property and the Movable Property for Purchaser's purposes.

Complete copies of the results of such surveys, tests, reports and inspections in connection with the Title and the Environmental Due Diligence and the Physical and Economic Due Diligence (individually, collectively and interchangeably, the "Due Diligence") shall be provided to the Seller and may be provided to Purchaser's lender, at the election of Purchaser. Unless required by law, the Purchaser shall not disclose the results of any Due Diligence, including, without limitation, surveys, tests, reports and inspections to any other party without the written consent of Seller, other than to Purchaser's attorneys, engineers, architects or other professionals, as reasonably necessary to complete the contemplated transaction (who shall also be required to maintain the confidentiality of such reports). Purchaser agrees to defend, indemnify and hold harmless the Seller from and against any and all claims, demands or causes of action for personal injury or damage to property caused by Purchaser, its agents, employees, consultants or contractors or arising from or in any way connected with the Purchaser's Due Diligence, including, without limitation, surveys, tests, reports, inspections, tests and feasibility studies, and activities on the Property including reasonable attorneys' fees and all costs of litigation. The obligations of Purchaser and the Due Diligence Certification under this Section 3 shall survive the termination of this Agreement or the Closing. The Purchaser shall restore the Property and repair any damage in the event the Purchaser does not close the purchase of the Property for any reason.

4. **Title, Survey and Environmental Objections.** Within twenty-five (25) days after the Effective Date of this Agreement, the Seller shall deliver to the Purchaser a commitment for title insurance issued by the Title Company on behalf of First American Title Insurance Company (the "Commitment"). Within twenty (20) days after the Effective Date of this Agreement, Purchaser shall obtain, at Purchaser's sole cost and expense, and deliver to Seller a survey of the Property (the "Survey"), in order that the Title Company may incorporate any survey requirements into the Commitment. On or before the expiration of the Inspection Period, Purchaser shall deliver to Seller notice of any objections to matters revealed in the Commitment, the Survey, and the Title and Environmental Due Diligence only (together, the "Title and Other Objections"). The failure of Purchaser to provide such notice to Seller shall be deemed a waiver of all Title and Other Objections. Seller shall have until the expiration of the Inspection Period in which to cure such Title and Other Objections, as it may elect, in its sole and unfettered discretion, provided, however, except as otherwise set forth herein, Seller shall have no obligation to cure any Title and Other Objections. In the event that Seller fails to cure all Title and Other Objections other than the Mortgages on or before the expiration of the Inspection Period, Purchaser may as its sole remedy: (1) waive the Title and Other Objections other than the Mortgages and proceed to purchase the Property on the date set for Closing; or (2) terminate this Agreement by written notice to Seller whereupon the Initial Deposit shall be returned to Purchaser, provided such election is made by written notice delivered to Seller prior to the expiration of the Inspection Period. The failure of the Purchaser to so terminate this Agreement within the Inspection Period shall be deemed a waiver of all Title and Other Objections existing as of that date.
5. **Resolution and Release of Mortgages.** Anything contained in this Agreement or any other document to the contrary notwithstanding, the sale of the Property is conditioned on

Seller's ability to obtain the satisfactory resolution and release, in Seller's sole discretion, prior to or contemporaneously with the Closing, of the mortgages encumbering the Property in favor of the City of New Orleans and the State of Louisiana, Office of Community Development (together, the "Mortgages"); in the event that a satisfactory resolution of the Mortgages, in Seller's sole discretion, has not been reached prior to the expiration of the Inspection Period, Seller may elect to, but is not obligated to do so, extend the Closing date in order to allow Seller additional time in which to obtain the satisfactory resolution of the Mortgages (and in such case, Buyer agrees to execute an amendment of this Agreement and any other documents as may be required by Seller to extend the Inspection Period and the date for Closing). In the event that Seller is unable to obtain the satisfactory resolution and release of the Mortgages, in Seller's sole discretion, or in the event that Seller does not elect, or is unable to effect any other title curative work to satisfy the Title and Other Objections other than the Mortgages, in Seller's sole discretion, Seller may terminate this Agreement, and in the event that Seller terminates the Agreement for this reason only, the Deposit shall be returned by Seller to Buyer.

6. **Board approval by Seller.** Prior to the expiration of the Inspection Period, Seller shall submit this Agreement to its board of directors for approval ("Board Approval"). Should Seller be unable to obtain Board Approval for any reason whatsoever on or before the expiration of the Inspection Period, Seller may, at its sole election, extend the time for obtaining Board Approval (and in such case, Buyer agrees to execute an amendment to this Agreement and any other documents as may be required by Seller to extend the Inspection Period and the date for Closing), or Seller may elect to terminate this Agreement, and if Seller elects to terminate this Agreement for this reason only, then the the Deposit shall be returned to Buyer and except as otherwise provided herein, neither party shall have any further obligations under the terms hereof.

7. **Closing, Title and Extensions.**

7.1. **Closing.** The Act of Sale shall be passed at the expense of Purchaser and before Purchaser's Notary in New Orleans, Louisiana on or before fifteen (15) days after the expiration of the Inspection Period (the "Closing Date").

7.2. At the Closing, the following shall occur:

7.2.1. Real estate taxes shall be prorated to the Closing Date.

7.2.2. Seller and Purchaser shall deliver sufficient evidence that the person, or persons, executing the Closing documents on behalf of Seller have full right, power and authority to do so.

7.2.3. All closing costs, legal fees, financing, appraisals, recording, and other fees and expenses associated with the closing of the purchase of the Property and the Movable Property are to be paid by the Purchaser together with (a) reimbursement by Purchaser of all of Seller's demonstrated out-of-pocket costs, including, without limitation, architect's and engineering fees and title abstract fees and title curative work up to \$10,000.00, and (b) the owner's premium for title insurance in the amount of the Purchase Price to the Title Company and the

full cost of all endorsements; provided, however, Seller shall pay Seller's legal fees and all costs for cancellation of all judgments and mortgages affecting the Property securing monetary obligations. Any sales proceeds received in excess of the amount necessary (i) to pay indebtedness secured by the mortgage in favor of the City of New Orleans, and (ii) any and all other liens and costs associated with the sale of the Property and required to be paid by Seller, shall be used to pay indebtedness secured by the mortgage in favor of the State of Louisiana, Division of Administration, Office of Community Development.

8. **Possession.** Possession of the Property, including all Movable Property, shall be delivered to Purchaser on the Closing Date.
9. **Waiver of Warranty.** As a material and integral consideration for the sale of the Property, including the Movable Property, by Seller to Purchaser, the Property and the Movable Property shall be conveyed to the Purchaser "AS IS WHERE IS" without any warranty whatsoever regarding the condition of the Property and the Movable Property or the absence of vices or defects. The act of sale conveying the Property, and the bill of sale conveying the Movable Property, shall contain a waiver of the warranty in the form attached as Exhibit B.
10. **Restrictive Covenant.** The Act of Sale of the Property or a restrictive covenant respecting the Property, shall contain, a restrictive covenant, in form and substance satisfactory to Seller and its counsel in their sole discretion, that the use of the Property shall be limited to a purpose which satisfies all Public Purpose requirements set forth in the Louisiana Constitution (the "Restrictive Covenant"). This Restrictive Covenant is a material and integral consideration for the sale of the Property by Seller to Purchaser, shall be deemed a covenant which shall run with the land and shall bind all future owners of the Property and the use of the Property.
11. **Default.** In the event of a default by either party, the defaulting party shall be responsible for all damages incurred by the non-defaulting party as a result of the default, including attorney's fees and costs of litigation. Both parties shall also have the right to demand specific performance of the Agreement. In the event of a default by the Purchaser, the Seller may, at its option, retain the Deposit as liquidated damages and not as a penalty, actual damages being difficult or impossible to ascertain. No delay or omission in the exercise of any right or remedy accruing to either party under this Agreement shall impair any such right or remedy or be construed as a waiver of any such breach previously or subsequently occurring. The waiver of any condition, term or covenant or any subsequent breach thereof by either party shall not be deemed a waiver of any other term, covenant or condition contained in this Agreement by either party.
12. **Notice.** All notices and elections permitted or required to be made hereunder shall be in writing, signed by the party giving such notice or election and shall be delivered personally, or sent by certified mail or private courier service, to the other party. The date of actual delivery shall be the effective time of such notice or election. For the purposes hereof, addresses are:

Address of Seller: Louisiana Artists Guild
dba Louisiana Artworks

With copy to: William H. Hines
Jones Walker LLP
201 St. Charles Avenue, 50th Floor
New Orleans, LA 70170-5100

Address of Purchaser: _____

With copy to: _____

13. **Time for Notice and Performance.** When any day for notice or performance falls on Saturday, Sunday or a legal holiday, as that term is defined under Louisiana law, then such time for notice or performance shall be extended to the close of the next ensuing business day.
14. **Entire Agreement.** This Agreement is the entire agreement between Seller and Purchaser concerning the sale of the Property and no modification hereof or subsequent agreement relative to the subject matter hereof shall be binding on either party unless reduced to writing and signed by the parties to be bound. This Agreement is not an option, but is an executory contract to buy and sell, and it shall be so construed in all respects. No party may withdraw from this contract and all parties grant unto each other and reserve unto themselves the absolute right to demand specific performance of this Agreement.
15. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of Seller and Purchaser and their respective heirs, successors, successors-in-title, legal representatives and assigns.
16. **Brokerage Commission.** Seller and Purchaser warrant to each other that no fee is owed to any investment banker, finder, broker or realtor, consultant or similar person in connection with this transaction. Purchaser and Seller each agree to defend, indemnify and hold the other harmless from and against any claim, demand, or cause of action for brokerage commissions arising by or through contacts or actions by the indemnifying party, with any broker other than as identified above, which indemnity shall include reasonable attorneys' fees and all costs of litigation.
17. **Time Is of the Essence, Reservation of Right to Extend Dates.** Time is of the essence of this Agreement. This Agreement shall be null and void unless executed by all parties and an original of this Purchase Agreement delivered to the Seller on or before 5:00 o'clock p.m. C.D.T., on _____, 2013. Anything contained herein or any other document to the contrary notwithstanding, Seller reserves the right, in its sole discretion,

to extend (but not shorten) any date or time for performance under this or any other agreement respecting the sale of the Property and/or the Movable Property, to the extent circumstances require or in the event that such extension is necessary to obtain any government or other approval.

18. **Exchange.** Each party reserves the right to structure this transaction as a deferred “like-kind” exchange, and the other party agrees to fully cooperate and execute any documents necessary for the exchange, all at no expense to that party.
19. **No Recording.** This Agreement shall not be recorded in the official records of Orleans Parish. In the event this Agreement is recorded it shall not be deemed to affect or encumber title to the Property and shall not be deemed to create or establish any right, claim, interest or privilege in the Property in favor of any party all of which being expressly waived and renounced.
20. **Assignment.** This Agreement may not be assigned by Purchaser without the prior written consent of Seller.
21. **Governing Law.** The interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Louisiana.
22. **No Waiver; Cumulative Remedies.** Except as otherwise provided herein, no party shall be deemed to have waived any right, approval, performance, condition precedent or any term or condition set forth in this Agreement unless such party shall have executed a written waiver thereof. No failure by any party to exercise and no delay in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
23. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, which shall be taken together as constituting the entire Agreement. Execution of a faxed copy of this Agreement shall be deemed an original.

[signature page follows]

Executed this ____ day of _____, 2013 in the presence of the undersigned witnesses.

WITNESSES:

Print Name: _____

Print Name: _____

SELLER:

LOUISIANA ARTISTS GUILD
d/b/a Louisiana Artworks

By: _____

Name: _____

Title: _____

Executed this ____ day of _____, 2013 in the presence of the undersigned witnesses.

WITNESSES:

Print Name: _____

Print Name: _____

PURCHASER:

By: _____

Name: _____

Title: _____

EXHIBIT A

PROPERTY DESCRIPTION

THAT PORTION OF GROUND, together with all the buildings and improvements thereon, situated in the FIRST DISTRICT of the City of New Orleans, in SQUAD NO. 216, bounded by Howard Avenue, Carondelet Street, St. Joseph and St. Charles Streets, designated by the LETTER "B" on a blue print of survey of Gilbert and Kelly, Surveyors, dated August 12, 1949, annexed to Act of Mortgage before Harold R. Ainsworth, Notary Public, dated August 27, 1949, recorded in MOB 1782, folio 111, according to which said portion of ground commences at a distance of 42 feet from the corner of Howard Avenue and Carondelet Street, and measures thence 53 feet, 6 inches, 6 lines front on Howard Avenue, a first depth on its side line, nearer St. Charles Street of 107 feet, 8 inches, 5 lines, running to a point in the center line of a brick wall running parallel with Carondelet Street and located on LOT "I", thence a second depth toward St. Joseph Street along the center line of said brick wall, a distance of 22 feet, 2 inches, 0 lines, to intersect the middle line of a 22-inch brick wall on Lots "I", "S" and "7" on said survey; thence along the center line of said 22-inch brick wall on Lots "I", "S" and "7", it has a width in the rear running toward Carondelet Street of 42 feet, 9 inches, 7 lines; thence it measures along its side line nearer Carondelet Street, (a first distance of 40 feet, 10 inches, 3 lines running obliquely toward Howard Avenue and Carondelet Street and to a point 5 inches, 2 lines within the brick wall of the building on the corner of Howard Avenue and Carondelet Street; thence along line drawn through the brick wall of said building, a further distance of 72 feet to a point of beginning on Howard Avenue. All as more fully shown on the survey of Gilbert, Kelly & Couturie, Surveyors & Engineers dated April 3, 1989.

And in accordance with a survey of Gilbert, Kelly & Couturie, Inc., Mob No. 98-06878, dated September 15, 1998, the land has the same dimensions and location.

The improvements thereon bear Municipal No. 723 Howard Avenue.

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EXHIBIT B

WAIVER OF WARRANTY

As a material and integral consideration for the execution of this act of sale by Seller, Purchaser waives and releases any and all warranties whatsoever, either oral or written, express or implied, made by any person or entity, or implied by law, with respect to the condition of the Property including, without limitation, any warranties based on vices or defects in the Property or any improvements or component parts thereof, whether obvious or latent, known or unknown, easily discoverable or hidden, and including without limitation any claim or cause of action for redhibition pursuant to Louisiana Civil Code Articles 2520 et seq., or for reduction of the purchase price pursuant to Louisiana Civil Code Articles 2541 et seq., or for fitness for Purchaser's ordinary use pursuant to Civil Code Articles 2524 et seq. or for any warranties or claims under Civil Code Article 2475 (ownership, peaceful possession, absence of defects and fitness for intended use), Civil Code Article 2489 (condition), or Civil Code Articles 2500 et seq. (eviction), Purchaser hereby declaring that it is buying the Property at its own peril and risk. Purchaser further assumes the risk of all vices and defects in the Property and all improvements and component parts thereof whether those vices or defects are latent or not discoverable upon simple inspection, and including those vices or defects, knowledge of which would deter Purchaser from making this purchase.

Purchaser further acknowledges that Purchaser (a) had ample opportunity to fully inspect the Property, (b) has fully examined and inspected the Property prior to the execution hereof, (c) knows and is satisfied with the physical condition of the Property in all respects, including but not limited to any visible or hidden termite infestation or hazardous substances and resultant damage therefrom, (d) is not relying upon any representations, statements or warranties that have at any time been made by Seller or Seller's agents as to the physical condition or state of repair of the Property in any respect, (e) accepts the Property "AS IS", (f) acknowledges that the Purchase Price takes into consideration the condition of the Property, (g) does hereby purchase the Property in its present condition, (h) does hereby purchase the Property subject to any physical encroachments on the Property and any physical encroachments onto adjacent property by improvements located on the Property and any physical encroachments onto adjacent property by improvements located on the Property, and (i) to the fullest extent permitted by law waives and relinquishes any and all rights to void the sale or for a reduction of the purchase price on account of some latent or apparent vice or defect in the Property. Purchaser acknowledges that the foregoing waivers have been called to Purchaser's attention and read and explained to Purchaser and that they are material and integral consideration for this act of sale.

Purchaser further waives and releases Seller from any and all claims, causes of action, liens, loss, damage, liabilities, costs and expenses (including reasonable attorneys' fees, court costs, consultant's fees, remediation, clean up or other response costs) of any and every kind or character, known or unknown, fixed or

contingent, arising in any manner after the date hereof and caused by or resulting from discharges or releases of hazardous materials hereof in violation of the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., as amended by the Superfund Amendment and Reauthorization Act of 1986, Pub. L. No. 99-499, 100 Stat. 1613 (codified as amended in various sections of 42 U.S.C.); the Hazardous Materials Transportation Act, Pub. L. No. 93-633, 88 Stat. 2156 (codified as amended in various sections of 46 U.S.C.); the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601 et seq.; or any other applicable federal, state or local laws, rules, ordinances, permits, approvals, orders or regulations as they now exist or may subsequently be modified, supplemented or amended.