Honorable James R. “Jim” Fannin, Chairman  
Joint Legislative Budget Committee  
P.O. Box 44294  
Baton Rouge, LA 70804

Dear Representative Fannin:

As you know, LSA R.S. 27:247 requires the Louisiana Gaming Control Board to negotiate and enter into an agreement with the Parish of Orleans for payment of associated support services rendered by the City to the official gaming establishment.

On February 19, 2015, the Louisiana Gaming Control Board acted on the attached contract providing for payment to the City of an amount not to exceed $3,600,000.

The contract now requires final consideration and action by the Joint Legislative Committee on the Budget.

If, after consideration, the Committee approves the appropriation as outlined in the terms of the instrument, the contract shall formally be executed by me on behalf of the Board and by the City of New Orleans.

This matter is hereby submitted to you for the necessary actions as outlined by LSA R.S. 27:247. All funds necessary to fund the contract must be approved and appropriated by the legislature.

If I can be of further assistance, please do not hesitate to call.

Sincerely,

Ronnie Jones, Chairman  
Louisiana Gaming Control Board

RJ/Ilt  
Attachment

LGCB-3238-15
CASINO SUPPORT SERVICES CONTRACT

Between

THE STATE OF LOUISIANA, by and through
THE LOUISIANA GAMING CONTROL BOARD

And

PARISH OF ORLEANS, by and through its
Governing Authority, THE CITY OF NEW
ORLEANS

2015-2016
CASINO SUPPORT SERVICES CONTRACT

This agreement, effective as of the Effective Date, is between:

The State of Louisiana ("State"), by and through the Louisiana Gaming Control Board ("LGCB") created pursuant to the Louisiana Gaming Control Law (as set forth in LSA R.S. 27:1 et seq. adopted by the legislature of the State of Louisiana and assuming regulatory authority, control and jurisdiction of the Louisiana Economic Development and Gaming Corporation pursuant to LSA R.S. 27:15 and 31), herein represented by its Chairman who appears pursuant to a resolution of the members of the LGCB, a certified copy of which is annexed hereto and made a part hereof and identified as Exhibit 'A' and

The City of New Orleans, a municipal corporation, acting as the governing authority for and on behalf of the Parish of Orleans, appearing herein through the Honorable Mitchell J. Landrieu, its Mayor,

and is as follows:
ARTICLE I
PURPOSE, PROCEDURE AND SUBJECT MATTER

1.1 Purpose: Subject to and in accordance with the Casino Act and the Louisiana Gaming Control Law, including specifically La R.S. 27:247, the State, by and through the LGCB, shall enter into a Casino Support Services contract with the governing authority of the Parish where the Official Gaming Establishment is located, in order to compensate the Parish for the cost to the Parish for providing Casino Support Services resulting from the operation of the Official Gaming Establishment and the activities therein. The purpose of this contract is to set forth the terms under which such compensation shall be provided to the Parish and the terms under which the governing authority for the Parish of Orleans shall provide Casino Support Services.

1.2 Procedure: Prior to signing this contract, the LGCB shall submit the proposed contract to the Legislature for approval by the Joint Legislative Committee on the Budget. The City acknowledges that this contract is subject to the approval of the Joint Legislative Committee on the Budget.

1.3 Effective Date and Continuation of Contract: This contract shall only be effective upon the occurrence of all of the following events: (a) the approval of this contract by the Joint Legislative Committee on the Budget; (b) an appropriation by the Legislature of funds specifically allocated and sufficient to pay the Total Consideration; and (c) the execution of this contract by the duly authorized representative of each party hereto.

ARTICLE II
DEFINITIONS

2.1 Definitions: As used in this contract, the capitalized words and phrases shall have the meanings as set forth below. Other capitalized terms have the meaning ascribed to them in the Casino Act, the Louisiana Gaming Control Law, and the Casino Operating Contract.

(a) “Business Day” shall have the meaning as set forth in the Casino Operating Contract.

(b) “Casino Act” means La. R.S. 27:201, et seq.

(c) “Casino Operating Contract” means that written agreement titled “Amended and Renegotiated Casino Operating Contract” entered into between the State, by and through Louisiana Gaming Control Board and Jazz Casino Company, L.L.C. on October 30, 1998, including all properly executed amendment(s) thereto.

(d) “Casino Operator” means Jazz Casino Company, L.L.C., or its
assigns or successors.

(e) "Casino Support Services" shall have the meaning as set forth in La. R.S. 27:247.

(f) "City" means the City of New Orleans, Louisiana, acting as the governing authority for and on behalf of the Parish of Orleans.

(g) "Daily Payment" shall have the meaning as set forth in the Casino Operating Contract as of April 1, 2001.

(h) "Expiration Date" means midnight on June 30, 2016.

(i) "LGCB" means the Louisiana Gaming Control Board.

(j) "Legislature" means the Legislature of the State of Louisiana, as it may be constituted from time to time.

(k) "Legislative Auditor" means the Legislative Auditor of the State of Louisiana and persons designated by the Legislative Auditor and its representatives.

(l) "Louisiana Gaming Control Law" means La. R.S. 27:1, et seq.

(m) "Minimum Payment" shall have the same meaning as set forth in the Casino Operating Contract as of April 1, 2001.

(n) "Official Gaming Establishment" means the facility described in Section 2.121 of the Casino Operating Contract.

(o) "Parish" means the Parish of Orleans, State of Louisiana.

(p) "Quarterly Payment(s)" shall have the meaning as set forth in Section 4.2 of this contract.

(q) "State" shall mean the State of Louisiana.

(r) "Total Consideration" means the amount of compensation to be received by the City, in the maximum amount of $3,600,000, which amount shall not exceed the amount approved by the Joint Legislative Committee on the Budget and specifically allocated and appropriated by the Legislature for payment to the City for Casino Support Services.

ARTICLE III
TERM
3.1 Term: Subject to the conditions, covenants, obligations and requirements herein contained, this contract shall be for the period commencing on July 1, 2015, and ending on June 30, 2016.

3.2 Earlier Expiration Date: This contract shall terminate earlier than the term set forth in Section 3.1 if:

(a) The occurrence of an “Event of Default” under Section 20.1 of the Casino Operating Contract which is either (i) insusceptible of remedy by the Casino Operator pursuant to Section 20.2 of the Casino Operating Contract or (ii) is not remedied by the Casino Operator pursuant to Section 20.2 of the Casino Operating Contract; or

(b) The Casino Operating Contract is terminated; or

(c) This contract is terminated for any reason other than expiration of the term.

ARTICLE IV
CONSIDERATION, AMOUNT AND METHOD

4.1 Total Consideration: Subject to the conditions, covenants, obligations and requirements herein contained, and in consideration of the obligation and agreement of the City to provide all Casino Support Services at least to the extent of the amount of compensation provided for hereby, the City shall be compensated in the maximum amount of $3,600,000 ("Total Consideration") as further set forth in, and as limited by, this Article. In the event the Joint Legislative Committee on the Budget approves a lesser amount, and/or the Legislature specifically allocates and appropriates an amount less than $3,600,000 for payment pursuant to this contract, that lesser amount shall be the Total Consideration.

4.2 Method of Payment: Payments pursuant to the terms of this contract shall be paid in the amounts and on the dates requested by the City and approved by the Joint Legislative Committee on the Budget.

4.3 Condition of Payment: The City and the Parish recognize that this contract, notwithstanding approval by the Joint Legislative Committee on the Budget, is contingent upon an appropriation from the Legislature of funds specifically allocated to and sufficient to pay the payments as provided herein. The City and Parish recognize that the LGCB has no alternative source of funds or method of payment to satisfy the Total Consideration as set forth in this contract.

If a reduction is made in the Total Consideration pursuant to Section 4.4, under no circumstances shall the LGCB liable for the difference between the negotiated amount and the reduced amount.
4.4 Reduction of Total Consideration:

(a) If for any reason the Legislature appropriates an amount less than $3,600,000 for payment to the City pursuant to this contract, or if for any reason the appropriation for payment of this contract is reduced in accordance with law, then the amount of the payment shall be proportionately reduced to reflect the amount specifically allocated and appropriated for payment as provided herein.

(b) If for any reason, including but not limited to, failure of the Casino Operator to make a Daily Payment, the State, by and through the LGCB or otherwise, has not received all Daily Payments due by the Casino Operator during the term of this contract, then the amount of Total Consideration the City is entitled to receive pursuant to this contract shall be reduced by an amount calculated as 1/365th of the Total Consideration for each day the State does not receive a Daily Payment.

(c) If for any reason the State, by and through the LGCB or otherwise, reduces the amount of the Daily Payment or the Minimum Payment, then any future payment due under this contract to the City shall, without further action, be reduced by the same proportion that any new Daily Payment or Minimum Payment is reduced in relation to the existing Daily Payment or Minimum Payment.

(d) Any reduction of Total Consideration and/or payments made pursuant to this Section shall be deducted from the next, and if necessary the remaining, payment(s) payable to the City. Under no circumstances shall the City be required to refund any payments previously received or due prior to the effective date of a reduction.

ARTICLE V
WARRANTIES AND REPRESENTATIONS

5.1 LGCB Warranties; Due Authorization: The LGCB warrants that it is a duly created State agency under Louisiana law and has by virtue of a resolution authorized the execution and delivery of this agreement. However, notwithstanding anything contained in this contract to the contrary, neither the State nor the LGCB shall have any liability to the City for damages based on any claim should any provision of this contract ever be judicially declared or decreed in a final non-appealable judgment or order to be invalid or ineffective as being beyond or in excess of the authority granted to the LGCB by the Casino Act or the Louisiana Gaming Control Law. The full risk of loss, damage or injury to the City (or any person claiming by, through or against the City) which may arise as a result of lack of authority on the part of the LGCB to enter into this contract shall be borne by the City, and the City shall defend, indemnify and hold the State and the LGCB harmless against any and all such claims by any person, party or entity related or unrelated to the City. If there is a judicial declaration or decree
of the invalidity or ineffectiveness of this contract as described herein, the parties
shall not be bound by any of the terms or conditions of this contract.

5.2 City Warranties: The City warrants that it has the full right, power
and authority to enter into this contract on behalf of the Parish of Orleans, as the
governing authority for the Parish of Orleans, and to perform all of the conditions,
covenants, obligations, requirements and terms herein contained. The making,
execution, delivery and performance of this contract by the City has been duly
authorized and approved by requisite action of the City in accordance with the
requirements of its respective governance documents and all applicable law.
The City has and shall have the requisite authority and ability to perform, as and
when timely performance is required, all of the conditions, covenants, obligations,
requirements and terms contained in this contract.

ARTICLE VI
CITY’S AFFIRMATIVE COVENANTS

6.1 General: Throughout the term of this contract, the City covenants with
the State, by and through the LGCB, to duly and timely observe and to cause its
affected agencies, boards and commissions to duly and timely observe each and
every one of the conditions, covenants, obligations and requirements of this
contract. Throughout the term, the State, by and through the LGCB, covenants
with the City to duly and timely observe each and every one of the conditions,
covenants, obligations and requirements of this contract.

6.2 Services: As partial consideration to the State, by and through the
LGCB, for the compensation granted, the City shall provide Casino Support
Services at least to the extent of the amount of compensation provided herein.
Nothing contained herein is intended to limit or shall be interpreted as limiting the
obligations, responsibilities and authority of the City, including its respective
agencies, boards, commissions and related instrumentalities, to provide
governmental services pursuant to law, its charter and other mandates.

6.3 Access to Information, Materials and Data: The City and its
respective agencies, boards, commissions or other related instrumentalities shall
provide to the State, by and through the LGCB (and its representatives including
the Legislative Auditor), upon receipt of reasonable written notice of not less than
seventy-two (72) hours, access to their books and records and such other
information, material or data concerning the City’s obligations and requirements
under this contract including, but not limited to, such information, documents, data
(electronic or otherwise) necessary to permit the State, by and through the LGCB
(and its representatives including the Legislative Auditor), to exercise its
investigative rights under this agreement.

6.4 Maintaining Books and Records: The City and its respective
agencies, boards, commissions or other related instrumentalities shall maintain
books and records in accordance with the terms of this contract for five (5) years following expiration or termination of this contract.

6.5 Cooperation in Investigations: The City and its respective agencies, boards, commissions or other related instrumentalities shall cooperate fully in any investigation by the State, by and through the LGCB (and its representatives including the Legislative Auditor), into the circumstances surrounding any failure or inability to perform or timely perform the Casino Support Services required under this contract.

6.6 Indemnification: The City does hereby agree to indemnify, hold harmless and defend the State, the LGCB and any of their officers, agents or employees from any and all claims or liability that may be made or asserted by any person, group or entity arising out of a cause or right of action alleged to have resulted or arisen from acts of the City, its officers, agents or employees in the performance or non-performance of Casino Support Services purported to be provided under or funded pursuant to this contract. Further and in conjunction with this duty to defend, the City shall be liable for all actual attorneys fees, actual costs and actual expenses incurred by or on behalf of the State, the LGCB and any of their employees, agents or officers, the State and the LGCB having the exclusive right to select counsel to defend.

ARTICLE VII
CITY’S NEGATIVE COVENANTS

7.1 Prohibited Activities: Neither the City, its agencies, boards, commissions nor related instrumentalities shall, in any manner, unreasonably restrict, delay or prohibit the operation of the Official Gaming Establishment or in any manner, unreasonably restrict, delay or prohibit the Casino Operator from fulfilling any of its obligations or covenants to the State and/or the LGCB under the Casino Operating Contract. If the City, its respective agencies, boards, commissions or related instrumentalities violates the provisions of this Section 7.1, then the State shall terminate payment of the Total Consideration and the obligation to pay shall cease. Nothing in this section shall be construed to limit the exercise of legitimate and lawful regulatory authority on the part of the City or any of its agencies, boards, commissions or other related instrumentalities.

ARTICLE VIII
FINANCIAL AND ACCOUNTING RECORDS,
BUDGETS AND REPORTING REQUIREMENTS

8.1 Financial and Accounting Records: The City shall maintain and keep full, complete and accurate books and records of all appropriations and expenditures made to comply with all covenants contained in this contract. The City shall also provide to the State, by and through the LGCB (and its
representatives including the Legislative Auditor), without cost or charge, detailed information and instructions concerning use of and access to the City's books and records, including an index.

8.2 Financial Statements: Within forty-five (45) days after the end of the City's fiscal year, the end of the City's fiscal year being December 31, the City shall provide to the State, by and through the LGCB, (and its representatives including the Legislative Auditor), complete and accurate unaudited fiscal year financial statements from the City providing an accounting of the total compensation and an itemized cost of the Casino Support Services provided. The fiscal year financial statements shall be certified by the City as accurate and prepared in accordance with standards set by the Government Accounting Standards Board. A designated form for the fiscal year financial statements shall be submitted to the LGCB for prior approval. Upon request, the financial statements shall be formally presented and explained to the State, by and through the LGCB, by the City.

8.3 Review and Audit: The State, by and through the LGCB and the Legislative Auditor, shall have the right on an annual basis to examine the fiscal year financial statements of the City related to Casino Support Services, which shall be prepared in accordance with standards set by the Government Accounting Standards Board. The City shall make its books and records and any other information, documents or data requested by the State, by and through the LGCB or the Legislative Auditor, available for access and review at any time and from time to time upon receipt of reasonable written notice of not less than seventy-two (72) hours demand. If upon completion of any examination, the State, by and through the LGCB or Legislative Auditor, determines that the City has failed to expend money for Casino Support Services in accordance with this contract, the parties shall mutually agree upon the selection of an independent auditor, which shall be one of the four (4) largest accounting firms having a national practice in the United States, who shall perform all steps necessary to resolve any dispute arising under this Section. The findings of the independent auditor shall be final and binding on the parties. The cost of the independent auditor shall be borne equally by both parties. If upon completion of any examination, the independent auditor finds or determines that the City has failed to expend money for Casino Support Services in accordance with this contract, the City shall pay to the State all sums which were not expended in accordance with this contract.

8.4 Confidentiality: To the extent permitted by the Casino Act and the Louisiana Gaming Control Law, the LGCB agrees to treat the books and records, financial statements and other financial information received from the City as confidential, provided the City has treated and handled the same as confidential material except to authorized persons. Notwithstanding the foregoing, and to the extent that disclosure may be compelled by lawful process or is otherwise required under the provisions of the Casino Act, the Louisiana Gaming Control Law or other applicable "public records" or "freedom of information" laws or
regulations, the LGCB shall not be required to maintain confidentiality of any information or material provided to it by the City.

**ARTICLE IX**
**MISCELLANEOUS**

**9.1 Notices:** All notices required or permitted to be given under this contract shall be in writing and shall be deemed given or delivered when delivered by hand, or on the third Business Day after mailing, postage prepaid, by certified or registered mail, return receipt requested to the parties at the following addresses:

**CITY:**

City of New Orleans  
1300 Perdido Street  
City Hall Suite 9W-CAO  
New Orleans, LA 70112  
ATTN: Andrew Kopplin  
Chief Administrative Officer

Ms. Sharonda R. Williams  
City Attorney  
1300 Perdido Street  
City Hall Suite 5E03  
New Orleans, Louisiana 70112

and:

Suchitra Satpathi  
Director of State Relations  
1300 Perdido Street  
City Hall Suite 2E04  
New Orleans, Louisiana 70112

with copies to:

Rivergate Development Corporation  
1340 Poydras Street, 10th Floor  
New Orleans, LA 70112  
ATTN: Cynthia Connick

**LGCB:**

Louisiana Gaming Control Board  
7901 Independence Blvd., Bldg. A  
Baton Rouge, LA 70806  
ATTN: Ronnie Jones, Chairman

with copies to:

James D. “Buddy” Caldwell  
Louisiana Department of Justice  
Office of the Attorney General  
P.O. Box 94005  
Baton Rouge, Louisiana 70804-9005  
ATTN: Clifford Strider, Director, Gaming Division
and: James D. “Buddy” Caldwell  
Louisiana Department of Justice  
Office of the Attorney General  
P.O. Box 94005  
Baton Rouge, LA 70804-9005  
ATTN: Olga M. Bogran, AAG, Gaming Division

9.2 Venue: In accordance with La. R.S. 27:18, any dispute arising under this contract shall be adjudicated in a court of competent jurisdiction located in the Parish of East Baton Rouge in the State of Louisiana.

9.3 Applicable Law: This contract shall be governed, interpreted and enforced in accordance with the laws of the State of Louisiana.

9.4 Headings: The headings of sections herein are inserted for convenience of reference only and shall have no effect upon the construction or interpretation thereof.

The parties have signed this contract on the dates noted below in the presence of the competent witnesses noted opposite their respective signatures.

WITNESSES: THE CITY OF NEW ORLEANS

BY: 
ITS MAYOR

DATE: 2/6/15

WITNESSES: LOUISIANA GAMING CONTROL BOARD

BY: 
ITS CHAIRMAN

DATE: 2-16-15

FORM AND LEGALITY APPROVED.

[Signature]  
Law Department, City of New Orleans
CITY OF NEW ORLEANS
CASINO SUPPORT SERVICES CONTRACT
STATEMENT OF UNAUDITED EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

PAILET, MEUNIER and LeBLANC, L.L.P.
CITY OF NEW ORLEANS
CASINO SUPPORT SERVICES CONTRACT
STATEMENT OF UNAUDITED EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014
ACCOUNTANT’S COMPILATION REPORT

Parish of Orleans, by and through its Governing Authority, The City of New Orleans 2014 Appropriation for Casino Support Services

We have compiled the accompanying special-purpose schedule of unaudited expenditures for the Casino Support Services Contract for the Parish of Orleans, by and through its Governing Authority, The City of New Orleans for the year ended December 31, 2014. We have not audited or reviewed the accompanying schedule of unaudited expenditures and, accordingly, do not express an opinion or provide any assurance about whether the Schedule of Unaudited Expenditures is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the schedule of unaudited expenditures in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the schedule of unaudited expenditures.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of a schedule of unaudited expenditures without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the schedule of unaudited expenditures.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana
February 06, 2015
CITY OF NEW ORLEANS
CASINO SUPPORT SERVICES CONTRACT
SCHEDULE OF UNAUDITED EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

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|                                |       |
|                                | 5,596,238 |

**$ 8,361,404**

See Accountant's Report