

AGENDA

FEBRUARY 28, 1996

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Executive Session - Caillouet Land Corporation litigation
5. Contract with Morehiser & Associates
6. C-Port request for bond sale
7. Any other business
8. Adjourn

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION

FEBRUARY 28, 1996

The Board of Commissioners of the Greater Lafourche Port Commission met in special session in the Conference Room of the Commission Administration Building in Galliano, Louisiana, on Wednesday, February 28, 1996, at 11:00 AM pursuant to the provision of due notice in writing to each and every member thereof and duly posted in the manner prescribed by law.

President Doucet called the meeting to order and requested that Secretary Cheramie call the roll.

PRESENT: Harrison Cheramie, Rodney Terrebonne, Johnny Melancon, Tomey Doucet, Robert Champagne and Larry Griffin

ABSENT: Vinton Crosby, Donald Vizier and Dudley Bernard

Also present were Ted Falgout, Executive Director; Loulan Pitre, Port Attorney; and Louverda Duet, Port Secretary.

Board Member Johnny Melancon presented a motion to go into Executive Session for the purpose of discussing proposed Caillouet Land Corporation litigation. The motion was seconded by Robert Champagne. the Board went into Executive Session at 11:05 AM. At 12:05 PM the Board returned from Executive Session. President Doucet stated that Port Attorney Loulan Pitre recommended that the Board adopt a proposed resolution authorizing the petitioning of the courts for a declaratory judgment against Caillouet prior to in connection with the Commission's proposed expropriation suit. Upon motion by Harrison Cheramie, Jr., seconded by Robert Champagne and unanimously passed, the Board of Commissioners does hereby adopt the following:

WHEREFORE, on or about October 9, 1963, Caillouet Land Corporation's predecessor's in title donated certain immovable property (the "Donated Property") to the Port Commission in an instrument entitled Donation, which is recorded in the records of Lafourche Parish at COB 315, Folio 4, Entry No. 223644 (the "October 9, 1963 Donation").

WHEREFORE, on or about February 4, 1968, Caillouet Land Corporation, by virtue of an instrument entitled Act of Exchange, which is recorded in the records of Lafourche Parish at COB 379, Folio 324, Entry No. 287651 (the "Act of Exchange"), acquired certain immovable property from the donors under the October 9, 1963 Donation. The Act of Exchange purported to transfer to Caillouet Land Corporation "all residual and reversionary rights" with respect to the Donated Property, including "all rights of revocation as provided for in" the October 9, 1963 Donation.

WHEREFORE, Caillouet Land Corporation has stated that, if the Port Commission expropriated any property acquired by Caillouet Land Corporation pursuant to the Act of Exchange, then Caillouet Land Corporation would argue that such expropriation would constitute a basis for revocation of the October 9, 1963 Donation and would cause title to the Donated Property to revert to Caillouet Land Corporation.

WHEREFORE, the Donated Property is critical to the success of Port Fourchon, and it is of paramount importance to the Port Commission to avoid any action which would prejudice the Port Commission's title to the Donated Property or cause such title to revert to Caillouet Land Corporation.

WHEREFORE, Port Fourchon is the fastest growing port in Louisiana and Louisiana's only port on the Gulf of Mexico. Deepwater drilling has boomed in the Gulf and the deeper drafts and widths of vessels and equipment required result in the need to expand the port along Bayou Lafourche where needed channel dimensions are available.

WHEREFORE, the Port Commission desires to acquire title to and ownership of certain immovable property described on Exhibit B hereto as Tracts #1, #2 and #3 (the "Northern Expansion Area"). The Northern Expansion Area includes the only undeveloped property along Bayou Lafourche in the port area, and thus the only area available for the needed expansion.

WHEREFORE, certain rights and title to the Northern Expansion Area were acquired by Caillouet Land Corporation pursuant to the Act of Exchange.

WHEREFORE, portions of the Northern Expansion Area are within the bank of Bayou Lafourche and subject to rights of public use and control, as set forth in Louisiana Civil Code articles 456, 458, and 460, thereby reducing the value of Caillouet Land Corporation's interest in the Northern Expansion Area for the purposes of determining just compensation.

WHEREFORE, portions of the Northern Expansion Area are subject to the servitude in favor to the Port Commission created by virtue of a certain instrument dated October 30, 1963, which is recorded in the records of Lafourche Parish at COB 316, Folio 217, Entry No. 224928 (the "Right of Way"), thereby reducing the value of Caillouet Land Corporation's interest in the Northern Expansion Area for the purposes of determining just compensation.

WHEREFORE, Caillouet Land Corporation has declined to enter into negotiations with respect to the sale of Caillouet Land Corporation's interest in the Northern Expansion Area to the Port Commission and has argued that expropriation of Caillouet Land Corporation's interest in the Northern Expansion Area by the Port Commission would constitute a basis for revocation of the October 9, 1963 Donation and would cause title to the Donated Property to revert to Caillouet Land Corporation.

WHEREFORE, the Port Commission has the real and present intention to expropriate Caillouet Land Corporation's interest in the Northern Expansion Area as soon as it receives a judgment declaring that the Port Commission's expropriation or attempt to expropriate Caillouet Land Corporation's interest in the Northern Expansion area would not constitute a basis for revocation of the October 9, 1963 Donation or cause title to the Donated Property to revert to Caillouet Land Corporation.

NOW, THEREFORE, BE IT RESOLVED THAT, the Greater Lafourche Port Commission (the "Port Commission") wishes to petition the courts for a declaratory judgment against Caillouet Land Corporation pursuant to La. Code of Civil Procedure Articles 1871-1883, declaring that the Port Commission's expropriation or attempt to expropriate Caillouet Land Corporation's interest in the Northern Expansion Area (as described herein) would not constitute a basis for revocation of the

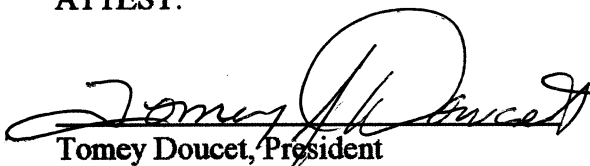
revocation of the October 9, 1963 Donation or cause title to the Donated Property to revert to Caillouet Land Corporation, and further authorize the Port Commission's Executive Director, Ted Falgout, and its attorney, Loulan J. Pitre, Jr. to make all strategic and tactical decisions in the pursuit of such litigation.

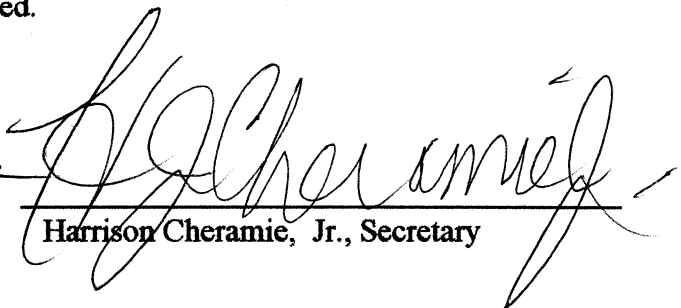
President Doucet called upon Director Falgout to comment on the Morehiser & Associates contract. Director Falgout stated that almost two years ago the Commission contracted with Morehiser & Associates; however, he recommends that the contract be cancelled and the Commission use Morehiser & Associates as needed. He also recommended that the Commission consider using the port attorney for special projects and issues impacting the Commission that the Executive Director determines he needs assistance on. Upon motion by Johnny Melancon, seconded by Larry Griffin and unanimously passed, the Board of Commissioners does hereby agree to cancel the contract with Morehiser & Associate and use the firm as needed; and to use port attorney, Loulan Pitre, for special projects and issues impacting the Commission that the Executive Director determines he needs assistance on.

Director Falgout stated that C-Port LLC requested that the Commission consider alternative financing in connection with the proposed facility at Port Fourchon. C-Port is requesting that the Commission sell bonds and construct permanent facilities (such as bulkheads) and dredging at an estimated cost of \$4 million dollars. C-Port can then evaluate this option with other options available to them. Upon motion by Robert Champagne, seconded by Harrison Cheramie, Jr. and unanimously passed, the Board of Commissioners does hereby offer to consider alternative financing in connection with the C-Port LLC facility at Port Fourchon.

There being no further business, upon motion by Johnny Melancon, seconded by Larry Griffin and unanimously passed, the meeting adjourned.

ATTEST:


Tomey Doucet, President


Harrison Cheramie, Jr., Secretary