

AGENDA

December 30, 1999

- I. Call to order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Committee Reports:
 - A. Executive Committee:
 - 1. Close deal with Burlington
 - B. Construction & Development Committee:
 - 1. Request from L & M Botruc Rental, Inc. to sublease to Allison Marine Fourchon, L.L.C.
- V. Any other business
- VI. Adjournment

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION

December 30, 1999

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 Thursday, December 30, 1999 at 10:30 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.

Vice President Bernard called the meeting to order and requested that Board Member Johnny Melancon call the roll.

PRESENT: Larry Griffin, Johnny Melancon, Ervin Bruce, Donald Vizier Chester Cheramie, and Dudley Bernard

ABSENT: Harrison Cheramie, Jr., Wilbert Collins, Sr., and Rodney Terrebonne

Also present were Ted M. Falgout, Executive Director; Loulan Pitre, Port Attorney; and Cindy F. Dufrene, Port Secretary.

Vice President Bernard led in the recitation of the Pledge of Allegiance.

Executive Director Falgout stated the main issue of this meeting is to close the deal with Burlington Resources (LL&E) and called upon Attorney Loulan Pitre for an update. Attorney Pitre stated the Commission has been negotiating this deal for over a year. He has in his possession a document which has been signed by LL&E which is ready for execution by the Commission. If the Commission agrees to proceed with the transaction and transfers the funds to LL&E immediately, the Commission would own the property as of the transfer. If the Commission does not wish to proceed with the transaction, then he will return the documents to LL&E. He presented to the Commission a map of said property which has been broken down into four Tracts, A, B-1, B-2 and C. If the Commission agrees to the purchase of property, Tracts A, B-1, and B-2 would be owned 50/50 between the Commission and Wisner Donation. Tract C would be fully owned by the Commission. The Commission would purchase Tracts B-1, B-2 and C at \$400.00/acre. This would be an outright purchase of the surface. LL&E would retain its mineral rights and have a limited right to use the surface for mineral exploration from time to time. The rights are subject to several limits, such as not using the property in anyway that would interfere with any development the port has put on the property or interfere with any reasonable future development the port puts on the property. Before LL&E would use the property for any mineral exploration, they must notify the port in advance of what they want to do and the port would have the opportunity to object. If the Commission would object before they begin their activities, it would go to arbitration proceedings to determine if it was a reasonable exercise of LL&E's rights. He pointed out the areas on the map the Commission would not object to LL&E's drilling on. The purchase of Tract A is different. This Tract in general is considered the first phase of development of the Northern Expansion. This Tract is included within the property which LL&E owns half with Wisner Donation. They would receive \$35.00 per acre for the purchase of property and also be entitled to receive the same rentals Wisner receives which is \$35.00 per net acre per year plus the 25% of the monthly sublease rental. At such time the lease with

Wisner would expire, LL&E would have the right to re-purchase Tract A. If the property is unimproved, the same \$35.00 per acre would be paid back. If the property is improved, they would have to pay back the fair market value of the property plus all of the improvements. All of this land, because LL&E is reserving the mineral under a perpetual mineral servitude which is only available in a sale to a public body, is subject to a statutory right of first refusal in favor of LL&E. This means if the Commission leases this property, there would be no problem. If the Commission wishes to sell this property to an entity that is not a public agency, LL&E would have the right of first refusal, meaning they can buy the property back under the same terms. The purpose of this is to protect their mineral servitude. Tracts B-1, B-2 and C are designated only for one purpose. If either one of these Tracts would be used for the Millennium Port by the Millennium Port Authority, LL&E would receive a bonus. If they would use Tract B-2, they would get a bonus of \$500 an acre times 61 acres times 50%. If they would use any part of Tract B-1 or C, they would receive a bonus of \$500 an acre, but a minimum of \$500,000 dollars. The bonus does not apply to Tract A. Title insurance is being prepared and it will state the section lines shown on this map does not confirm with the section lines in the original federal survey. Errors were made in the old federal surveys done in the 1850's. It's a problem that can't be avoided. The Commission has agreements with the landowners surrounding this property and should have no problem with the boundary disputes. The title insurance is purchased by the amount of price of the property, which is set by the state. It is paid once and last as long as the Commission owns the property. Discussion followed. Director Falgout stated the cost of the property is \$1,450,070.25 which includes the property tax which the Commission will pay to the Assessor's office in the amount of \$32,379.91. Upon motion by Chester Cheramie, seconded by Donald Vizier and unanimously passed, the Board of Commissioners does hereby approve of purchasing property owned by Louisiana Land & Exploration Co. in the amount of \$1,450,070.25 and authorize President Bernard to execute all documents in relation to the purchase of said property.


Director Falgout stated he is working on policies of how this property will be managed. The office staff will present recommendations to the Executive Committee. Board Member Melancon commended Director Falgout for putting this deal together. He stated when Director Falgout presented this deal to the Board, he felt it would never happen. Board Member Bruce asked if LL&E has contacted the Lessee's they have on the property about the sale. Director Falgout stated that from this day on it is the Commission's responsibility and he will contact the lessee's on this property to notify them of the Commission's actions. Attorney Pitre stated there are three existing leases and all provide they can be terminated on 30 day notice. The Commission will be successor to the Lessor's position under those leases and can exercise the right of termination when it deems it appropriate. Director Falgout informed the Board that the lease held by Harris Cheramie had a February 1, 2000 anniversary date and if their intent was to cancel this lease they should do so immediately if they wish it to become effective on the anniversary date. Upon motion by Larry Griffin, seconded by Donald Vizier and unanimously passed, the Board of Commissioners does hereby authorize sending a 30 day notice to Harris Cheramie of termination of his lease.

Director Falgout stated the next item on the Agenda is a request from L & M Botruc Rental, Inc. to sublease to Allison Marine Fourchon, L.L.C.. The construction committee met last week and discussed this issue. They see no problems with the request. Mr. Pat Pitre with L & M asked the Commission to bring this issue up at the special meeting so he may have a January 1 change over.

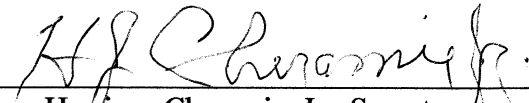
Upon motion by Chester Cheramie, seconded by Donald Vizier and unanimously passed, the Board of Commissioners does hereby approve the request from L & M Botruc Rental, Inc. to sublease to Allison Marine Fourchon, L.L.C.

There being no further business, upon motion by Larry Griffin, seconded by Chester Cheramie and unanimously passed, the Special Meeting was adjourned.

ATTEST:



Dudley Bernard, President



Harrison Cheramie, Jr., Secretary