

SPECIAL MEETING AGENDA

March 3, 2004

11:00 AM

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Roll Call**
- IV. Consider approving assignment of ASCO USA lease at site 601 (Magnolia Base) to Edison Chouest Offshore**
- V. Public Comment**
- VI. Adjournment**

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
March 3, 2004

The Board of Commissioners of the Greater Lafourche Port Commission met in special session on Wednesday, March 3, 2004 at 11:00 AM.

President Vizier called the meeting to order, and Secretary Cheramie called the roll.

PRESENT: John Melancon, Donald Vizier, Larry Griffin, Wilbert Collins, Ervin Bruce, Beau Martin, Chuckie Cheramie, Harry Cheramie, and Jimmy Lafont

ABSENT: None

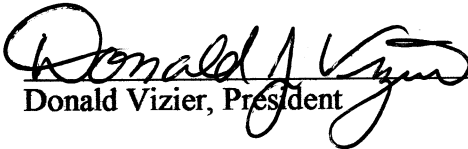
President Vizier presented for the board's consideration approving the assignment of ASCO USA lease at site 601 (Magnolia Base) to Edison Chouest Offshore. Mr. Roger White reported that Edison Chouest wishes to assume the lease from ASCO, with the board's approval. Edison Chouest will continue to operate as an offshore terminal support facility and bring multiple services to the facility that is typical to the Chouest operations. President Vizier questioned if ECO will still be committed to the property on the Northern Expansion site 603 if they purchase this facility. Mr. White reported that they do have other operations planned for that site. Mr. Danny Brown from ASCO reported ASCO would like to veer away from the logistics business and keep their fuel, lubricant, and environmental company operating as they had done in the past as L & L. They will continue to operate the other two leases they have in Port Fourchon and also plan to still have a presence at the Magnolia Base as the fuel concession. ASCO is selling the property to try to compensate for the funding that was placed at the Magnolia facility. Mr. Brown also reported that ASCO is in negotiations with other companies to purchase this property. Commissioner Melancon reported that by following the agenda the board is only considering Edison Chouest's purchase and that other companies will have to come before the board for approval if they wish to purchase the facility. Director Falgout reported that if a lessee decides to sell their facility to another company, a transaction fee is normally assessed. This fee can reflect one year's basic rental, a half of a year's basic rental, or adding new conditions in their lease such as restricting them to only subleasing 49% of their property. He also stated the basic rental for ASCO currently is approximately \$18,000 per month which results in approximately \$220,000 of an annual basic rental. Director Falgout reported that if the site does have potentially some impact from the Rowan bulkhead issue, and the Commission may want to address that issue as part of this package in lieu of the transaction fee. Mr. Roger White reported that they are aware of the problems with the bulkhead that might exist, and Edison Chouest is willing to purchase the property as is and work with the port to get any problems fixed without any reduction in rental or any changes in the lease. He continued by saying that Edison Chouest is a locally based company, and it will be keeping some of the employees and adding new employees to the facility if purchased. A motion was made by Johnny Melancon and second by Larry Griffin, to approve the assignment from ASCO USA Magnolia Base to Edison Chouest with no transaction fee applied but conditioned upon ECO accepting the condition of the bulkhead and lease site as of the time of the assignment and waiving any claim relating to that situation and also being subject to review and approval of assignment documents by the Commission's attorney. Discussion followed. Mr. Roger White stated once more that ECO is aware of the issues with the bulkhead and is willing to lease the site as is without any reduction in the rental. ECO is also aware of the possible work limitations along the bulkhead and as a result would like the consideration of no transaction fee. Commissioner Beau Martin made a motion, which was seconded by Jimmy Lafont, to amend the assignment from ASCO to Edison Chouest with the provision of

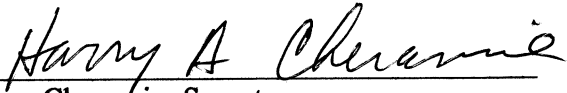
adding a transaction fee; Mr. Lafont later withdrew his second. The original motion by Commissioner Melancon was then voted on and passed by a unanimous vote.

Public Comment – Mr. Gary Chouest thanked the board for continuing to have confidence in ECO, and he committed to continuing to invest in the people and facilities of South Lafourche. He explained that we are here to compete as a community to continue to make this a better place for ourselves, our kids, and our grand kids. He pledged that ECO will continue to invest into the future as long as this board continues to extend the cooperation the Commission has always shown to ECO.

Upon motion by Beau Martin and second by Larry Griffin, the commission adjourned the special meeting.

ATTEST:


Donald Vizier, President


Harry Cheramie, Secretary