

GREATER LAFOURCHE PORT COMMISSION

DECEMBER 22, 1995

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 Friday, December 22, 1995, 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.

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

PRESENT: Harrison Cheramie, Jr., Rodney J. Terrebonne, Vinton J. Crosby, Johnny Melancon, Tomey Doucet, Donald Vizier, Dudley Bernard and Larry J. Griffin

ABSENT: None

Also present were Ted M. Falgout, Executive Director; Loulan J. Pitre, Port Attorney; J. Hugh Martin, Bond Attorney; Gerald A. Guidry, Harbor Police Chief; and Louverda A. Duet, Port Secretary.

President Doucet led in the recitation of the Pledge of Allegiance.

President Doucet then called upon Mr. J. Hugh Martin of Foley & Judell who explained to the Board the preliminary procedures in connection with the proposed application for approval of revenue bonds for C-Port, L.L.C. up to \$40,000,000 and for the Commission up to \$3,300,000. Discussion was held and Mr. Martin answered questions from the Board.

The following resolution was offered by Harrison Cheramie, Jr., who moved for its adoption, seconded by Rodney J. Terrebonne and unanimously passed by the following vote:

7 Yeas
0 Nays
1 Absent

RESOLUTION

A resolution authorizing the President or any Vice President and Secretary of the Greater Lafourche Port Commission to execute a preliminary agreement between C-Port, L.L.C. and the Greater Lafourche Port Commission to finance certain terminal services facilities; making application to the State Bond Commission for approval of revenue bonds; and providing for other matters in connection therewith.

WHEREAS, it is the desire of the Greater Lafourche Port Commission (the "Issuer") to encourage the location of port facilities within the geographical area of the Issuer, under the authority of Sections 991 to 1001, inclusive of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto; and

WHEREAS, the C-Port, L.L.C. proposes to construct port facilities consisting of a terminal services facility located in Port Fourchon, Louisiana (the "Project"); and

WHEREAS, the Issuer has concluded that the construction of said facilities will benefit the welfare, health and safety of the citizens of the geographical area of the Issuer and that it is in the public interest of said citizens to encourage the construction of said facilities; and

WHEREAS, prior to the issuance of the Bonds, the Company intends to expend its own funds to pay the costs of acquisition, construction and installation of the Project and reasonably expects to reimburse said expenditures from the proceeds of the Bonds in an amount not exceeding \$40,000,000; and

WHEREAS, it is now the desire of the Issuer to authorize the President or Vice President and Secretary to execute an appropriate agreement evidencing the understanding of the Issuer with respect to the issuance of the revenue bonds hereinafter described;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Greater Lafourche Port Commission, acting as the governing authority of the Issuer, that:

SECTION 1. Pursuant to the authority of the Act, the terminal services facilities (the "Project"), described and defined in the Agreement attached hereto as Supplement "1" (the "Agreement") are hereby approved and the financing thereof by the Greater Lafourche Port Commission (the "Issuer"), through the issuance of its revenue bonds is hereby authorized, such bonds to consist of an amount not exceeding \$40,000,000 and to be designated port facility revenue bonds (the "Bonds").

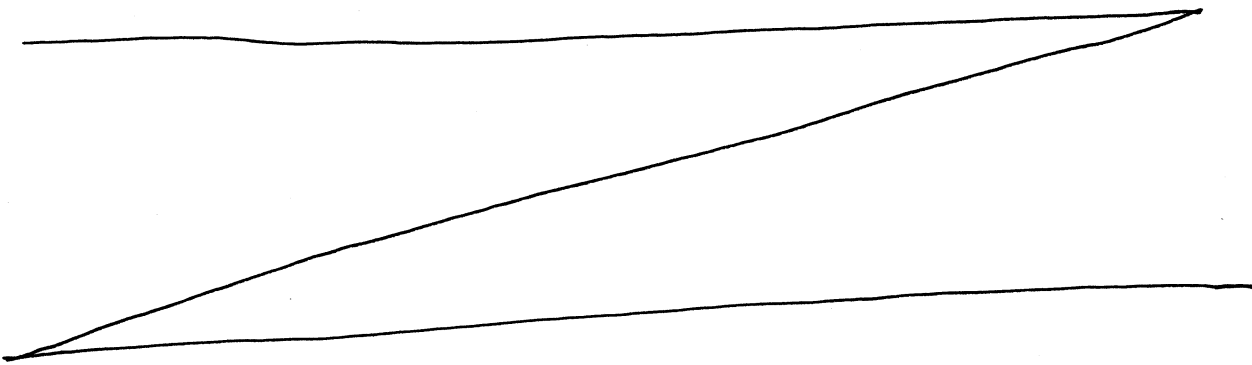
SECTION 2. The President or Vice President and the Secretary of the Issuer be and they are hereby authorized, empowered, and directed to execute, for and on behalf of the Issuer, an Agreement between the Issuer and C-Port, L.L.C. (the "Company"), authorizing the issuance of the Bonds in an amount not exceeding \$40,000,000, to finance the cost of the Project located within the

geographical area of the Issuer, said Agreement to be substantially in the form and to contain substantially the terms and provisions set forth in Agreement attached to this resolution and marked Supplement "1" for identification herewith. It is understood by the parties hereto that only those portions of the port facilities which qualify for tax-exempt financing will be financed through the issuance of the Bonds.

SECTION 3. The officers of the Issuer are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Issuer, with any governmental board or entity having jurisdiction over the Project, such applications or requests for approval thereof as may be required by law.

SECTION 3. Application is hereby formally made to the State Bond Commission for consent and authority to issue the port facility revenue bonds, and a certified copy of this resolution shall be forwarded to the State Bond Commission on behalf of the Issuer, together with a letter requesting the prompt consideration and approval of this application.

SECTION 4. This resolution is a declaration of official intent of the Issuer to issue revenue bonds as contemplated in the Agreement in accordance with the laws of the Louisiana and the United States Treasury Regulations, Section 1.150-2(e).



PRELIMINARY AGREEMENT
FOR ISSUANCE OF REVENUE BONDS

THIS AGREEMENT between the **GREATER LAFOURCHE PORT COMMISSION** (the "Issuer") and **C-PORT, L.L.C.** (the "Company"):

W I T N E S S E T H :

1. Preliminary Statement. Among the matters of mutual understanding which have resulted in the execution of this Agreement are the following:

(a) The Issuer is an agency and political subdivision of the State of Louisiana and is authorized by the provisions of Sections 991 to 1001, inclusive, of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), to issue its revenue bonds to finance, acquire, purchase, construct or improve port facilities and necessary property and appurtenances thereto.

(b) The Company proposes through itself or a related legal entity to finance the construction of a terminal services facility located in Port Fourchon, Louisiana (the "Project"), as more particularly described in Exhibit "A" attached hereto. It is anticipated that expenditures for the Project will aggregate an amount not to exceed Forty Million Dollars (\$40,000,000). The Issuer intends this Agreement to be its binding commitment to issue its revenue bonds (the "Bonds") in an amount agreed to by the Issuer and the Company up to \$40,000,000 and to expend the proceeds thereof to finance the cost of the Project, including without limitation, the costs of planning, designing, acquiring, financing, constructing, modifying, installing and equipping the Project and all costs of the Issuer in connection with the issuance of the Bonds, including legal fees and expenses and printing, engraving, and publication costs (the "Cost of the Project"). It is understood by the

parties hereto that only those portions of the Project which qualify for tax-exempt financing will be financed through the issuance of the Bonds. The Issuer shall be furnished satisfactory financial information, including audits and such other items as the Issuer may request, relative to the financial matters of the Company and the marketability of the Bonds proposed to be issued.

(c) The Issuer considers that the issuance and sale of the Bonds for the purpose hereinabove set forth will be appropriate and consistent with the objectives of the Act. This commitment is a declaration of official intent of the Issuer acting by and through the President and/or Vice President and Secretary of the Issuer or other authorized officers, to issue the Bonds as herein contemplated in accordance with the laws of Louisiana and the United States Treasury Regulations, Section 1.150.2(e).

2. Undertakings on the Part of the Issuer. Subject to the terms hereof, the Issuer agrees as follows:

(a) The Issuer will cause the authorization of the issuance of the Bonds in an aggregate principal amount not to exceed the estimated Cost of the Project.

(b) Contingent upon the delivery of the Bonds and the receipt of the proceeds thereof, the Issuer will acquire the Project by purchase or by lease from the Company, at a price equal to its actual costs of planning, acquiring, financing, constructing and equipping the Project (including interest on the Bonds during construction and issuance expenses) or the net proceeds of the Bonds available to the Issuer for such purposes, whichever is less. Contemporaneous with such purchase or lease, the Issuer will sell, lease, or sublease the Project to the Company. The terms and conditions with respect to the purchase or lease of the Project from and the sale, lease or sublease of the Project to the Company shall be established by an agreement or agreements (the "Finance Agreement") which shall be entered into by and between the Issuer and the Company. The Company's obligations to

make payments under the Finance Agreement shall be sufficient to enable the Issuer to pay the principal of, premium, if any, and interest on the Bonds as well as paying agent fees, trustees' fees, and all other costs and charges in connection with the servicing of the Bonds.

(c) The Issuer will cooperate with the Company with respect to the issuance and sale of the Bonds, and will take such action and authorize the execution of such documents and the taking of such further action as may be necessary or advisable for the authorization, issuance and sale of the Bonds by the Issuer, all as shall be authorized or permitted by law and as shall be mutually satisfactory to the Issuer and the Company. It is specifically understood that the obligation of the Issuer to acquire the Project through the purchase or leasing thereof, if Bonds be issued therefor, is limited solely to the payment therefor out of Bond proceeds, and the purchase price or rental, as the case may be, to be paid by the Issuer to the Company for the Project shall not exceed the cost of the Project, which cost may include issuance fees and expenses and interest on the Bonds during construction, or the net proceeds of the Bonds available to the Issuer for such purpose, whichever is less.

(d) In authorizing the issuance of the Bonds pursuant to this Agreement, the Issuer will make no warranty, either express or implied, that the proceeds of the Bonds will be sufficient to pay the Cost of the Project or that the Project will be suitable for the Company's purposes or needs. The Company will agree that should the Cost of the Project exceed the amount of the Bond proceeds, the Company will nonetheless complete the Project and shall not be entitled to any reimbursement for any excess either from the Issuer, the Bondholders or the Trustee.

(e) The Bonds shall specifically provide that they are payable solely from the income and revenues derived from the sale, lease or other disposition of the Project, except to the extent payable out of amounts attributable to Bond proceeds. The Bonds shall not constitute an

indebtedness or pledge of the general credit of the Issuer, within the meaning of any constitutional or statutory limitation of indebtedness.

(f) The Issuer will take such further action as may be required to implement its aforesaid undertakings as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Company. Subject to the terms hereof, the Company agrees as follows:

(a) The Company will use reasonable efforts to find one or more purchasers for the Bonds upon such terms and conditions as shall be mutually satisfactory to the Issuer and the Company.

(b) Prior to or contemporaneously with the sale of the Bonds, the Company will enter into the Finance Agreement providing for the completion of the Project and the sale or lease thereof to the Issuer under the terms of which the Company will obligate itself to purchase, lease or sublease the Project and all parts thereof from the Issuer and to pay to the Issuer (or the trustee, as the case may be) sums sufficient in the aggregate to pay the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, all paying agent fees, trustees' fees, and other costs and charges in connection with the servicing of the Bonds. The Finance Agreement will contain such other provisions as may be required or permitted by law and as shall be mutually acceptable to the Issuer and the Company.

(c) In addition to the payments required to pay the principal of, premium, if any, and interest on the Bonds, the Company will obligate itself to pay all costs of maintenance and operation of the Project, and casualty and property damage insurance and all taxes, governmental charges and other such charges, if any, which may be assessed or levied against or with respect to the Project.

(d) The operation of the Project will comply with all federal and state laws and regulations and the Company will obtain all necessary approvals and permits required thereunder.

(e) The Company agrees (i) to protect and insulate the Issuer, and its members individually, from any and all financial responsibility or liability whatsoever with respect to the Project and the financing thereof, and (ii) to indemnify, defend and hold the Issuer and the aforesaid other parties harmless against any loss or damage to property or any injury or death of any person or persons occurring in connection with the construction, equipping and operation of the Project. Such indemnity shall be superseded by a similar indemnity in the Finance Agreement and in the event the Bonds are not delivered, said indemnity shall extend to causes of action arising prior or subsequent to the termination of this Agreement.

(f) The Company will agree to make such additional payments in such amounts and in such manner as may be provided for by agreement of the parties.

(g) The Company will reimburse the Issuer for all reasonable expenses incurred by the Issuer in connection with the financing of the Project, which expenses may be paid out of Bond proceeds.

(h) The Company will pay the reasonable out-of-pocket expenses, if any, of members of the Board of Commissioners and the Company will also pay the reasonable fees for rendered legal services of bond counsel or special legal counsel related to the Project, which fees may be paid out of Bond proceeds.

(i) The Company will take such further action as may be required to implement its aforesaid undertakings as it may deem appropriate in pursuance thereof.

4. General Provisions. The term of this Agreement shall expire and this Agreement may be cancelled unless the following events shall have occurred not later than two (2) years from

the date hereof, or such other later date as shall be mutually satisfactory to the Issuer and the Company:

(a) The Issuer and the Company shall have agreed on mutually acceptable terms for the Bonds and of the sale and delivery thereof and mutually acceptable terms and conditions of the agreements and documents referred to in section 3 and the action referred to in sections 2 and 3 hereof.

(b) Such other orders, rulings, approvals, consents, certificates or opinions of counsel as to such matters with respect to the Bonds, the Project, the Finance Agreement, any guaranty agreement(s) and trust instrument(s) securing the Bonds shall be obtained from such governmental, as well as non-governmental, agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertinent thereto and to the Project, and shall be in full force and effect at the time of the issuance of the Bonds. If the events set forth in section 4 do not take place within the time set forth or any extension thereof, it is agreed that this Agreement may be cancelled at the option of the Issuer or the Company to be evidenced in writing, in which event neither party shall have any rights against the other party except the Company will reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer may incur arising from the execution of the Agreement and the performance by the Issuer of its obligations hereunder; provided, however, that the indemnity provided for in section 3(e) hereof shall continue in full force and effect.

5. Upon the delivery of the Bonds, the provisions of the Agreement shall have no further effect, and, in the event of any inconsistency between the terms of the Agreement and the terms of the Finance Agreement or any guaranty agreement(s) and trust instrument(s) securing the

Bonds, the provisions of the Finance Agreement and the guaranty agreement(s) and trust instrument(s) shall control.

6. All covenants and agreements herein contained by or on behalf of the Issuer and the Company shall bind and inure to the benefit of the respective successors and assigns of the Issuer and the Company whether so expressed or not.

7. It is recognized by the parties hereto that a real necessity exists for the employment of special bond counsel in connection with the issuance of the Bonds and accordingly Foley & Judell, L.L.P., be and they are hereby employed as special bond counsel to the Issuer to do and perform comprehensive legal and co-ordinate professional work with respect to the issuance and sale of the Bonds. Said special bond counsel shall prepare and submit to the Issuer for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of said Bonds, shall counsel and advise the Issuer as to the issuance and sale of said Bonds, and shall furnish their opinion covering the legality of the issuance thereof. The fee to be paid said bond counsel for said issue of Bonds shall be in accordance with the Attorney General's Guidelines for Fees and Services of Bond Attorneys and identified therein as "Comprehensive Legal and Coordinate Professional Work", together with actual out-of-pocket expenses for travel, duplicating, printing, mailing and telephone expenses in connection with the issuance of said Bonds. The fees herein described shall either be payable directly to bond counsel by the Company or be payable from the funds derived from the sale of said Bonds.

8. It is recognized and agreed that a real necessity exists for the employment of local counsel to the Issuer in order to supervise the issuance of the Bonds and accordingly Loulan Pitre, Jr., of Cutoff, Louisiana, is hereby employed for such purposes. The fee to be paid for such services shall be computed on an hourly rated based on the Attorney General's then current fee

schedule, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, and shall either be payable directly to local counsel by the Company or be payable from the funds derived from the sale of said Bonds.

9. It is recognized and agreed that the Company may exercise its rights hereunder and perform its obligations hereunder through or in conjunction with a wholly owned subsidiary, other related legal entity or operating entity and all references herein to the Company shall be deemed to include the Company acting directly through itself or through or with any wholly owned subsidiary, other related legal entity or operating entity.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement
through their representatives duly authorized as of the 22nd day of December, 1995.

GREATER LAFOURCHE
PORT COMMISSION

By: _____
President

ATTEST:

By: _____
Secretary

(SEAL)

C-PORT, L.L.C.

By: _____

THE PROJECT

The Project consists of a terminal services facility to accommodate their deep water services vessels as well as offering these terminal services to others in support of deep water offshore exploration and production activities for the benefit of C-Port, L.L.C. The Project shall include but not limited to the following items:

1. Two (2) 20,000 barrel, double-skinned diesel fuel barge @ 1,762,000 each
2. Bulkhead system - 3,400 feet @ 2,685./foot
3. Mooring Bollards - Heavy duty to accommodate larger vessels
Total 31 bollards, cost 8,000 each
4. Two (2) Crane Pads @ 52,000 each
5. Dredging - Mob/Demobe
6. Dredging
7. Perimeter Fencing and Entrance Gate
8. Site Preparation
9. Yard Electrical
10. Fuel Storage and Distribution System
Capacity - 1,060,000 gallons storage
11. Water Storage and Distribution System
Capacity - 1,680,000 gallons
12. Oily Waste Processing Plant
13. Gate Security House
14. Heliport

15. Warehouse Building - 2400 square feet
16. Warehouse Outfitting
17. Office Building
18. Office Building Outfitting
19. Sewer Plant and Lift Station
20. Warehouse/Staging Building Covering
Slips # 1, 2, & 3 - 110,000 square feet
21. Warehouse/Staging Building Covering
Slips # 4, 5 & 6 - 110,000 square feet
22. Warehouse/Staging Building Covering
Slip # 7 - 29,750 square feet
23. Eight (8) Trailers with Covered
Walkway @ 40,000. each
24. Cranes:
 - One (1) 150 Ton Crawler Type
 - One (1) 100 Ton Crawler Type
 - One (1) 60 Ton Mobile Type
 - Two (2) 28 Ton Mobile Cherry Pickers
@ 225,000. each
 - Fifteen (15) 20 Ton Gantry Cranes
@ 140,000. each
 - One (1) 75 Ton Gantry Crane
25. Forklifts:
 - Two (2) 15,000 Lbs. Yard Forklifts @ 59,125. each
 - One (1) 5,000 Lbs. Warehouse Forklift
26. Rolling Equipment:
 - One (1) Oily Waste Trailer
 - One (1) Tractor Front End Loader
 - One (1) Carry All
 - Three (3) Pick Ups @ 30,000 each
27. One (1) Rigid Inflatable Rescue/Oil
Containment Vessel with Launching Gear

28. 2 x 1000' Sections of Oil Containment Booms
with Portable Surface Skimmer Equipped with
Associated Transfer Hoses

29. Engineering

30. Contingencies

The following resolution was offered by Larry J. Griffin, who moved for its adoption, seconded by Vinton J. Crosby and adopted by the following vote:

7 Yeas
0 Nays
1 Absent

A resolution declaring the intention of the Greater Lafourche Port Commission to proceed with the development of an expansion project at its port facilities located in Port Fourchon, Louisiana; making application to the State Bond Commission for approval of revenue bonds; and providing for other matters in connection therewith.

WHEREAS, it is the desire of the Greater Lafourche Port Commission (the "Issuer") to encourage the location of port facilities within the geographical area of the Issuer, under the authority of Sections 991 to 1001, inclusive of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto; and

WHEREAS, the Issuer proposes to undertake an expansion of its E-Slip, including the acquisition, construction and installation of a 1,250 ft. bulkhead system together with necessary dredging and engineering in connection therewith at its port facilities located in Port Fourchon, Louisiana (the "Project"); and

WHEREAS, the Issuer has concluded that the construction of said facilities will benefit the welfare, health and safety of the citizens of the geographical area of the Issuer and that it is in the public interest of said citizens to encourage the construction of said facilities; and

WHEREAS, it is now the desire of the Issuer to declare its intention to issue not exceeding \$3,300,000 of revenue bonds (the "Bonds") for the purpose of financing the acquisition, construction and installation of the Project; and

WHEREAS, prior to the issuance of the Bonds, the Issuer intends to expend its own funds to pay the costs of acquisition, construction and installation of the Project and reasonably expects to reimburse said expenditures from the proceeds of the Bonds in an amount not exceeding \$3,300,000; and

WHEREAS, this resolution is intended to be a declaration of intent of the Issuer to issue revenue bonds in accordance with the laws of the State of Louisiana and the United States Treasury Regulations, Section 1.150-2;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Greater Lafourche Port Commission, acting as the governing authority of the Issuer, that:

SECTION 1. Pursuant to the authority of the Act, the Project as described in the preamble hereto (the "Project") is hereby approved and the financing thereof by the Greater Lafourche Port Commission (the "Issuer") through the issuance of its revenue bonds is hereby authorized, such bonds to consist of an amount not exceeding \$3,300,000 and to be designated port facility revenue bonds (the "Bonds"). It is understood that only those portions of the port facilities which qualify for tax-exempt financing will be financed through the issuance of the Bonds.

SECTION 2. The officers of the Issuer are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Issuer, with any governmental board or entity having jurisdiction over the Project, such applications or requests for approval thereof as may be required by law.

SECTION 3. Application is hereby formally made to the State Bond Commission for consent and authority to issue the port facility revenue bonds, and a certified copy of this resolution shall be forwarded to the State Bond Commission on behalf of the Issuer, together with a letter requesting the prompt consideration and approval of this application.

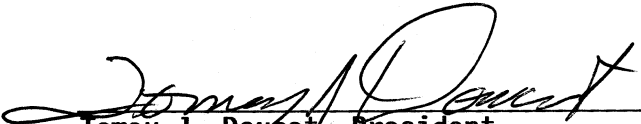
SECTION 4. This resolution is a declaration of official intent of the Issuer to issue revenue bonds as contemplated herein in accordance with the laws of the State of Louisiana and the United States Treasury Regulations, Section 1.150-2.


SECTION 5. It is recognized by the parties hereto that a real necessity exists for the employment of special bond counsel in connection with the issuance of the Bonds and accordingly

Foley & Judell, L.L.P. be and they are hereby employed as special bond counsel to the Issuer to do and perform comprehensive legal and co-ordinate professional work with respect to the issuance and sale of the Bonds. Said special bond counsel shall prepare and submit to the Issuer for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of said Bonds, shall counsel and advise the Issuer as to the issuance and sale of said Bonds, and shall furnish their opinion covering the legality of the issuance thereof. The fee to be paid said bond counsel for said issue of Bonds shall be in accordance with the Attorney General's Guidelines for Fees and Services of Bond Attorneys and identified therein as "Comprehensive Legal and Coordinate Professional Work", together with actual out-of-pocket expenses for travel, duplicating, printing, mailing and telephone expenses in connection with the issuance of said Bonds. The fees herein described shall be payable from the funds derived from the sale of said Bonds.

SECTION 6. It is recognized and agreed that a real necessity exists for the employment of local counsel to the Issuer in order to supervise the issuance of the Bonds and accordingly Loulan Pitre, Jr., of Cut Off, Louisiana, is hereby employed for such purposes. The fee to be paid for such services shall be computed on an hourly rate based on the Attorney General's then current fee schedule, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, and shall be paid by the Company.

There being no further business, upon motion by Dudley Bernard, seconded by Vinton Crosby and unanimously passed, the meeting adjourned.


Tomey J. Doucet, President


Harrison Cheramie, Jr., Secretary