

AGREEMENT OF COMPROMISE

This Agreement of Compromise ("Compromise") is made and entered into on March 16, 2000 by and between Greater Lafourche Port Commission ("GLPC") and Caillouet Land Corporation ("CLC").

WHEREAS, GLPC and CLC each own property in the vicinity of Port Fourchon, Lafourche Parish, Louisiana, and each desires to develop property for port and industrial, commercial, and other use at Port Fourchon.

WHEREAS, certain agreements and obligations exist between GLPC and CLC, including but not limited to: (a) a certain lease dated December 31, 1979 between by CLC to GLPC, recorded at COB 693, Folio 440, Entry \_\_\_\_ of the records of Lafourche Parish, Louisiana (the "12/31/79 Lease") and (b) a certain Findings of Fact and Consent Judgment signed October 21, 1997 in litigation styled *Greater Lafourche Port Commission v. Caillouet Land Corporation*, Docket No. 78781, 17th Judicial District Court, Lafourche Parish, Louisiana (the "Consent Judgment").


WHEREAS, CLC contends that the 12/31/79 Lease was not renewed by timely and adequate notice and therefore expired on December 31, 1999, while GLPC contends that the 12/31/79 Lease was renewed by timely and adequate notice and therefore remains in effect, resulting in a dispute over the right of GLPC and the sublessee of GLPC to remain in possession of the leased property beyond December 31, 1999 (the "12/31/79 Lease Dispute").

WHEREAS, CLC contends that GLPC is obligated pursuant to the Consent Judgment to perform certain dredging of CLC property in the area shown as Tract #1 on Exhibit 5 to the Consent Judgment (the "Flotation Canal Entrance Servitude") and to deliver certain spoil from such dredging to certain land owned by CLC, while GLPC contends that it is not obligated to perform such dredging and that CLC failed to timely designate a legally permitted area for deposit of such spoil (the "Spoil Delivery Dispute").

WHEREAS, GLPC and CLC dispute and do not admit the validity of each other's claims and contentions in these disputes, but each recognizes that the cost and uncertainty of litigation and the risk of loss outweigh the certainty and mutual benefits of settlement and compromise according to the terms of this Agreement of Compromise.

NOW, THEREFORE, GLPC and CLC agree as follows:

- (1) The 12/31/79 Lease
  - (a) The 12/31/79 Lease is renewed for a ten (10) year term

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commencing January 1, 2000 and ending December 31, 2009, subject to renewal for an additional ten (10) year term commencing January 1, 2010 and ending December 31, 2019. The 12/31/79 Lease will terminate no later than December 31, 2019 or at the end of the occupancy of the current sub-lessee (Halliburton Energy Services, Inc. and/or successors and assigns), whichever is earlier.

- (b) The 12/31/79 Lease will be amended as set forth in the Amendment of Lease attached hereto as Exhibit A or an instrument substantially similar in form and substance. Any incomplete provisions of the attached Exhibit A shall not detract from the binding nature of this Agreement of Compromise.

(2) GLPC Dredging and CLC Mitigation

- (a) GLPC will dredge from the Flotation Canal Entrance Servitude in the context of the present publicly bid contract dated October 6, 1999 between GLPC and Mike Hooks, Inc. ("Dredging Contract"). Spoil from such dredging will presently be delivered by the GLPC to the CLC mitigation site (called the alternate site) which is on CLC property just north of the Flotation Canal and adjacent to the GLPC mitigation site. The CLC alternate site is described as Site (II), Area "A" and Area "B" on La. Dept. Of Natural Resources Application P990452 (Revised) Coastal Use Permit GP-11, as described in January 18, 2000 letter from Terry Howey, Administrator, and February 7, 2000 letter from W. Iverson Twyman, Jr., Mitigation Analyst, as attached hereto as Exhibit B. GLPC and its contractor will cooperate fully with CLC and its contractor in connection with the delivery of spoil so that target elevations which CLC has had surveyed can be met, provided that such cooperation shall be limited to operations consistent with the Dredging Contract. Representatives of the parties shall meet as soon as possible after execution of this agreement to agree upon a mutual plan of work. To the extent possible through operations consistent with the Dredging Contract, GLPC will deliver spoil in a manner consistent with the specifications contained in the attached letter of Leonard Chauvin dated March 15, 2000 with attached plat, it being understood that CLC desires that spoil be delivered at rates and locations conducive to uniform and even filling of the site to target elevations, and that CLC wants to avoid having to use machinery to grade the fill to meet elevations required in the mitigation permit issued to CLC as described herein. GLPC will deliver sufficient spoil from the

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Flotation Canal Entrance Servitude on CLC property to fill the CLC alternate site to establish the elevations . After delivery of spoil to the CLC alternate site as described in this ¶ (2)(a), GLPC will be entitled, at GLPC's option, to continue the current dredging project in the Flotation Canal Entrance Servitude and to deliver the resulting spoil to land not owned by CLC. There is no obligation of the GLPC to dredge the Flotation Canal Entrance Servitude after the current project, but in the case of any future dredging of the Flotation Canal Entrance Servitude, CLC will be entitled to exercise its spoil disposal rights under the Consent Judgment to receive spoil as provided for in Article X of the Consent Judgment, and if such rights are exercised, GLPC and its contractor will if requested cooperate with CLC and its contractor in a similar manner to that described herein in connection with future maintenance of the CLC alternate site.

- (b) CLC is presently under a requirement to perform mitigation to compensate for the recent filling of its Northern Expansion property just south of the Flotation Canal. CLC believes that after mitigation work on its alternate site described hereinabove is concluded, there will be a mitigation shortfall of approximately 11 or 12 average annual habitat units ("AAHU's"), the exact amount of which will be determined by agency inspection. As part of this compromise, GLPC will, at no cost to CLC, transfer to CLC sufficient and suitable AAHU credits from its own mitigation area (an area not on property owned or furnished by CLC) to make up for the CLC shortfall. This will be done within the time frame required for CLC to complete its mitigation under its permits. GLPC will, at no cost to CLC, take over CLC's permit obligations for monitoring, reporting, marking, maintenance, and success of the site(s) where this mitigation is done so as to keep it in compliance with requirements for the period of time required by the agencies having jurisdiction. GLPC and CLC will cooperate in working together and with agency personnel to accomplish this end and regarding formulation of an appropriate method of transferring such mitigation credits for the credit of CLC. GLPC and CLC will provide each other with all reports and correspondence to and from agencies having jurisdiction with respect to such mitigation. The AAHU credits furnished under this sub-section (2)(b) may be deducted by GLPC from the thirty-six (36) AAHU credits discussed in the following paragraph (2)(c). After CLC mitigation has been brought to required elevations as provided in the preceding paragraph (2)(a), GLPC may, at GLPC's option,

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during the current dredging program, use spoil from dredging in the Flotation Canal Entrance Servitude for performance of the mitigation described in this ¶ (2)(b), free of any obligation to deliver such spoil to CLC property for the CLC mitigation obligation.

- (c) GLPC will at no cost to CLC perform compensatory mitigation on land not owned (or furnished) by CLC and which is or shall be permitted for mitigation by GLPC and transfer to CLC a total of thirty-six (36) mitigation AAHU's suitable for CLC's use to satisfy mitigation obligations for work on its property in the Port Fourchon area. GLPC will, at no cost to CLC, take over CLC's permit obligations for monitoring, reporting, marking, maintenance, and success of the site(s) where this mitigation is done so as to keep it in compliance with requirements for the period of time required by the agencies.

V36  
credits

Except for AAHU credits discussed in ¶ (2)(b), AAHU's will be delivered by GLPC on an as needed basis within twelve (12) months after written request by CLC to GLPC. CLC may make such request before, during or after CLC has applied for permits for which compensatory mitigation is or may be owed by CLC. At GLPC's option, GLPC may comply with this obligation by delivering AAHU's from past, present, or future operations, subject to agency approval.

GLPC may deduct from the specified thirty-six (36) AAHU credits those transferred to CLC to make up for the mitigation shortfall on the CLC alternate site as per ¶ (2)(b) above.

GLPC may, at GLPC's option, use spoil from dredging in the Flotation Canal Entrance Servitude for performance of the mitigation described in this ¶ (2)(c), free of any obligation to deliver such spoil to CLC, provided that in any subsequent dredging operation CLC shall have the opportunity to exercise its spoil disposal rights pursuant to Article X of the Consent Judgment, provided it designates a site in compliance with the terms of Article X the Consent Judgment.

GLPC and CLC will cooperate in working with together and with agency personnel in order to accomplish this end and regarding formulation of an appropriate method of transferring such mitigation credits. GLPC and CLC will provide each other with all reports and correspondence to and from agencies having

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jurisdiction with respect to such mitigation.

(3) Servitude for Dredge Discharge Pipe

- (a) CLC grants GLPC a servitude fifty (50') in width in the location shown on the sketch attached hereto as Exhibit C, for the purposes of transporting spoil hydraulically dredged from Bayou Lafourche to GLPC's spoil area. Such servitude shall expire five (5) years from the date of this agreement.
- (b) GLPC releases the servitude for transporting spoil previously provided in Article IX of the Consent Judgment.

(4) Pass Fourchon Dredging

- (a) By agreement between GLPC and CLC, the channel of Pass Fourchon pursuant to Article VIII.B of the Consent Judgment was dredged during 1999 two hundred (200') feet wide, instead of three hundred (300') wide.
- (b) On the next occasion of dredging by GLPC in Areas 3 and 4 as defined in the Consent Judgment or within ten (10) years of the date of this agreement, CLC will be afforded an option to have the channel dredged to three hundred (300') feet wide, but no area dredged as a channel by GLPC shall be available for docking or mooring of vessels without the consent of GLPC.
- (c) If CLC exercises such option to have the channel dredged to three hundred (300') feet wide, CLC would be entitled to exercise its spoil disposal rights pursuant to Article X of the Consent Judgment, provided it designates a site in compliance with the terms of Article X of the Consent Judgment. This may include that portion of the area designated as Utilities and Coastal Protection Activities Reservation on Exhibit 12A to the Consent Judgment, subject to the provision that GLPC shall not be required to deliver such spoil in excess of two thousand (2,000') feet from the location of dredging and otherwise in compliance with Article X of the Consent Judgment. However, it is understood that CLC may at its option and expense cause the spoil to be delivered beyond that distance.

(5) Additional Instruments

CLC and GLPC shall prepare and execute an Amendment to the

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3-16-00



The following resolution was offered by Johnny Melancon, who moved for its adoption; seconded by Rodney Terrebonne., and adopted by the following vote:

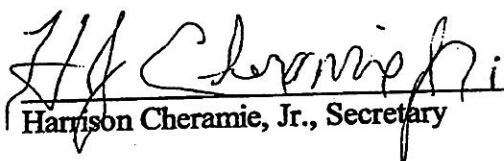
Yeas	6
Nays	0
Absent	2

RESOLVED, that the Board of Commissioners of the Greater Lafourche Port Commission does hereby authorize President Dudley Bernard to execute an Agreement of Compromise with Caillouet Land Corporation, on behalf of the Greater Lafourche Port Commission.

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I, Harrison J. Cheramie, Jr., Secretary of the Board of Commissioners of the Greater Lafourche Port Commission, hereby certify the above and foregoing to be a true and exact copy of a resolution adopted by said Commission at its regular meeting held on March 15, 2000 at which a quorum was present, and the same has not been revoked, rescinded or altered in any manner, and is in full force and effect.

WITNESS MY HAND, and the seal of the Commission at Galliano, Louisiana, on the 16<sup>th</sup> day of March 2000.

  
\_\_\_\_\_  
Harrison Cheramie, Jr., Secretary

*Handwritten:* 7-17-00



**RESOLUTION**

The following resolution was offered by F. E. "Gene" Thibodaux, Jr., who moved for its adoption, seconded by Mary Caillouet Bond, and unanimously passed by the following vote:

Yeas: 5

Nays: 0

Absent: 2

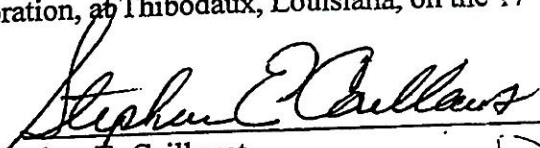
**RESOLVED**, that Caillouet Land Corporation hereby approves execution of the attached *Agreement of Compromise* between Caillouet Land Corporation and Greater Lafourche Port Commission and execution of an *Amendment to Lease Between Caillouet Land Corporation, Lessor and Greater Lafourche Port Commission, Lessee* whereby the lease dated December 31, 1979 described therein will be amended in a document which is substantially consistent with the draft of such agreement dated 3/15/2000 attached to the said *Agreement of Compromise*.

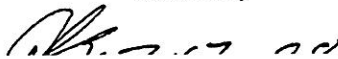
**BE IT FURTHER RESOLVED**, that James L. Caillouet, President of Caillouet Land Corporation is hereby authorized to execute the said agreements and documents necessary to effectuate the said agreements.

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I, Stephen E. Caillouet, Secretary-Treasurer of the Board of Directors of Caillouet Land Corporation hereby certify the above and foregoing to be a true and exact copy of a resolution adopted by the Board of Directors at its regular meeting held on the 14<sup>th</sup> day of March, 2000, at which a quorum was present, and the same has not been revoked, rescinded or altered in any manner, and is in full force and effect.

**WITNESS MY HAND** and the seal of said corporation, at Thibodaux, Louisiana, on the 17<sup>th</sup> day of March, 2000.

  
Stephen E. Caillouet  
Secretary-Treasurer



2-11-0



Exhibit C to Agreement of Compromise

TOPOGRAPHY OBTAINED FROM :  
U.C.G.S. QUADRANGLE "LEEVILLE, LOUISIANA"  
1894 EDITION  
U.C.G.S. QUADRANGLE "BELLE PASS, LOUISIANA"  
1894 EDITION

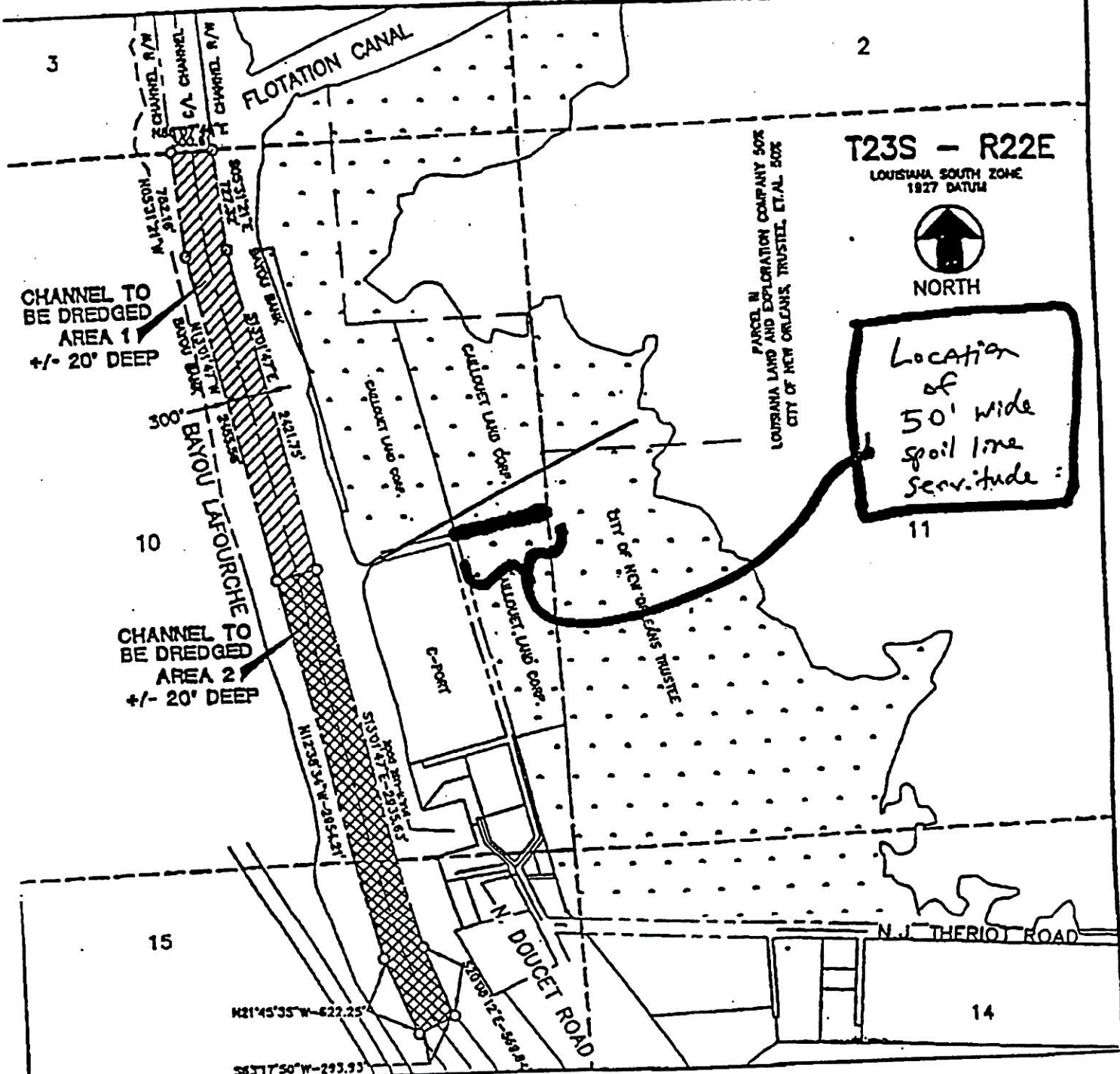


Exhibit C to Agreement of Compromise

CONSENT JUDGMENT

COURT COMMISSION

V. CAILLOUET LAND CORPORATION

3-16-00

P.09



# Coastal Environments, Inc.

618 A Canal Boulevard, Thibodaux, LA 70301 Telephone (504) 449-1376 Fax (504) 449-1377

March 15, 2000

MR. P. ALBERT BIENVENU  
BIENVENU, FOSTER, RYAN & O'BANNON  
200 CARONDELET STREET  
SUITE 1200  
NEW ORLEANS, LA. 70130-7964

RE: Dredging Specifications/Mitigation Sites A & B

DEAR AL,

As requested, the following specs will attempt to clarify the work to be performed and relationship that we as C.L.C. ENGINEER (ENGINEER) must enjoy with with the G.L.P.C, and their CONTRACTOR (CONTRACTOR) :

CONTRACTOR will provide ENGINEER with anticipated schedule of dredging operations prior to beginning. Due to the shape, volume, and size of mitigation areas A and B, pumping will be monitored during night time hours to insure that no spillover of dredge material occurs into unpermitted locations. CONTRACTOR will observe the area periodically using the pilot house spot light as well as assist the ENGINEER in making observations. CONTRACTOR will vary pumping volumes and location of discharge and otherwise fully cooperate with ENGINEER such that dredge material is evenly deposited throughout areas A and B in accordance with the attached map. Dredge material shall be uniformly spread to the fill elevations required by the permits to whatever extent practical by varying water flow, manipulating solids ratios, or directing water flow to wash material to desired location. As a last resort, leveling and spreading of dredge material into desired locations will be performed by mechanized amphibious equipment, but only after all efforts to avoid mechanized spreading have been exhausted. Free flowing of pump material obtained from the servitude area into locations other than mitigation areas A and B will not be allowed, until filling required by the permits has been completed.

CONTRACTOR shall advise ENGINEER of drainage water requirements, so that adequate weir space can be provided in containment levees. Excess water will be allowed to runoff or drain into areas designated to receive fill by C.L.C. or G.L.P.C. permits only. If any breach in the containment levee occurs, causing spillover of drainage water into unpermitted areas, pumping shall be stopped immediately and will not be allowed to resume until repairs are made.

*J.B.C.*  
3-17-00



March 15, 2000

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C.L.C. will provide surveying for construction stake-out, an amphibious excavator for construction of containment levees or leveling and spreading as previously specified, and a resident project engineer.


The contractor supplying the amphibious excavator will require about 5 days to mobilize and prepare the site to receive fill.


Please give me a call if there are questions or further information required.

SINCERELY,

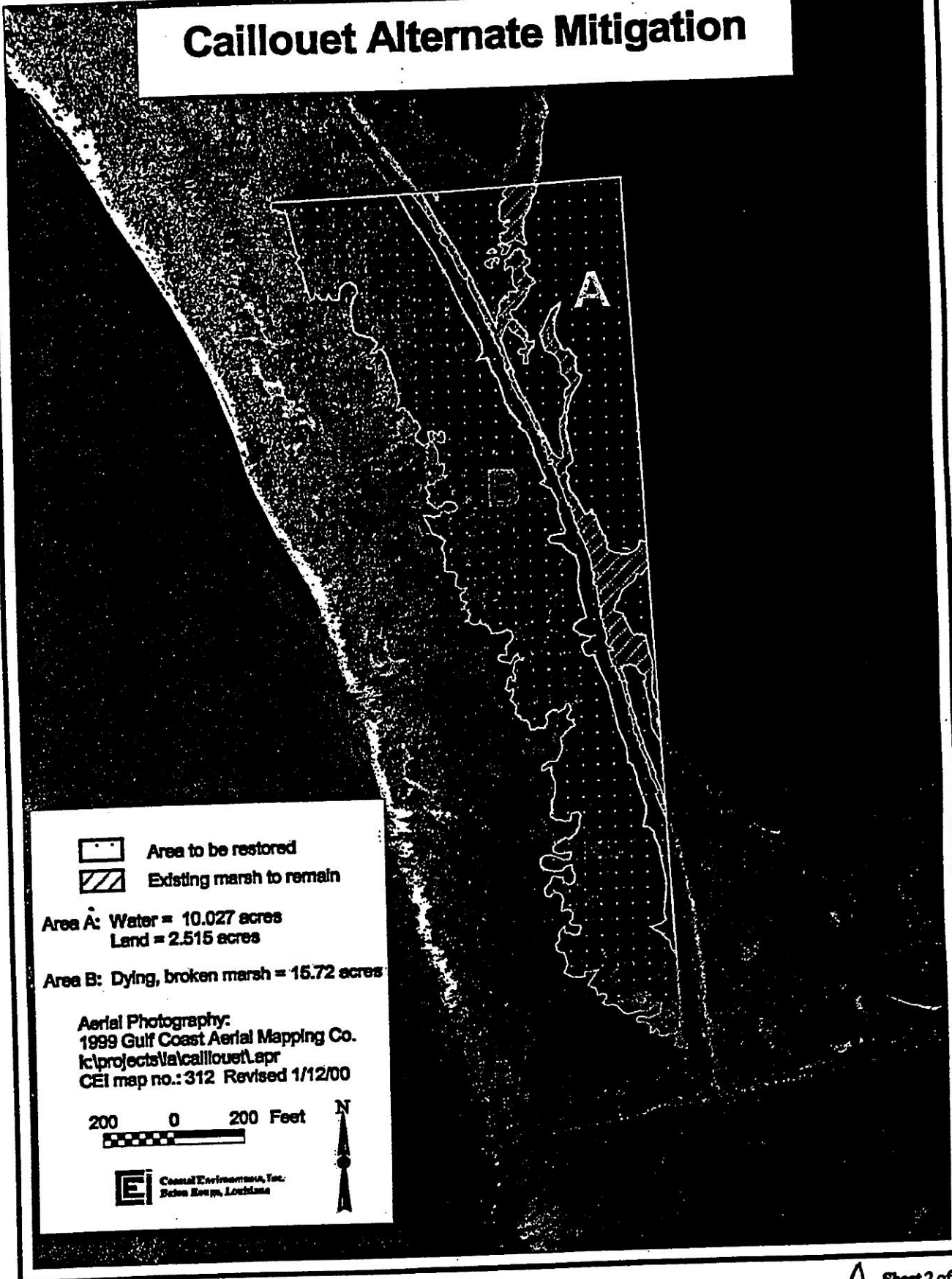


LEONARD J. CHAUVIN JR. P.E., P.L.S.

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# Caillouet Alternate Mitigation



Sheet 2 of 2

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