

**PORT OF IBERIA DISTRICT BOARD OF COMMISSIONERS  
SPECIAL MONTHLY BOARD MEETING AGENDA  
TUESDAY, MARCH 9, 2021  
PORT ADMINISTRATIVE OFFICE – 12:00 A.M.  
MINUTES**

The Special Meeting of the Port of Iberia District Board of Commissioners was called to order by Commissioner Danny J. David, Sr., President, at the Port of Iberia Administrative Office, on Tuesday, March 9, 2021, at 12:00 p.m.

In attendance were Commissioners, Danny J. David, Sr., President, Roy A. Pontiff, Vice-President, Shane Walet, Secretary-Treasurer, Simieon d. Theodile, and Patrick Broussard.

Commissioners Elbridge “Smitty” Smith, III and Mark Dore’ were absent.

Also present were Craig Romero, Executive Director, Joanna D. Durke, Administrative Assistant, Tracy Boudreaux, Bookkeeper-Secretary, Shari Landry, Receptionist-Secretary, Ray Allain, Port Attorney, and Ashley Philen, Allain & Allain.

Thus, with a quorum being acknowledged, Commissioner Roy A. Pontiff recited the opening prayer and the Pledge of Allegiance.

The purpose of the Special Meeting was to Discuss/Approve the Lease Agreement between the Port of Iberia District and Turner Industries Group, LLC for Tracts “A”, “C”, “E”, and “G” (88.397 total acres) (Dynamic Industries East Yard) and hear an update from the Port Attorney on his letter dated March 4, 2021 to Dynamic Industries responding to Tenant’s request to assign the East Yard Lease Agreement to Turner Industries Group, L.L.C.

In addition, Mr. H. Kent Aguillard, Attorney at Law, addressed the Board regarding a Notice of Chapter 11 Bankruptcy Case received by the POI.

**I. Discuss/Approve the Lease Agreement Between the Port of Iberia District and Turner Industries Group, LLC. for Tract’s “A”, “C”, “E”, “E-1”, and “G” (88.397 total acres) (Dynamic Industries East Yard) and Authorization for the Board President to Execute the Lease Agreement.**

- Executive Director, Craig Romero, stated that Roy, Joanna, and himself met with Turner Industries last week and discussed the length of term along with different options. Mr. Craig Romero stated that Turner Industries sent him an email asking for a Three (3) year primary term with Four (4) Three (3) year extensions, Turner also asked for the Southern Region Consumer Price Index be inserted into the

lease as the factor of how much the rent can be increased. Mr. Craig Romero also stated that Turner Industries consists of about 16,000 employees and over 90% of their work is non-oil & gas.

- Mr. Craig Romero stated that Turner Industries plans to be profitable within 18 months.
- Commissioner Roy Pontiff stated that he thought a Two (2) year primary term was agreed upon then the CPI would kick in during the option periods. Mr. Craig Romero stated that Jimmy Sylvester sent him an email after the meeting stating that Turner Industries wanted to do a Three (3) year primary term. Mr. Roy Pontiff stated that this is not what the commission agreed on during the meeting.
- Commissioner Shane Walet asked if the Port responded to his email and Mr. Craig Romero stated the Port did not, the suggestions were just incorporated into the draft.
- Commissioner Roy Pontiff suggested that if the CPI goes below the zero the rent would not go below \$500,000.00.
- Ray Allain stated that the CPI will not be exclusive so if the Port gets into a situation and wants to do an appraisal, the rent can be adjusted accordingly.
- Commissioner Roy Pontiff stated that the only thing that is being changed on the lease is the Three (3) year primary term.
- Ray Allain stated he wrote the language for the CPI clause per Mrs. Joanna Durke's request, but he doesn't want this clause to over ride the general conditions.
- Mr. Craig Romero stated most of the discussion was about the factors that could cause the rent to increase. He also stated that Turner Industries was comfortable with just having the Consumer Price Index as the factor. Ray Allain recommended to at least leave Mrs. Joanna's wording if the Board does not want to use his.
- Commissioner Danny David questioned if Turner Industries will be reimbursing the Port for the Property Insurance/Flood Insurance. Mrs. Joanna Durke stated yes, they will be.
- Ray Allain stated that Turner Industries has requested that the Port indemnify them for environmental issues. Ray Allain stated that the Port needs to get a clean Phase I prior to Turner Industries occupying the property.
- Commissioner Roy Pontiff stated that John Koury of KOURCO will be shadowing Dynamic Industries environmental worker while doing the Phase I to ensure the Port will be protected.
- Commissioner Roy Pontiff asked Ray Allain what guarantee does the Port have that Dynamic Industries will give up their lease on April 30<sup>th</sup>.
- Mrs. Joanna Durke stated that Emile is aware they will have to send in something stating that Dynamic is leaving within 30 days of expiration.
- Commissioner Roy Pontiff questioned if the Port can sign the lease before having documentation from Dynamic that they are leaving. Ray Allain suggested having a termination of lease document that states Dynamic would be responsible for any environmental issues on the property during their occupancy. Ray Allain also suggested having this drafted and approved before the signing of the Turner Industries lease.

**A motion was made by Commissioner Roy A. Pontiff, seconded by Commissioner Patrick Broussard to approve and authorize the Board President to execute a Lease Agreement between the Port of Iberia District and Turner Industries in accordance**

with Mrs. Joanna Durke's lease draft contingent upon receiving a clean environmental Phase I and Execution of Termination of Lease document effective April 30, 2021.

This motion having been submitted to a vote; the vote thereon was as follows:

Yeas: Danny J. David, Sr., Shane Walet, Simieon d. Theodile, and Patrick Broussard.

Nays: None.

Absent at Voting: Elbridge "Smitty" Smith, III and Mark Dore'.

And the motion was therefore passed on this the 9<sup>th</sup> day of March, 2021.

❖ **Update on Port Attorney's Letter Dated March 4, 2021 Regarding Dynamic Industries, Inc. Written Notification/Request (Dated March 2, 2021) for Landlord's Consent Permitting Dynamic Industries, Inc. to Assign East Yard Lease Agreement to Turner Industries Group, LLC.**

- Mrs. Joanna Durke presented the letter from Allain & Allain to Dynamic Industries.
- Commissioner Roy Pontiff stated that Turner Industries is not wanting any improvements made on the property.

**II. Mr. H. Kent Aguillard, Attorney at Law, to Address the Board Regarding a Notice of Chapter 11 Bankruptcy Case Received by the POI.**

❖ **Discuss/Review a Proposal Relative to a Fee Agreement and Authority to Represent.**

- Mr. Craig Romero stated he called Kent Aguillard to come address the Board concerning the Chapter 11 filing of Seadrill.
- Mr. Kent Aguillard stated that bankruptcy law depends on state law. He also stated that leases are either accepted or rejected in bankruptcy. There is a 60-day deadline from when the case is commenced to accept a lease during bankruptcy.
- Mr. Kent Aguillard stated in order to accept the lease, the debtor has to provide assurance of future performance. Mr. Kent Aguillard stated this could be a payment as a type of deposit.
- Mr. Kent Aguillard suggested reaching out to Seadrill's lawyers and get an agreement with them relative to the lease.
- Mr. Kent Aguillard asked what would make the Board feel comfortable that when June arrives Seadrill will be able to pay rent. He then stated it could be something like wanting to see \$500,000.00 escrowed.
- Mr. Kent Aguillard stated the Port needs to pay some attention to what is taking place in this case.
- Mr. Kent Aguillard stated that in summary the Port wants the lease accepted under terms and conditions that show there is more than an average chance that Seadrill will pay the rent when it is due.
- Mr. Craig Romero stated that he spoke with Mike Turley of Seadrill who told Mr. Craig Romero that the Port is in the Cat Bird Seat. Mr. Craig Romero stated this as meaning they are spending money to move their operations from Houma to the Port of Iberia.

- Mr. Craig Romero stated he spoke with Lynn Usie of Seadrill who told Craig Romero that Seadrill's legal department is drafting something to send to the Port as a type of assurance.
- Mr. Kent Aguillard stated that he would not mind monitoring the case with the understanding that he is not official.
- Mr. Ray Allain stated that the Port will need to adopt a formal resolution to send to the attorney general for approval of the retention of special council to handle litigation for the Port.

### **III. Adjournment.**

**A motion was made by Commissioner Patrick Broussard, seconded by Commissioner Roy Pontiff to adjourn the meeting at 12:51 P.M. with the understanding no action can be taken at the meeting without a full quorum present. However, the meeting informally continued until 1:20 P.M.**

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**SECRETARY-TREASURER**

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**PRESIDENT**