

Minutes of the West Calcasieu Airport Managing Board

Special Meeting

June 9, 2014

The special meeting of the West Calcasieu Airport Managing Board was called to order at 9:00 a.m. on Monday, June 9, 2014, by Chairman, Dalton Langford.

Present: Dalton Langford, Chairman; Joseph R. Palermo, Jr., R.K. Levens, Tim Dougherty, Scott Foreman, Board members present; also Darla Perry, CPA; Oliver Schrupf, Attorney/Acting Secretary, Tim LaFleur, Manager. Additionally, approximately 40 members of the public were present along with Marilyn Monroe of the Southwest Daily News, Theresa Schmidt of KPLC TV, and Lance Traweek of the American Press.

Invocation was given by R.K. Levens; pledge of Allegiance was led by Joseph R. Palermo, Jr.

The Chairman announced the first order of business was to entertain a motion to rescind and terminate the lease with First Flight Holdings, LLC, which had been approved on May 27, 2014. R.K. Levens moved to rescind the approval and terminate the lease. The motion was seconded. Public comment was invited before the vote and Mary Ellender asked questions such as, have there been any changes to the lease (Dalton Langford answered no), have there been any other actions by the board in the interim (Dalton Langford answered no). She asked about Chyoda Corporation. Rhett Phillips and Chad Brossett of First Flight Holdings said that they thought this had been removed from the lease because they had agreed to not name a specific contractor for whom they would work but to say that any project south of the airport would be addressed by workers staying at the Moss Lake Village.

Corrections were made to page 5, section 5(b) to remove the words "Chicago, Bridge and Iron Company (either directly or through an affiliate) and Chiyoda International Corporation (either directly or through an affiliate)". And to insert the words "any contractor for a project south of the airport".

Mary began asking questions about the proposed lease and the Chairman ruled her out of order as the issue being discussed was rescission and termination of the lease previously approved. No other discussion was held.

On roll call vote, the vote was unanimous. Joseph R. Palermo, Jr., - yes, R.K. Levens – yes, Scott Foreman – yes, Tim Dougherty –yes. The Chairman did not vote. The lease was deemed cancelled and terminated.

Next, R.K. Levens moved to approve the lease agreement with First Flight Holdings, LLC, subject to the correction made on page 5 (discussed above). The motion was seconded. The Board members deferred discussion to public.

First Mary Ellender resumed her question about whether the project would be carried out in phases. Chad answered that it will be constructed in phases but First Flight Holdings would work with the customer and engineers regarding the phase in, the plans and specifications would be reviewed during the permitting process. The Parish has the plans. Mary Ellender asked what was done to estimate the cost of a hangar at \$625,000. The response from First Flight Holdings that it was a market estimate. The last hangar built at the airport cost \$500,000 and this hangar is expected to be that size or smaller and it was believed that \$625,000 would be sufficient to build a hangar.

Barry Badon presented a letter, a copy of which is attached to these minutes, in which he asserted that participation in these proceedings by Dalton Langford creates a conflict of interest because Dalton Langford is a principle in D&S Aviation, Inc. (see letter for complete allegations). Following Barry Badon's presentation, no action was proposed by any board member.

The next person identified himself as Darrell Wilborn. He requested each board member state their name, address, and the agency that appointed them. Board members stated: R.K. Levens, 209 Beauregard, Sulphur, appointed by Sulphur Industrial Development Board; Joseph R. Palermo, Jr, 1502 Palermo Drive, Sulphur, appointed by Les) Farnum, Calcasieu Parish Police Jury; Dalton Langford, 806 Inwood Forest Blvd, Sulphur, 70665, appointed by Calcasieu Parish Police Jury; Tim Dougherty, 706 Choupique Road, Sulphur, 70665, appointed by West Calcasieu Port; Scott Foreman, 1118 Melanie Drive, Sulphur, appointed by West Calcasieu Port.

Ray Taylor, 2200 Currie Drive, member of Calcasieu Parish Police Jury, stated that he had investigated "man camps" at North Dakota and other locations and said that this is a problem because of a lot of people are coming to this area. A magazine article in 2011 indicated that putting more restrictions on man camps near residential areas was beneficial. He said that First Flight should consider placing their facility at areas south of the intercoastal canal.

Theresa Drost said that she is an employee of Vincent Settlement Elementary and that the board should consider the children who have to ride buses and some of whom get on buses in the dark.

Karen Nichols asked what does "reasonable effort" mean?

An unidentified individual said that R.K. Levens said that he would not want a man camp near his home. R.K. Levens denied that he had ever made this statement and said that the person it is attributed to never interviewed him.

John Blum said he lives on Hwy 27 south near the proposed entrance to the airport and to Moss

Lake Village. He asked where the parking lot would be located. Chad Brossett of First Flight pointed on a map to show him where the location of the parking area would be. Rhett Phillips then spoke saying that the Parish wants all of the tenants of Moss Lake Village to ride buses to and from the facility for work. John Blum asked what about tenants leaving to go drink. First Flight answered that they would have an alcohol policy and people who appeared to be drunk would not be allowed to leave or enter the facility. Furthermore, people wanting to leave to go to town for shopping and related matters would be driven in shuttle buses also reducing traffic on the roads.

Dr. Maureen Lannan asked how First Flight would be dealing with drug problems, domestic disputes and other disturbances. First Flight advised that they had arrangements for security, as well as, fences, ids and security cameras on premises.

John Blum then asked well what about drunk lonely men? R.K. Levens spoke up that he has researched man camps in other locations and found no problems related to the workers causing problems to the surrounding citizens.

Dale Bartley (phonetic) said this facility should be moved to Cameron Parish.

Anthony LeBlanc, Hwy 27, asked whether there would be background checks on the tenants.

Rhett Phillips said background checks would be conducted for violent crimes and sexual crimes; and that if they have a history of any such in their background checks they will not be allowed to move into the facility.

Anthony LeBlanc asked whether it was a prison and the men would not be allowed to leave.

First Flight representatives said if the people want to leave to go to church or to the store or for other reasons they would be provided shuttle buses but additionally food and recreation facilities will be provided within Moss Lake Village so they will not be needing to go outside.

Chad Brossett said 2,500 is the maximum capacity but there will only be as many employees in a facility at one time as the contractor requires up to the maximum. Anthony LeBlanc replied that 2,500 people would require a lot of buses because buses only hold 64 people. Rhett Phillips said there would be lots of traffic whether Moss Lake Village comes here or not.

An unidentified person said he was in Eula, North Dakota, in a man camp which was located in a populated area and there were no problems.

Another unidentified person says why do we need foreigners to do these jobs? Dalton Langford stated that if the contractors need qualified people to do the work and the qualified people happen to be foreigners then you can bet they will be hired.

Next Mary Ellender asked whether the lessees are setting this contract up to be sublet to their client or to a bank, because there is quite a bit of language about banks in this lease. First Flight Holdings representatives said they are not setting it up to sublet to anyone. Mary Ellender asked why is a notice of ground lease be recorded instead of the entire lease. Chad Brossett said this is a customary business practice.

Rhett Phillips then spoke and said that the First Flight Holdings LLC project will create 100 jobs, (managers, cooks, maid service, lawn care, etc.). Contractors and supplies will be sought out from the local community. There will be long term benefits of the LNG facility. First Flight Holdings project will be an \$8 million dollar project of which \$5 million dollars in assets will remain for the benefit of the airport when the project is complete. Additionally they met with Carlyss Water Department and it will not be necessary for First Flight to have a well of its own, but Carlyss Water has sufficient excess supply to supply this project and First Flight will loop the line to improve the quality of water for Carlyss Water Department. The project over its expected life will yield \$1.8 million dollars in rent to the airport and up to \$2.3 million dollars in variable rent depending on occupancy. They have a security plan. They will have onsite deputies. They have cameras and smart cards for entry into the facility only by those who are

authorized to be there. Tim Dougherty commented that we have one of the best contracts that we can get. He said if problems arise we can go back and work on them making changes, but we are looking to protect the local community in the contract.

Dr. Maureen Lannan asked if First Flight Holdings and the airport board had plans to make other changes in the contract? Dalton Langford said "No."

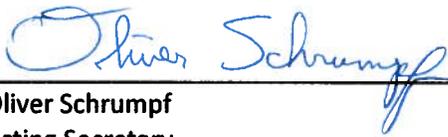
Theresa Drost asked does the lease provide some sort of hold harmless so the Board isn't liable for anything that goes wrong and Oliver Schrupf responded that there are multiple protections in the lease agreement which are standard provisions in leases, including provisions for accounting and auditing and there is a hold harmless where the lessee has to hold the airport harmless from any claims.

Joseph R. Palermo, Jr., called for a vote. At this point the Chairman requested roll call vote on the issue of approving the lease with First Flight Holdings, LLC. Votes were as follows: Joseph R. Palermo, Jr.- yes, R.K. Levens – yes, Scott Foreman – no, Tim Dougherty – no, Dalton Langford broke the tie with a yes vote. At that point various members of the public began leaving and Tom Gayle presented himself as attorney for First Flight Holdings and submitted a Resolution to be considered by the Board authorizing First Flight Holdings to go forward with the zoning variance request. This was not on the agenda and required unanimous consent of all board members present to take up. Mr. Gayle said that since the ground lease was approved and the next step would be to apply for the zoning variance, this Resolution would authorize First Flight Holdings, LLC, to "apply for request, initiate, amend, and/or ratify all necessary applications, licenses, permits, exceptions or regulating authority for all relevant zoning applications, permits, licenses or otherwise certifications for the project contemplated in the agreement with Calcasieu Parish Police Jury or other licensing regulating permitting or governing agencies. The board unanimously agreed to take up the Resolution. Questions were directed to Tom Gayle as to the necessity for this resolution and he suggested that First Flight Holdings, LLC simply wants to go forward with the permitting process to carry out the lease and will take action to pursue permits and zoning variance approvals in accordance with the lease. Joseph R. Palermo, Jr., moved to consider

the Resolution and the board unanimously agreed to take it up.

Thereafter Joseph R. Palermo, Jr., moved to adopt the Resolution to allow First Flight Holdings, LLC, to pursue permitting and zoning pursuant to the lease as stated in the Resolution. This motion was seconded. Public comment was called for and no one offered to speak. The Board unanimously approved this Resolution. Joseph R. Palermo, Jr. moved to adjourn, it was seconded and passed. The meeting was adjourned at 10:05 a.m.

June 9, 2014



Oliver Schrupf
Acting Secretary

June 9, 2014

Mr. Chairman,

Before the board votes on the proposed lease agreement I would like to submit the following public comment into the record. I Barry Wayne Badon, residing at 3589 East Weatherby Drive would like to make notice to the board that the perception of a potential conflict of interest exist. The perception exist due to the realization that Chairman Dalton J. Langford is the co-owner and or operator of D&S Aviation Incorporated a Louisiana Company. The Louisiana Code of Governmental Ethics R.S. 42:1112-

Prohibits the participation by a public servant in any transaction involving the governmental entity in which the public servant has a substantial economic interest.

In addition **appointed members of boards and commissions** may recuse themselves to avoid a violation of Section 1112. Unlike elected officials, they may not participate in the debate or discussion of the matter. They must recuse themselves from all participation. R.S. 42:1112D.

Therefore it is believed as a principal in D&S Aviation Mr. Langford and any other current or future board member conducting for profit business utilizing the Southland Airport is indeed a conflict of interest. There is an exception to this rule provided by RS 42:1123 which allows specifically for airport board members to enjoy usage of the airport as a private individual. The part that is unclear is whether or not that person can enjoy those same privileges as a for profit business. Additionally, should Mr. Langford not currently be engaging in these practices the ability to effect revenue of the Southland Executive Airport could promote unfair pricing standards with competition of nearby airports he may be doing business with.

With these facts stated, I humbly request this body officially request an opinion from the Attorney General of the State of Louisiana as to the validity of the membership of Mr. Langford and any votes taken under the his chairmanship. Should the board not take action, myself and other members of the community are prepared to bring the matter to the ethics board of the State of Louisiana. I appreciate your consideration in this

matter. Understand I am in no way attacking Mr. Langford's character nor am I accusing him of any wrongdoing. I am of the opinion he is an upstanding member of the community. The issue exist in the fact that the potential for such an occurrence is possible with Mr. Langford as a member of the West Calcasieu Parish Airport Managing Board.

Respectfully,



Barry W. Badon
3589 East Weatherby Drive
Sulphur, LA 70665
(337)583-2963

Southland Executive Airport
West Calcasieu Airport Managing Board
7000 Southland Field Road, Sulphur, LA 70663
337-583-9144

PERMITTING AND ZONING AUTHORIZATION

THIS AUTHORIZATION is executed effective as the 9th day of June, 2014, by and between the WEST CALCASIEU AIRPORT, a subdivision of the State of Louisiana, created pursuant to La. R.S. 2:1 *et seq.*, through the WEST CALCASIEU AIRPORT MANAGING BOARD (collectively, the "Airport"), and FIRST FLIGHT HOLDINGS, LLC, a Louisiana limited liability company, or its assigns ("First Flight"), represented by its duly authorized Managers, Rhett Phillips and Chad Brossett, referred to in this Agreement as a "Party" and collectively the "Parties".

WHEREAS, the Airport is a publicly owned and operated airport under the laws of the State of Louisiana;

WHEREAS, the Airport was created by that certain Joint Service Agreement, dated effective as of July 1, 1981, by and among Industrial Development Board of The City of Sulphur, Louisiana, Inc., the West Calcasieu Port, and the Police Jury of the Parish of Calcasieu (the "JSA");

WHEREAS, pursuant to Section V of the JSA, the Airport has the authority, and did, enter into a Ground Lease with respect to the Leased Premises (as defined in the Ground Lease) on the 9th day of June, 2014 for the construction and development of the Project (as defined in the Ground Lease) and other uses permitted by this Ground Lease;

WHEREAS, in accordance with the Ground Lease, and to the extent not expressly or implicitly provided for therein, the Airport does appear herein to grant First Flight the authority to zone, permit, license or otherwise qualify the Project contemplated in the Ground Lease with the Calcasieu Parish Police Jury, or other licensing, regulating, permitting or governing agencies;

NOW, THEREFORE, in consideration of the above recitals, the Parties herein covenant and agree as follows:

- (1) AGENCY AUTHORITY: The Airport does hereby appoint, designate, nominate and grant agency authority to First Flight to apply for, request, initiate, amend and/or ratify all necessary applications, licenses, permits, exceptions or regulating authority for all relevant, zoning applications, permits, licenses, or otherwise certifications for the Project contemplated in the Agreement with the Calcasieu Parish Police Jury, or other licensing, regulating, permitting or governing agencies.

{Signatures on following pages}

IN WITNESS WHEREOF, the Airport has caused this ~~Ground Lease~~ ^{Resolution} to be executed on this 9th day of June, 2014.

STATE OF LOUISIANA.

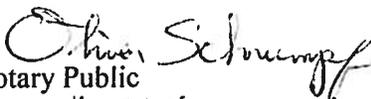
PARISH OF CALCASIEU

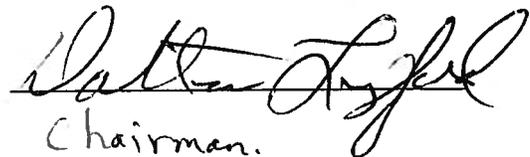
Airport:

WEST CALCASIEU AIRPORT
MANAGING BOARD

BEFORE ME, the undersigned authority, in and for said parish, on this day personally appeared Dalton Langford, known to me and known to be the individual described in and who executed the foregoing instrument as Chairman of West Calcasieu Airport Managing Board and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 9th day of June, 2014.


Notary Public
SEAL # 8101
SEAL


Chairman.

Printed Name:

Bar Roll/Notary No.: 11832 / 8101

My Commission Expires: life