

THIS IS AN AGREEMENT effective as of July 12, 2004, ("Effective Date") between ST. CHARLES PARISH ("PARISH") and COMITE RESOURCES INC. ("COMITE").

A. COMITE has been retained by PARISH to provide work under this Agreement generally described as follows:

Project Title: Luling Wetland Environmental Permit Applications

B. The part of the Project for which COMITE is to perform its work is referred to herein as "This Part of the Project".

C. COMITE will communicate with agencies as necessary on Permit Applications and will attend (as appropriate) meetings with and assist in negotiations with the Louisiana Department of Environmental Quality (LDEQ), Louisiana Department of Natural Resources (LDNR) and US Army Corps of Engineers (COE) relative to the SITE permitting.

D. COMITE shall provide work under this Agreement as PARISH'S Consultant for This Part of the Project, shall be solely responsible for the means and methods used in providing these work under this Agreement, is an independent Consultant, and not a joint venture with PARISH.

PARISH and COMITE in consideration of their mutual covenants as set forth herein, agree as follows:

ARTICLE 1 – WORK OF COMITE

1.01 Scope

- A. COMITE shall provide the Basic Work set forth herein which is specifically designed to meet the requirements as described in Exhibit A.
- B. Additional Work beyond the Scope of Work for the Luling Wetland Environmental Permit Applications (Exhibit A) shall be a separate negotiated agreement between PARISH and COMITE. Such Additional Work may include: preparation of grant funding applications, assistance in land acquisition for this project, preparing to serve or serving as a consultant or witness for the PARISH in any litigation, arbitration or other legal or administrative proceeding involving the project; and additional service in connection with the Work, including services which are to be furnished by the PARISH and services not otherwise provided for in this agreement.
- C. COMITE shall furnish one electronic copy of the Progress Report Documents to PARISH with each submittal of invoices. COMITE shall furnish one electronic copy of draft Luling Wetland Environmental Permit Applications to PARISH for review and to make comments.

COMITE shall submit one hard copy and one electronic copy of final Luling Wetland Environmental Permit Applications to PARISH.

- D. Upon this Agreement becoming effective, COMITE is authorized to begin Basic Work as set forth in Exhibit A.

ARTICLE 2 – PARISH’S RESPONSIBILITIES

2.01 General

- A. PARISH shall have the responsibilities set forth herein.

ARTICLE 3 – TIMES FOR RENDERING WORK

3.01 General

- A. COMITE’S work and compensation under this Agreement have been agreed to assuming the orderly and continuous progress of the Project through completion.

B. If in this Agreement specific periods of time for rendering work are set forth, or specific dates by which work are to be completed are provided, and if such periods of time or dates are changed through no fault of COMITE, the rates and amounts of compensation provided for herein shall be subject to equitable adjustment. If PARISH has requested changes in the scope, extent, or character of This Part of the Project, the time of performance of COMITE’S work shall be subject to equitable adjustment.

- C. For purposes of this Agreement, the term “day” means a calendar day of 24 hours.

3.02 Suspension

A. If PARISH fails to give prompt written authorization to proceed with any phase of the work after completion of the immediately preceding phase, or if COMITE’S work are delayed through no fault of the COMITE, COMITE may, after giving seven days written notice to PARISH, suspend work under this Agreement.

B. If COMITE’S work are delayed or suspended in whole or in part by PARISH, or if COMITE’S work are extended by PARISH’S actions or inactions for more than 90 days through no fault of COMITE, COMITE may be entitled to an adjustment of rates and amounts of compensation provided for elsewhere in this Agreement to reflect responsible costs incurred by COMITE in connection with, among other things, such delay or suspension and reactivation and the fact that the time of performance under this Agreement has been revised.

ARTICLE 4 – PAYMENTS TO COMITE

4.01 Methods of Payment for Work of COMITE

A. *For Basic Work.* PARISH shall pay COMITE \$42,000 for Basic Work performed in twelve equal payments of \$3,500 based on submittal of progress reports and the final Environmental Permit Applications.

4.02 Other Provisions Concerning Payments

A. *Preparation of Invoices.* Invoices will be prepared in accordance with COMITE'S standard invoicing practices and will be submitted to PARISH by COMITE with each progress report and the draft Environmental Permit Applications. The standard invoice has date of the progress report, total contract amount, percent complete, dollar amount complete, previous paid and amount currently due.

B. *Approval of Invoices.* PARISH shall review invoices submitted by COMITE within 15 days of receipt and shall promptly either approve said invoices or notify COMITE of any disputed items. Approval of invoices by PARISH shall not be unreasonably withheld.

C. *Unpaid Invoices.* If PARISH has received and approved an invoice from COMITE for work, and if thereafter PARISH fails to pay COMITE for the work and expenses covered by such invoice within 60 days of said invoice from COMITE, then after the 60th day, whichever occurs first, the unpaid amounts covered by such invoice will be increased at the rate of 1% per month from the date which first occurs. Payments will be credited first to interest and then to principal.

D. *Payments Upon Termination.*

1. In the event of any termination under paragraph 6.06, COMITE will be entitled to invoice PARISH and will be paid in accordance with this Agreement for all work satisfactorily performed and documented by a technical report to be submitted to the PARISH, including Reimbursable Expenses and COMITE charges incurred through the effective date of termination.

2. In the event of termination by PARISH for convenience or by COMITE for cause, COMITE, in addition to invoicing for those items identified in subparagraph 4.02.F, shall be entitled to invoice PARISH and shall be paid a responsible amount for work and expenses attributable to termination, such as reassignment of personnel, costs of terminating contracts with COMITE'S consultants, and other related close-out costs, using methods and rates for Additional Work of our standard rate of \$175 per hour plus expenses.

E. *Records of COMITE'S Costs.* Records of COMITE'S costs pertinent to COMITE'S compensation and payments under this Agreement will be kept in accordance with generally accepted accounting practices. To the extent necessary to verify COMITE'S charges and upon PARISH'S reasonable request, copies of such records will be made available to PARISH at cost.

F. *Legislative Actions.* In the event of any legislative actions after the Effective Date of this Agreement by any level of government that impose taxes, fees or costs on COMITE work in connection with this Project, such new taxes, fees or costs shall be invoiced to and paid by PARISH as a Reimbursable Expense to which a factor of 1.0 shall be applied. Should such costs be imposed, they shall be in addition to COMITE'S estimated total compensation.

ARTICLE 6 – GENERAL CONSIDERATIONS

6.01 Standards of Performance

A. The standard of care for all professional and related work performed or furnished by COMITE under this Agreement will be the care and skill ordinarily used by members of COMITE'S profession practicing under similar circumstances at the same time and in the same locality. COMITE makes no warranties, express or implied, under this Agreement or otherwise, in connection with this work.

B. COMITE shall be responsible for the technical accuracy of its work, data and Documents resulting therefrom, and the PARISH shall not be responsible for discovering deficiencies therein. COMITE shall correct such deficiencies without additional compensation, except to the extent that such action is directly attributable to deficiencies in -furnished information.

C. COMITE shall maintain on file in legible form, for a period of five years following the completion of its work, all its Documents, records (fiscal and other) and design calculations pertinent to its performance under this Agreement. A copy of these shall be available to the PARISH at cost.

D. COMITE may employ Consultants as COMITE deems necessary to assist in performance or furnishing of such work. COMITE shall not be required to employ any Consultants unacceptable to COMITE.

E. PARISH and COMITE shall comply with applicable Laws and Regulations and with standards mandated by PARISH. This Agreement is based on these requirements as of its Effective Date. Changes to these requirements after the Effective Date of this Agreement may be the basis for modifications to PARISH'S responsibilities and to the scope, schedule, and compensation of or for the COMITE'S work.

F. Unless indicated otherwise by PARISH at the time of transmittal to COMITE, PARISH shall be responsible for, and COMITE may rely on, the accuracy and completeness of requirements, programs, instructions, reports, data, and other information furnished by PARISH pursuant to this Agreement. COMITE may use such requirements, programs, instructions, reports, data and other information in performing or furnishing work under this Agreement.

G. COMITE shall not be requested to sign any documents, no matter by whom requested, that would result in COMITE'S having to certify, guarantee or warrant the existence of conditions whose existence COMITE cannot ascertain and, within the scope of COMITE'S work hereunder have not been and could not be ascertained. PARISH agrees not to make resolution of any dispute with the COMITE or payment of any amount due to the COMITE in any way contingent upon COMITE signing any such certification.

H. Independent Contractor. COMITE is an independent contractor and is not an agent, representative, employee, or servant of the PARISH. As an independent contractor, COMITE shall possess complete charge of personnel and activities associated with the WORK. Persons or entities retained by COMITE, including all employees and Subcontractors, shall be the sole responsibility of COMITE. COMITE shall be solely responsible for payment of all its employees and Subcontractors and, subject to any lien rights under APPLICABLE LAW, Subcontractors and COMITE'S employees shall have no claim, lien or right to proceed against the PARISH, its officials, officers or employees for any actions by COMITE or its subcontractors on the SITE. The PARISH shall not control COMITE'S performance, but the PARISH shall have the right to inspect the WORK and to make suggestions and comments.

I. Subcontractors. If COMITE shall cause any part of the WORK to be performed by a subcontractor, this AGREEMENT shall apply to such subcontractor as if he or it were employees of COMITE. Accordingly, COMITE shall be liable for the subcontractor's WORK. COMITE shall submit for the PARISH'S written approval a general list of the major subcontractors which COMITE might use in this WORK and COMITE may use any subcontractor not objected to by the PARISH. The PARISH'S approval of, or failure to reject, any subcontractor shall not affect the provisions of this Agreement.

J. Cooperation and Coordination with other contractors. It is recognized that other WORK may be performed at the SITE by other contractors or subcontractors of the PARISH. In this event, COMITE shall coordinate the WORK with such other contractors, shall cooperate in good faith with such separate contractors during the term of this AGREEMENT and shall conduct its operations so as to interfere to the least practical extent with the WORK of such other contractors. If any part of the WORK depends for proper execution upon the performance of any other contractor, COMITE shall inspect and promptly report to the PARISH any defects in such performance that render the SITE unsuitable for the proper execution of the WORK. Any conflicts which may arise between COMITE and any other contractors shall be resolved by a special meeting of the parties.

K. Material, Equipment and Services to be Provided. COMITE agrees to provide all equipment and consulting services necessary to perform COMITE'S obligations under this AGREEMENT except as otherwise expressly provided herein. COMITE agrees to provide all other necessary manpower, materials, equipment, services and facilities necessary to complete the Luling Wetland Environmental Permit Applications as called for by this AGREEMENT.

L. Site Investigation. COMITE acknowledges that it has investigated and is satisfied as to the conditions affecting the WORK, COMITE further acknowledges that it has satisfied itself as to the character, quality and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the SITE, including all exploratory WORK done by the PARISH, if any, as well as from information presented by the drawings and specifications made a part of this AGREEMENT. Any failure by COMITE to acquaint itself with the available information will not relieve COMITE from responsibility for estimating properly the difficulty or cost of successfully performing the WORK. COMITE shall be responsible for having taken steps reasonably necessary to ascertain the nature and location of the WORK, and the general and local conditions which can affect the WORK or the cost thereof. Failure by the COMITE to do so will not relieve COMITE from responsibility for successfully performing the WORK without additional expense to the PARISH. The PARISH does not assume any responsibility for any conclusions or interpretations made by COMITE on the basis of the information made available by the PARISH, its employees, or agents and the PARISH does not assume responsibility for any understanding or representations concerning conditions made by any of its officers, employees or agents prior to or during the performance of this AGREEMENT, unless such understanding or representations are expressly stated in this AGREEMENT.

N. Force Majeure Event. Any delays in or failure of performance due to a FORCE MAJEURE EVENT shall not constitute a default under this AGREEMENT or give rise to any claim for damages. In the event a FORCE MAJEURE EVENT arises which wholly or in part prevents either party from performing hereunder, the non-performing party shall inform the other in writing within ten (10) working days from the commencement of the FORCE MAJEURE EVENT. Provided such notice is given, the obligation affected by a FORCE MAJEURE EVENT shall be automatically extended for a time equal to the delay caused by the intervention of such FORCE MAJEURE EVENT. If, however, the delay shall continue for more than one hundred eighty (180) days, either party shall have the option to terminate this Agreement as of the date of written notice sent to the other party. In the event of termination of this AGREEMENT, PARISH shall pay COMITE for all fees earned for services performed to the date of termination.

O. Notification. Either party shall give notice of any circumstance or event, including, without limitation, any FORCE MAJEURE EVENT, which may give rise to a claim for an adjustment to date of completion. Notification shall be in writing and shall be delivered to the other party within ten (10) DAYS of the date on which the party affecting the delay has knowledge or should

reasonably have had knowledge of the circumstance or event-giving rise to such claim. All schedules and timetables relative to payment under this AGREEMENT shall be extended relative to the delays created by a FORCE MAJEURE EVENT.

P. Access to Site. The PARISH shall be fully responsible for and will provide COMITE with adequate means of ingress and egress to the SITE during the term of this AGREEMENT and shall allow COMITE, its agents, subcontractors, employees and representatives, to have access to the SITE (excluding buildings, improvements and structures thereon) at reasonable times throughout the term of this AGREEMENT.

6.02 Authorized Project Representative

A. Contemporaneous with the execution of this Agreement, COMITE and PARISH shall designate specific individuals to serve as COMITE'S and PARISH'S representatives with respect to the work to be performed or furnished by COMITE under this Agreement. Such individuals shall have the authority to transmit instructions, receive information and render decisions relative to This Part of the Project on behalf of each respective party.

6.03 Use of Documents

A. All Documents prepared or furnished by COMITE pursuant to this Agreement are instruments of service in respect to This Part of the Project and COMITE may retain an ownership and property interest therein (including the right of re-use at the discretion of COMITE whether or not This Part of the Project is completed).

B. Confidential Relationship. PARISH shall treat as confidential all data, analysis, specifications, drawings, blueprints and other information supplied by COMITE or obtained by PARISH as result of performance under this AGREEMENT unless such is in the public domain. Prior to release of any information for publication that the WORK is being performed by COMITE for the PARISH under this AGREEMENT, written permission must be obtained from COMITE. The PARISH shall not disclose any information related to this AGREEMENT to any person not authorized by COMITE, in writing, to receive it.

C. Copies of PARISH-furnished data that may be relied upon by COMITE are limited to the printed copies (also known as hard copies) that are delivered to the COMITE pursuant to Exhibit B. Files in electronic media format of text, data, or graphics, or of other types that are furnished by PARISH to COMITE are only for convenience of COMITE. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.

D. Copies of Documents that may be relied upon by PARISH are limited to the printed copies (also known as hard copies) that are signed or sealed by the COMITE. Files in electronic media format of text, data, or graphics, or of other types that are furnished by COMITE to PARISH

are only for the convenience of PARISH. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.

E. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. However, if COMITE'S electronic files are delivered to PARISH for PARISH'S delivery, the 60-day acceptance period will be corrected by the party delivering the electronic files. COMITE shall not be responsible to maintain documents stored in electronic media format after acceptance by PARISH.

F. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

G. When transferring documents in electronic media format, neither COMITE nor PARISH make representations as to long-term compatibility, usability or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by COMITE and PARISH, respectively, at the completion of This Part of the Project.

H. PARISH may make and retain copies of Documents for information and reference in connection with the use and occupancy of This Part of the Project by PARISH'S related design work. Such Documents are not intended or represented to be suitable for re-use by PARISH, PARISH'S, or others on extensions of This Part of the Project or on any other project. Any such re-use or modification without written verification or adaptation by COMITE as appropriate for the specific purpose intended will be at the re-user's sole risk and without liability or legal exposure to COMITE or to COMITE'S Contractors. PARISH shall indemnify and hold harmless COMITE and COMITE'S Contractors from all damages, losses and expenses, including attorneys' fees arising out of or resulting therefrom.

I. Any verification or adaptation of the Documents for extensions of This Part of the Project or for any other project will entitle COMITE to further compensation at rates to be agreed upon by PARISH and COMITE.

6.04 Termination

A. The obligation to provide further work under this Agreement may be terminated:

1. *For cause,*

a. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. Notwithstanding the foregoing, this Agreement will not terminate as a result of such substantial failure if the party receiving such notice begins, within seven days or receipt of such notice, to correct its failure to perform and proceed diligently to cure such failure within no more than 30 days of receipt thereof. However, if and to the extent such substantial failure cannot be reasonably cured within such 30-day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.

b. By COMITE:

1) Upon seven days written notice if COMITE believes that COMITE is being requested by PARISH to furnish or perform work contrary to COMITE'S responsibilities as a licensed professional; or

2) Upon seven days written notice if COMITE'S work for This Part of the Project are delayed or suspended for more than 90 days for any reason other than Force Majeure.

3) COMITE shall have no liability to PARISH on account of termination under paragraph 6.06.A.1.b.

2. *For convenience:*

a. By PARISH effective upon receipt of notice by COMITE.

b. By COMITE, if COMITE'S work under this Agreement cannot be performed because of a Hazardous Environmental Condition.

B. PARISH may establish the effective date of termination 30 days later than otherwise provided to allow COMITE to demobilize personnel and equipment, to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble materials for This Part of the Project in orderly files.

6.05 Dispute Resolution

It is intended by the parties to resolve all disputes by reasonable negotiations between PARISH and COMITE without resort to litigation. If a dispute should arise the obligations of the either party towards the other, the parties will attempt to resolve the dispute with the following procedures:

Special meetings. Either PARISH or COMITE may call a special meeting for the resolution of disputes. The meeting shall be held at the PARISH Office within two (2) working days of the written request for the meeting, which specifies the nature of the dispute to be resolved. The meeting shall be attended by representatives of PARISH and COMITE, who shall attempt in good faith to resolve the dispute.

Mediation. If PARISH and COMITE mutually agree, an impartial third party mediator experienced in projects that are similar in nature to the work may be employed. Upon mutual agreement of PARISH and COMITE, the PROJECT ENGINEER may be designated as mediator for the limited purposes hereof. The mediator shall be given any written statement (s) of the parties and may review the Site and other documents he may choose. The mediator shall call a special meeting which shall be attended by a representative of PARISH and COMITE. The cost of the mediation shall be borne equally by PARISH and COMITE. No minutes shall be kept and the comments or findings of the mediator shall be non-binding and the without prejudice to the rights of any party. Subject to the foregoing procedures, the parties reserve any and all rights, claims and defenses which they may have under applicable law in connection with any dispute regarding the AGREEMENT.

6.06 Hazardous Environmental Condition

A. PARISH has disclosed all data available to PARISH concerning known or suspected Hazardous Environmental Conditions or has represented that, to the best of PARISH'S knowledge, a Hazardous Environmental Condition does not exist at or near the site.

B. Based on PARISH'S disclosures and representations to COMITE, to the best of its knowledge, has disclosed to COMITE the existence of all known Asbestos, PCBs, Petroleum, Hazardous Waste, or Radioactive Material, if any, located at or near the Site including type, quantity and location.

C. If any Hazardous Environmental Condition is encountered, or alleged, COMITE shall have the obligation to notify PARISH and, to the extent of applicable Laws and Regulations, appropriate governmental officials.

D. It is acknowledged by both parties that COMITE'S scope of work does not include any work related to an undisclosed Hazardous Environmental Condition. In the event COMITE or any party encounters a Hazardous Environmental Condition, COMITE may, at its option and without liability for consequential or any other damages, suspend performance of work on the portion of This Part of the Project affected thereby until PARISH or other appropriate party: (i) retains appropriate specialist COMITE(s) or PARISH(s) to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (ii) warrants that the Site is in full compliance with applicable Laws and Regulations.

E. PARISH acknowledges and agrees that COMITE is performing professional work for PARISH and that COMITE is not and shall not be required to become an "arranger", "operator", "generator", or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation and Liabilities Act of 1990 (CERCLA), which are or may be encountered at or near the Site in connection with COMITE'S activities under this Agreement.

6.07 Allocation of Risks

A. Indemnification.

1. To the fullest extent permitted by law, COMITE shall indemnify and hold harmless PARISH, PARISH'S Consultants, PARISH'S officers, directors, partners and employees from and against any and all costs, losses and damages (including, but not limited to, all fees and charges of PARISH'S, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of COMITE or COMITE'S officers, directors, partners, employees, or COMITE'S Consultants in the performance and furnishing of COMITE'S work under this Agreement.
2. To the fullest extent permitted by law, PARISH shall indemnify and hold harmless COMITE, and COMITE'S officers, directors, partners and employees from and against any and all costs, losses and damages (including, but not limited to, all fees and charges of PARISH'S, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of PARISH or PARISH'S officers, directors, partners, employees, and PARISH'S Consultants with respect to this Agreement.
3. To the fullest extent permitted by law, COMITE'S total liability to PARISH and anyone claiming by, through, or under PARISH for any cost, loss or damages caused in part by the negligence of COMITE, including those for whom COMITE is responsible, and in part by the negligence of PARISH or any other negligent entity or individual, shall not exceed the percentage share that COMITE'S negligence bears to the total negligence of PARISH, COMITE, and all other negligent entities and individuals.
4. To the fullest extent permitted by law, PARISH'S total liability to COMITE and anyone claiming by, through, or under COMITE for any cost, loss or damages caused in part by the negligence of PARISH, and in part by the negligence of COMITE or any other negligent entity or individual, shall not exceed the percentage share that PARISH'S negligence bears to the total negligence of COMITE, PARISH, and all other negligent entities and individuals.

5. PARISH'S indemnity with respect to a Hazardous Environmental Condition, if any, is contained in the Prime Agreement.
 6. COMITE'S Indemnity. To the fullest extent permitted by law, COMITE shall indemnify and hold harmless PARISH, PARISH'S Consultants, PARISH'S officers, directors, partners and employees from and against any and all costs, losses and damages (including, but not limited to, all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of COMITE or COMITE'S officers, directors, partners, employees, or COMITE'S Consultants in the performance and furnishing of COMITE'S services under this agreement.
 7. PARISH'S Indemnity. To the fullest extent permitted by law, PARISH shall indemnify and hold harmless COMITE, COMITE'S Consultants, COMITE'S officers, directors, partners and employees from and against any and all costs, losses and damages (including, but not limited to, all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of PARISH or PARISH'S officers, directors, partners, employees, or PARISH'S Consultants in the performance and furnishing of PARISH'S services under this agreement.
 8. Insurance. COMITE, and all of its subcontractors, shall maintain, at their sole cost, at all times while performing work, insurance coverage, where applicable, with companies satisfactory to PARISH and endorsed to cover operations to be performed under this Agreement, including:
 - (a) Workers' Compensation Insurance as required by laws and regulations applicable to and covering COMITE'S employees engaged in the performance of the work under this Agreement.
 - (b) Adequate Employers' Liability Insurance protecting COMITE against common law liability, in the absence of statutory liability, for employee bodily injury arising out of the master-servant relationship;
 - (c) Adequate Comprehensive General Liability / Commercial General Liability Insurance providing coverage for all operations required to fulfill this Agreement, including products/completed operations. This policy shall cover, among other risks, the contractual liability assumed under the indemnification provision of this Agreement.
- Form of Insurance. PARISH shall be named as an additional insured on COMITE'S Protective Liability Coverage for Operations of Designated Contractor

policy. Each contract of insurance and certificate of insurance shall include appropriate clauses pursuant to which the insurance carriers shall waive all rights of subrogation with respect to losses payable under such policies. Each policy shall be subject to approval by PARISH regarding limit, form, amount, and insurance carrier. Each contract of insurance shall not be canceled or materially altered until at least thirty days after written notice of such proposed cancellation or alteration is provided to PARISH. Promptly on execution of this AGREEMENT, COMITE shall furnish insurance certificates showing COMITE'S compliance with the above requirements.

Subcontractor Insurance. COMITE shall ensure that each Subcontractor shall obtain the insurance coverage specified in Article above, except that no Subcontractor shall be required to obtain the PARISH'S and COMITE'S Protective Liability Coverage for Operations of Designated Contractor or Pollution Liability insurance.

6.08 Notices

A. Any notice required under this Agreement will be in writing, addressed to the appropriate party at its address on the signature page, and given personally, or by registered or certified mail, postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

6.09 Survival

A. All express representations, indemnifications or limitations of liability included in this Agreement will survive its completion or termination for any reason.

6.10 Severability

If any paragraph, subparagraph, sentence, or clause or portion of this AGREEMENT or the Attachments thereto shall be adjudged by a court of competent jurisdiction to be illegal, invalid, or unenforceable, that language shall be stricken as if it were never contained in this agreement and such judgment shall not affect the legality, validity, or enforceability of the agreement as a whole or of any paragraph, subparagraph, sentences, clause or Attachment hereof not so adjudged. The remaining provisions shall remain in force and COMITE and PARISH agree that the obligations, duties, and liabilities under each paragraph hereof are independent of all other provisions of this AGREEMENT and accordingly shall not be limited, restricted, or in any way affected by any other provision of this AGREEMENT.

Change in Law. If, during the term of this AGREEMENT, there are passed or Enacted legislation or regulations which materially affect the SCOPE OF WORK,

COMPENSATION or requirements and obligations imposed on any party hereunder, PARISH and COMITE shall in good faith negotiate a CHANGE ORDER fairly accommodating the new legislation or regulations.

Protection of Existing Facilities. COMITE shall protect existing buildings, structures, pavements, wells, utilities (overhead and buried), trees, fences, and appurtenances at the SITE. Any item which is damaged or destroyed by COMITE, shall be repaired or replaced by and at the sole cost of COMITE and COMITE'S indemnification as provided herein shall include all damages or injury caused thereby.

6.11 Waiver

A. Non-enforcement of any provision of this Agreement by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

6.12 Successors, Assigns, and Beneficiaries

A. PARISH and COMITE each is hereby bound and the partners, successors, executors, administrators and legal representatives of PARISH and COMITE (and to the extent permitted by paragraph 6.14.B the assigns of PARISH and COMITE) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

B. Neither PARISH nor COMITE may assign, sublet or transfer any rights under or interest (including, but without limitation, monies that may become due or monies that are due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

C. Unless expressly provided otherwise in this Agreement:

1. Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by PARISH or COMITE to any PARISH, PARISH'S sub PARISH, supplier, other individual or entity, or to any surety for or employee of any of them.
2. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of PARISH and COMITE and not for the benefit of any other party.

6.13 Controlling Law

A. This Agreement is to be governed by the law of the state in which the Project is located unless designated otherwise in the Prime Agreement.

6.14 Headings

A. The headings used in this Agreement are for general reference only and do not have special significance.

6.15 Amendments

The parties hereto may, by mutual written agreement, amend this AGREEMENT in any respect. Any agreement on the part of any party for any such amendment must be specific, in writing, and executed by the parties. No change, addition or erasure of any portion of this AGREEMENT (except the filling in of blank lines) shall be valid or binding upon either party unless signed or initialed by all parties hereto. It is declared by all parties hereto that there are no oral or other agreements or understandings between COMITE and PARISH affecting this AGREEMENT, or related to the services to be provided by COMITE. This AGREEMENT supersedes all previous agreements between and/or among the parties.

ARTICLE 7 – ATTACHMENTS AND EXHIBITS

7.01 No Attachments Included

7.02 Exhibits Included

A. Exhibit A. Environmental Permit Applications

8.03 Total Agreement

A. This Agreement constitutes the entire agreement between PARISH and COMITE and supersedes all prior written and oral understandings. This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

PARISH: ST. CHARLES PARISH

By: Albert C. Fagan

Date Signed: 8/4/2004

Address for giving notices:

Designated Representative (paragraph 6.02.A):

Name: Gregory E. Bush

Title: Director of Public Works/Wastewater

Phone Number: 985-783-1205

Facsimile Number: 985 785-2207

E-Mail Address: gbush@stcharles.gov.net

COMITE: Comite Resources, INC.

By: Joel Lindsey Joel Lindsey

Date Signed: 7/18/04

Address for giving notices:

11643 Pride Port Hudson Rd.

Zachary, LA 70791

Designated Representative (paragraph 6.02.A):

Name: Joel Lindsey

Phone Number: 225-654-8847

Facsimile Number: 225-658-0029

E-Mail Address: lindseyj@bellsouth.net

Exhibit A

Luling Wetland Environmental Permit Applications

Scope of Work

These services are to assist St. Charles Parish in the process of submitting environmental permit applications, for the Luling Pond Wetland Assimilation project. This Scope of Work is designed so St. Charles Parish can achieve state and federal water quality goals.

Purpose:

1. Prepare and negotiate environmental permit applications to discharge treated sanitary wastewater to the Luling Pond wetlands

Permit applications:

Prepare and negotiate:

1. Louisiana Pollutant Discharge Elimination System (LPDES) – Louisiana Department of Environmental Quality (LDEQ) and US Environmental Protection Agency (EPA)
2. Coastal Use Permit (CUP)- Louisiana Department of Natural Resources, Coastal Management (LDNR/CMD)
3. Section 404-permit application - US Army, Corps of Engineers (USCOE).

This Scope of Work is designed to meet St. Charles Parish's obligation to obtain permits for treated effluent discharge to wetlands. This scope does not include engineering specifications and drawings. As part of this scope, Comite Resources will coordinate with the Parish Engineer.

Tasks:

- A. Prepare project plan, schedule and timeline.
 1. prepare critical path analysis. The critical path analysis will identify important milestones of the project.
 2. organizational chart. The organizational chart will specify management responsibilities of the participants in the project.
 3. conduct site inspection and determination of needs. One or more site inspections will be carried out to determine the general location of the construction aspects of the project including coordination with the Parish Engineer.
 4. determine status of permit request. One or more meetings will be held with LDEQ, USEPA, USCOE, and LDNR/CMD personnel to advise them of the plans and status of the permit application request process. In this meeting, dates for milestones for accomplishing the various tasks will be presented.
- B. Regulatory
 1. Prepare permits, USCORPS 404, LDNR/CUP, LDEQ/WQC, USEPA. Meetings will be held with the appropriate agencies to determine permit application requirements.
 2. Collect additional information deemed necessary for the project.

3. Permit applications will be prepared for submittal by St. Charles Parish.
- C. Coordination of preliminary design for LDEQ, USEPA, and LDNR approval. As part of this scope, we will coordinate with the Parish Engineer in the design of the effluent distribution system to wetlands.

D. Regulatory Overview

Meetings will be held with LDEQ, USEPA, USCOE and LDNR to determine the sufficiency of information for the final discharge permit application.

1. Final Design. Comite Resources will coordinate with the Parish Engineer in developing the final design.
2. Preparation of Final Permit Application for Submittal by St. Charles Parish.
3. Prepare draft water quality-based effluent limitations and/or conditions for inclusion in the LPDES permit. The specific biological criteria are designed to protect the receiving natural Luling wetlands.
4. Prepare draft wetland monitoring testing for species classification, percentage cover, growth studies, water stages, metals, nutrient, chemical.

Begin: July 8, 2004

End: May 30, 2005

Cost: \$42,000.