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Limetree Bay Terminals Turns to Local Court in Demanding Millions Owed by Port Hamilton Refining, as Saga on St. Croix's South Shore Continues

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Janeke Simon **July 07, 2022**

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**Nighttime shot of the Limetree Bay headquarters on St. Croix. By. ERNICE GILBERT/
V.I. CONSORTIUM**

Documents obtained by Consortium journalists indicate that Limetree Bay Terminals is seeking assistance from the local courts in obtaining past due payments from Port Hamilton Refining & Transportation.

Limetree Bay Terminals is seemingly filing for breach of contract, debt, and unjust enrichment, and demanding a jury trial on the issue, in the St. Croix Division of the Virgin Islands Superior Court.

The suit names Port Hamilton Refining as a defendant and mentions another entity, Virgin Islands Refining Company, described as Port Hamilton's general partner. The complaint is based on payments owed by PHRT for services provided by Limetree whose cost was supposed to have been shared by both parties. These shared services are reportedly necessary for the operation of the refinery, and in January of this year, an agreement was effected between the two parties to make official the method by which costs and provision of the services would be managed.

The Consortium first learned of the apparent failure by PHRT to remit payment to Limetree as per the terms of that agreement when in June counsel for LBT put on record in the Texas bankruptcy court that handled the refinery's insolvency their [allegations that PHRT was failing to uphold its end of the bargain](#). The claims made in the suit are selfsame to what was put on record through court documents in the Texas bankruptcy court.

With this complaint, Limetree now seeks the intervention of the Court in ordering PHRT to pay its debts.

The first Shared Services agreement between the refinery and the terminal side of the operation predated the refinery's purchase via a joint bid from PHRT and Jamaican company West Indies Petroleum Limited, who later reportedly transferred sole ownership of the asset to PHRT. It was first signed between Limetree Bay Terminals and Limetree Bay Refinery in 2018. Under the agreement, the Terminals business would invoice the Refinery monthly for their portion of the cost of the shared services, which included fuel for the generation of power, use of LBT housing for employees, contractors and consultants hired by PHRT, as well as internet and phone services, among other things.

However, following the refinery's sale, new owners PHRT reportedly decided that instead of assuming the existing shared services agreement with the rest of the refinery assets, they would instead enter into a new agreement with Limetree on the issue. That did not happen before the sale was closed, however, with Limetree contending that PHRT failed to "meaningfully engage in negotiations." When the refinery was officially transferred to PHRT on January 21, 2022, Limetree says the existing sale agreement with the refinery expired, and with nothing to take its place, it stopped providing the shared services to the shuttered refinery.

According to Limetree's filings, after initially trying and failing to operate the refinery without LBT's support via those shared services, PHRT quickly realized that it needed LBT's support, and so two days later, the parties entered into what is described in the complaint as a "letter agreement", which was intended as, and understood to be by both sides, a sort of placeholder until a long-term services agreement could be negotiated. The agreement was that LBT continued to provide the shared services outlined in the previous contract, billed to PHRT at actual cost incurred plus either \$25,000 per week or 20 percent of the cost incurred, whichever was lower. Apart from the other shared services under the agreement, the provision of fuel to Port Hamilton was specifically highlighted.

For these services, PHRT reportedly agreed to pre-pay \$750,000 to Limetree Bay Terminals, a sum estimated to be the cost of bunkering the required fuel to cover the initial agreement period. At the end of that timeframe, Limetree would invoice PHRT for the actual cost of that fuel, and apply the pre-payment towards that invoice, with PHRT agreeing to pay any remaining balance within two business days.

In early February, the parties came together and agreed to extend that initial timeframe outward to February 22nd. PHRT agreed to pre-pay an additional \$500,000 to cover fuel bunkering costs

through that extension. On February 18, another extension was agreed, this time to March 21, with a consequent additional prepayment of \$575,000.

With no further extensions, the initial agreement duly expired on March 21st, by which time, the Limetree complaint alleges, PHRT had already fallen behind on their obligations, which included a prepayment amount of \$1,825,000, and is well over \$5 million all told, according to Limetree Bay Terminals. Although it neither specified by how much PHRT had fallen short nor included as an exhibit a copy of the letter reference, Limetree's complaint did allege that said letter was sent to PHRT on March 29th, informing them that the entire overdue amount was due by April 1st, and detailing actions that would be taken if the demanded payment failed to materialize.

The demand letter reportedly set several dates in April. From the 1st to the 15th, upon which more and more of the shared services would be terminated by Limetree. Despite that schedule being established, LBT says that the services continued until another collection notice was issued on April 13th. The payment remained in abeyance, and eventually Limetree moved to suspend some of the shared services, including some network resources, while continuing to provide — and rack up costs for — other services deemed critical to maintaining operational safety at the refinery.

It is that outstanding balance, which grows by the day, which Limetree is now appealing to the court to find PHRT liable for, and is asking the court to order PHRT to pay.

Since the outstanding debts came to light earlier this month, PHRT has not spoken in public about the matter.