Mr. John Anderson  
Office of Fuels Programs, Fossil Energy  
U.S. Department of Energy  
Docket Room 3F-056, FE-50  
Forrestal Building  
1000 Independence Avenue, SW  
Washington, D.C. 20585

Re: In the Matter of G2 LNG LLC  
FE Docket No. 15–45 LNG  
Application for Long-Term Authorization to Export Liquefied  
Natural Gas to Non-Free Trade Countries

Dear Mr. Anderson:

Enclosed for filing, please find G2 LNG LLC’s (“G2 LNG”) application for long-term, multi-contract authorization to engage in exports of domestically-produced liquefied natural gas (“LNG”) in an amount of up to approximately 672 BCF or 14.0 million tonnes per year (“MTPA”). G2 LNG seeks authorization for a 30-year term, commencing on the earlier of the date of first export or ten years from the date the requested authorization is granted, to export LNG to any country with which the United States does not have a free trade agreement requiring national treatment for trade in natural gas and LNG, but with which trade is not prohibited by United States law or policy, and that currently has – or in the future develops – the capacity to import LNG.

The filing fee has been provided under separate cover. Additionally, an Opinion of Counsel letter is included in the Attachment A to the Application pursuant to 10 CFR §590.202(c), and a verification statement is included in the Attachment B to the Application pursuant to 10 CFR §590.103(b).

Should you have any questions about the foregoing, please feel free to contact the undersigned at (202) 637-3695.

Respectfully submitted,

Mary Anne Sullivan  
Counsel for G2 LNG LLC
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

In the Matter of:

G2 LNG LLC

FE Docket No. 15-___-LNG

APPLICATION OF G2 LNG LLC
FOR LONG-TERM AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS
TO NON-FREE TRADE COUNTRIES

Mary Anne Sullivan
Hogan Lovells US LLP
555 Thirteenth Street, NW
Washington, DC 20004
202/637-3695
maryanne.sullivan@hoganlovells.com

Filed: March 19, 2015
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UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

In the Matter of:

G2 LNG LLC

FE Docket No. 15-___-LNG

APPLICATION OF G2 LNG LLC FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO NON-FREE TRADE COUNTRIES

Pursuant to Section 3 of the Natural Gas Act (“NGA”)\(^1\) and 10 CFR Part 590 of the Department of Energy (“DOE”) regulations, G2 LNG LLC hereby requests that the DOE Office of Fossil Energy (“DOE/FE”) grant a long-term, multi-contract authorization for G2 LNG to engage in exports of domestically-produced liquefied natural gas (“LNG”) in an amount of up to approximately 672 BCF or 14.0 million tonnes per annum (“MTPA”). G2 LNG is seeking authorization to export LNG from the proposed G2 LNG natural gas liquefaction facilities to be built on a 500-acre site in Cameron County, Louisiana, along the Calcasieu Ship Channel (“G2 LNG Project”) to any nation that has or in the future develops the capacity to import LNG via ocean-going carrier and with which the United States does not have a free trade agreement (“FTA”) requiring national treatment for trade in natural gas, but with which trade is not prohibited by United States law or policy (“non-FTA Countries”). G2 LNG requests this

authorization for a 30-year period commencing at the earlier of the date of first export or ten years from the date of issuance of the authorization requested.

In support of this Application and in accordance with 10 C.F.R. §590.202, G2 LNG states as follows:

I. DESCRIPTION OF THE APPLICANT

The exact legal name of the Applicant is G2 LNG LLC. G2 LNG is a Delaware limited liability company with its primary place of business at 8440 Jefferson Highway, Suite 402, Baton Rouge, Louisiana 70816. G2 LNG has three members: RRM LNG, LLC, which is located at 8440 Jefferson Highway, Suite 401, Baton Rouge, Louisiana 70816; G2 Development, LLC, which is located at 3404 Jones Creek Road, Baton Rouge, Louisiana 70816; and TH LNG, LLC, which is located at 8440 Jefferson Highway, Suite 402, Baton Rouge, Louisiana 70816. Each of the members is a Louisiana limited liability company.

II. COMMUNICATIONS, CORRESPONDENCE AND CERTIFICATION

All correspondence and communications concerning this Application, including all service of pleadings and notices, should be directed to the following:

Mary Anne Sullivan
Hogan Lovells US LLP
555 Thirteenth Street, NW
Washington, DC 20004
202/637-3695
maryanne.sullivan@hoganlovells.com

and

Thomas H. Hudson
President
G2 LNG LLC
8440 Jefferson Highway
Suite 402
Baton Rouge, LA 70809
225/928-4000
thudson@g2lnc.com
Ms. Sullivan, counsel to G2 LNG, and Mr. Hudson, President of G2 LNG, are duly authorized representatives of G2 LNG; inquiries about this Application may be directed to either of them.

Pursuant to 10 C.F.R. §590.103(b), G2 LNG hereby certifies that, to the best knowledge of the undersigned, neither the matter that is the subject of this Application nor any related matter is being considered by any other part of DOE, including the Federal Energy Regulatory Commission (“FERC”), or by any other federal agency at the time of this filing, except as follows: G2 LNG is simultaneously submitting to DOE/FE an FTA application, and it expects to commence the pre-filing process for the project at FERC in the near future, followed by an application pursuant to 15 U.S.C. § 717b. Additionally, as described in Section X below, G2 LNG will be seeking required environmental permits from state and federal agencies of jurisdiction in support of this Project.

III. DESCRIPTION OF THE G2 LNG PROJECT

G2 LNG seeks to develop a Project for the export of LNG in an amount of up to 672 BCF. The G2 LNG Project will be located along the Calcasieu Ship Channel in Cameron Parish, Louisiana, and it will have a 14 million MTPA liquefaction capacity. The Project facilities are anticipated to include two LNG trains, LNG storage tank(s) with approximately ten days of storage at full capacity, and vessel loading facilities. Each of the LNG trains will be capable of producing up to seven MTPA of LNG. The Project facilities would permit natural gas to be received by pipeline at the G2 LNG Terminal, liquefied, stored and loaded from the storage tank onto an LNG carrier berthed alongside the G2 LNG Terminal.

G2 LNG has secured approximately 500 acres of land for the Project along the Calcasieu Ship Channel in Cameron Parish, Louisiana. G2 LNG signed an exclusive and binding five year

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2 The legal description of the property is included as Exhibit B to Attachment C.
Real Estate Lease Option Agreement ("Option Agreement") for the Project site. The Option Agreement includes the ability to develop the land to the fullest extent, including for the construction and operation of natural gas liquefaction facilities, loading and unloading docks, and an LNG terminal. The Option Agreement also incorporates by reference an agreed-upon form of Lease, with a 30-year term that also gives G2 LNG the right to extend the lease term, at its sole discretion, for six further periods of ten years and one period of nine years, or 99 years in total. Subject to compliance with the terms of the Option Agreement, G2 LNG may exercise the option and enter into the Ground Lease at any time.


IV. AUTHORIZATION REQUESTED

G2 LNG requests long-term, multi-contract authorization for G2 LNG to export up to 672 BCF per year of LNG from the G2 LNG Project to non-FTA Countries. G2 LNG requests this authorization for a 30-year period commencing at the earlier of the date of first export, which G2 LNG estimates will occur in 2019, or ten years from the date of issuance of the authorization requested.

G2 LNG is requesting authorization to export LNG for itself and as the agent for third parties who themselves hold title to the LNG at the time of export. G2 LNG is presently in discussions with several gas producers regarding long-term gas supply agreements and with several parties concerning long-term export contracts in conjunction with the LNG export authorization requested herein. Because these discussions are at present confidential and have

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3 See Attachment C. The Project site is owned by 27 different individual parties, with ownership interests ranging from more than 44% to less than .1%. To date, G2 has executed the Option Agreement with owners representing almost 98.5% of the ownership interests. Efforts affecting the remaining approximately 1.5% of ownership interests are in progress, and G2 expects to conclude those in the near future. However, G2 can proceed with the Project on the basis of the 98.5% interests who have already executed the Option Agreement.

4 See Exhibit D to Attachment C.
not been concluded, G2 LNG is not submitting transaction-specific information, such as long-term supply agreements and long-term export agreements, at this time. Nevertheless, to ensure that all exports through its facilities are permitted and lawful under U.S. laws and policies, G2 LNG commits that it will comply with all DOE requirements for an exporter or agent. Specifically, G2 LNG will register with DOE/FE each LNG title holder for whom G2 LNG seeks to export LNG. In such registration, G2 LNG will provide DOE/FE with a written statement by the title holder acknowledging and agreeing to (i) comply with all requirements in G2 LNG’s long-term export authorization, and (ii) include those requirements in any subsequent purchase or sale agreement entered into for the exported LNG by that title holder.5

DOE/FE’s regulations require applicants to submit information regarding the terms of the transaction, including long-term supply agreements and long-term export agreements, to the extent practicable.6 However, in prior orders, DOE/FE has found that applicants need not submit this information with their applications if such transaction-specific information is not available because neither the supply contracts nor the long-term export contracts have been executed.7 In such instances, DOE/FE has permitted applicants to submit the required information at the time such contracts are executed.8 G2 LNG requests that DOE/FE make the same finding in this proceeding, and it commits that it will file the relevant long-term commercial agreements with DOE/FE when practicable.

The long-term, multi-contract authorization sought in this Application is necessary to permit G2 LNG to proceed to incur the substantial cost of developing the liquefaction and export project.

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6 10 CFR §590.202(b).
8 Id.
V. SOURCE AND SECURITY OF NATURAL GAS TO BE EXPORTED

By virtue of its location in Cameron Parish, the G2 LNG Project site is located close to many intrastate and interstate pipelines. Indeed, as shown on Attachment D, the network of pipelines that can deliver natural gas to the G2 LNG site in Cameron Parish can be supplied from almost the entire United States east of the Rockies. This extensive natural gas pipeline transportation system will provide G2 LNG with access to vast quantities of both conventional gas and unconventional shale gas produced not only throughout Louisiana and Texas, but from regions far beyond if that should prove desirable. This ensures that the Project and its future customers will have a vast array of stable and economic supply options.

As Project development proceeds, G2 LNG expects to enter into a variety of natural gas supply arrangements, with the anticipated end result that the Project will be supplied under a mix of long-term and spot market agreements, some of which G2 LNG will enter into for its own account and others of which will be for G2 LNG customers.

Given the recent increases in reported reserves and technically recoverable resources in the United States, and in particular, the well-documented increased production associated with emerging unconventional resources, along with the well-developed transportation network in Texas and Louisiana, the proposed exports are not expected to have any adverse impact on the availability or pricing of natural gas. To the contrary, increased demand due to the G2 LNG Project should have the beneficial effect of supporting gas production at a time when low domestic prices could otherwise threaten new production.

\footnote{In its Annual Energy Outlook 2014 Reference Case, EIA predicts that the domestic natural gas market to grow at only a 0.7% annual rate through 2040. Over this same time period, EIA projects that domestic natural gas production will grow between 1.5% and 1.7% annually, or approximately twice the rate of growth in domestic natural gas demand. This results in a significant surplus of deliverable supply, well in excess of foreseeable U.S. market needs. This demonstrates that sufficient resources are available for export. Thus, the requested authorization would not interfere with the public interest. EIA, Annual Energy Outlook 2014 (Apr. 2014), available at http://www.eia.gov/forecasts/aeo/pdf/0383(2014).pdf.}
VI. STANDARD OF REVIEW

Section 3(a) of the NGA requires DOE/FE to approve natural gas exports, including LNG, to countries with which the United States does not have a free trade agreement unless they are inconsistent with the public interest. DOE/FE has consistently ruled that Section 3(a) creates a rebuttable presumption that proposed exports of natural gas are in the public interest.” Accordingly, DOE/FE “must grant such an application unless opponents of the application overcome that presumption by making an affirmative showing of inconsistency with the public interest.” The NGA does not further define “public interest,” nor does it point to specific criteria that DOE/FE must consider when issuing a decision on an application.

In prior decisions, DOE/FE has referenced the 1984 Policy Guidelines that established principles “to minimize federal control and involvement in energy markets and to promote a balanced and mixed energy resource system.” Initially directed at natural gas import cases and subsequently applied the guidelines to export applications, the 1984 Policy Guidelines promote market-based allocation of natural gas supplies. As DOE/FE has recently affirmed, it will continue to review export applications according to the principles embodied in the 1984 Policy Guidelines, as well as: “(i) the domestic need for the natural gas proposed to be exported, (ii) whether the proposed export poses a threat to the security of domestic natural gas supplies, (iii)

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11 Id. This authority has been delegated to the Assistant Secretary for Fossil Energy pursuant to Redegregation Order No. 00-002-04D (Nov. 6, 2007).
13 Id. at 15.
whether the arrangement is consistent with DOE/FE’s policy of promoting market competition, and (iv) any other factors bearing on the public interest.\textsuperscript{17} As demonstrated by the analysis of each of these criteria below, DOE/FE should grant G2 LNG’s request for authorization to export domestic natural gas production from the Project because the application is not inconsistent with the public interest.

VII. Public Interest

Granting the authorization G2 LNG’s request for authorization to export domestic natural gas will be consistent with the public interest according to the criteria by which DOE/FE has evaluated prior applications. As discussed below, this conclusion is supported by numerous existing studies, including the DOE-commissioned 2012 LNG Export Study.\textsuperscript{18}

(i) Domestic Need for the Natural Gas Proposed for Export

DOE/FE focuses its public interest analysis on the projected domestic need for the gas to be exported. Domestic need can be measured by looking at domestic natural gas supply versus natural gas demand. DOE/FE has historically compared the total volume of natural gas reserves and recoverable resources available to be produced during the proposed export period to total gas demand during the export period to determine whether there is a domestic need for the gas to be exported.\textsuperscript{19}

In approving applications to export LNG to non-FTA countries, DOE/FE has consistently found that there exist sufficient natural gas supplies in the U.S. to support the proposed exports.\textsuperscript{20}


\textsuperscript{20} See, e.g., LNG Development Company, LLC, DOE/FE Order No. 3465, FE Docket No. 12-77-LNG at 134 (2014); Cameron LNG, LLC, DOE/FE Order No. 3391, FE Docket No. 11-162-LNG at 96 (2014); Dominion Cove Point LNG, LP, DOE/FE Order No. 3331, FE Docket No. 11-128-LNG at 107 (2013); Lake Charles Exports, LLC,
In reaching this conclusion, DOE/FE has reviewed three measures of supply: (i) U.S. Energy Information Administration ("EIA") Annual Energy Outlook natural gas estimates of production, price and other domestic industry fundamentals; (ii) proved reserves of natural gas; and (iii) technically recoverable resources.21 According to two of DOE’s recent orders approving exports to non-FTA countries, all three measures of supply show increased projections for domestic natural gas supply.22 In light of this upward trend, G2 LNG expects supply measures to continue to be revised higher as domestic production expands and technically recoverable resources are identified and proven.

With a domestic natural gas supply that far exceeds domestic demand, G2 LNG’s proposed export of domestic LNG should be considered in the public interest. In projections that DOE/FE has recently cited, EIA estimates that domestic natural gas demand will grow from 24.38 tcf per year in 2011 to 31.63 tcf per year in 2040 and that cumulative domestic gas consumption from 2013 through 2040 will be 799 tcf.23 Based on these consumption figures, DOE/FE concluded that “when compared to the AEO 2013 Reference Case, the AEO 2014 Early Release Reference Case projects marked increases in domestic natural gas production – well in excess of what is required to meet projected increases in domestic consumption.”24


21 Cameron LNG, LLC, DOE/FE Order No. 3391, FE Docket No. 11-162-LNG at 97-98 (2014).


23 As DOE/FE has stated in the two most recent non-FTA export authorizations, “EIA’s most recent projections, set forth in the AEO 2014 Early Release Overview, continue to show market conditions that will accommodate increased exports of natural gas.” LNG Development Company, LLC, DOE/FE Order No. 3465, FE Docket No. 12-77-LNG at 141-42 (2014); Cameron LNG, LLC, DOE/FE Order No. 3391, FE Docket No. 11-162-LNG at 133-34 (2014); EIA, AEO 2014 Early Release Overview, Table 13 Natural Gas Supply, Disposition, and Prices.

24 LNG Development Company, LLC, DOE/FE Order No. 3465, FE Docket No. 12-77-LNG at 142 (2014); Cameron LNG, LLC, DOE/FE Order No. 3391, FE Docket No. 11-162-LNG at 134 (2014). The AEO 2014 Early Release Reference Case were issued in December 2013 and provided case tables and highlights of AEO’s Annual Energy Outlook 2014 that was released in May 2014. EIA, Annual Energy Outlook 2014 (Apr. 2014), available at
As demonstrated by the above-referenced figures of domestic natural gas supply and demand, recoverable natural gas resources in the U.S. are sufficient to meet both the demand for domestic consumption and the proposed export over the long-term. DOE/FE has consistently endorsed this conclusion. Applying this crucial factor, G2 LNG’s proposed export authorization is not inconsistent with the public interest because it will not have a detrimental impact on the domestic supply of natural gas.

(ii) Impact on Domestic United States Natural Gas Prices

The Policy Guidelines favor market-based allocation of natural gas resources and clarify DOE’s policy that the market, not the federal government, should determine natural gas prices.25 Thus, it is not DOE/FE’s role to influence domestic natural gas prices by approving or disapproving export applications, and in any case, studies have thoroughly demonstrated that proposed exports will not have a significant impact on domestic gas prices. In particular, G2 LNG points to the DOE/FE commissioned 2012 LNG Export Study that confirms proposed exports are not inconsistent with the public interest because they will, if anything, have net economic benefits in the U.S.26

DOE/FE commissioned the two-part 2012 LNG Export Study to examine the cumulative economic impacts of LNG exports. The first part of the study, conducted by EIA, looked at the potential impact of additional natural gas exports on domestic energy consumption, production, and prices under 16 export scenarios prescribed by DOE/FE.27 The second part of the study, conducted by NERA Economic Consulting, addressed the same 16 scenarios for LNG exports

25 Policy Guidelines at 6,685.
analyzed by EIA and expanded the analysis to consider the feasibility of exporting specified quantities of natural gas based on the world natural gas market.28

The NERA Study concluded that, across all 63 export scenarios studied, including a scenario of unlimited LNG exports, the U.S. would experience net economic benefits.29 Although NERA found that U.S. natural gas prices increase when LNG is exported, “the global market limits how high U.S. natural gas prices can rise under pressure of LNG exports because importers will not purchase U.S. exports if U.S. wellhead price rises above the cost of competing supplies.”30 The NERA Study also concluded that natural gas prices in the U.S. will not rise to the levels observed in other parts of the world.31 The NERA Study found that, even in the scenarios where unlimited exports were permitted, the wellhead price in the U.S. remained below the import price in Japan, for example, where the U.S. sends some of its exports.32

Based on a review of more than 188,000 public comments and an extensive analysis of NERA’s methodology, DOE/FE has confirmed that the NERA Study is “fundamentally sound” and that it supports the proposition that exports of LNG from the U.S. will not be inconsistent with the public interest.33 In recent orders authorizing exports to non-FTA countries, DOE/FE has compared the EIA data used in the NERA Study to the current 2014 EIA data and determined that the 2014 EIA data provides further support for the conclusions reached in the

29 Id. at 6, 7, 12 and 76.
30 Id. at 2.
31 Id. at 76.
32 Id.
NERA Study and also for DOE/FE’s conclusions regarding the consistency of the proposed exports with the public interest.34

The NERA Study’s conclusion that the U.S. will benefit from the export of domestically produced LNG is confirmed by additional studies. For example, in 2014, Cheniere Energy Inc. sponsored an update to the 2012 NERA Study, which updates all 63 LNG export scenarios modeled in the 2012 NERA Study and includes additional analysis of the cumulative impacts of LNG exports up to the maximum amounts that the market would allow under various domestic and international market scenarios.35 The updated study concludes that LNG exports provide net economic benefits in all the scenarios investigated; the greater the level of exports, the greater the benefits. Both the 2012 NERA Study and 2014 NERA Study recognize that high levels of exports can be expected only if natural gas is plentiful and the cost to produce makes sense with global market dynamics. These studies, along with a number of others that are publically available,36 constitute a substantial body of evidence that export of domestically produced LNG will have positive economic benefits for the U.S. As numerous successful non–FTA export applicants have done before it, G2 LNG submits that these studies demonstrate that its proposed export authorization is not inconsistent with the public interest.

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35 NERA Economic Consulting, Updated Macroeconomic Impacts of LNG Exports from the United States, at pp. 6-7 (Mar. 6, 2014).
Finally, G2 LNG notes that, by virtue of its location near an extensive network of natural gas pipelines,\textsuperscript{37} its facility will have access to nearly all U.S. sources of supply of natural gas east of the Rockies. Thus, exports from its facilities will create no threat of supply stress to any regional in the United States.

(iii) Additional Economic Benefits

Along with the positive net benefits to the domestic natural gas market discussed above, G2 LNG’s requested export authorization will have benefits to both local and regional economies and to the national economy. The sale of LNG to non-FTA countries will allow domestic natural gas to enter into the global market and promote the exploration and production of new natural gas resources that might not otherwise be sold into the market despite global demand. Exporting surplus domestic natural gas promotes the U.S.’s pro-export policies, while improving local, regional, and national economies through resource development, an enhanced tax base, job creation and increased overall economic activity.

The domestic job market, in particular, stands to benefit from G2 LNG’s export operations. The development of new resources creates jobs and is consistent with President Obama’s National Export Initiative.\textsuperscript{38} The National Export Initiative has the goal of doubling exports over the next five years by helping businesses overcome hurdles to entering new export markets, assisting with financing and pursuing a government-wide approach to export advocacy abroad.\textsuperscript{39} In adopting the National Export Initiative, the President noted that “[a] critical component of stimulating economic growth in the United States is ensuring that U.S. businesses

\textsuperscript{37} See Attachment D
\textsuperscript{38} Exec. Order No. 13534, 75 Fed. Reg. 12433 (March 11, 2010).
\textsuperscript{39} \textit{Id.}
can actively participate in international markets by increasing their exports of goods. Improved export performance will, in turn, create good high-paying jobs.\footnote{Id.}

Expanding the available markets for natural gas supplies will accrue benefits to the economy by creating additional employment opportunities. Construction, operation and maintenance of G2 LNG’s export facilities will create jobs in Louisiana and the Gulf Coast region.\footnote{A study by IHS Global Insight (USA) Inc. predicts that development of shale gas in the U.S. will support nearly 870,000 jobs by 2015. IHS Global Insight (USA) Inc., \textit{The Economic and Employment Contributions of Shale Gas in the United States} (Dec. 2011), available at http://www.anga.us/media/content/F7D1441A-09A5-D06A-9EC93BBE46772E12/files/shale-gas-economic-impact-dec-2011.pdf.} G2 LNG will become an active part of the local community – creating jobs, expanding economic development opportunities, and working with governing bodies and local business to efficiently export LNG.

Exports of LNG to non-FTA countries also have a positive impact on the U.S. balance of trade, as DOE/FE has acknowledged.\footnote{See ConocoPhillips Company, Order No. 2731, FE Docket No. 09-92-LNG at 10 (2009); Cheniere Marketing, Inc., Order No. 2651, FE Docket No. 08-77-LNG at 14 (2009).} The NERA Study supports this conclusion, finding that natural gas exports “will improve the U.S. balance of trade and result in a wealth transfer into the U.S.”\footnote{NERA Study at 13.} G2 LNG’s proposed exports of 8 million metric tons per year will make a positive impact on the balance of trade.

There are numerous additional economic benefits that result from LNG exports to non-FTA countries. Consistent with the DOE/FE’s policy of “promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements,” the export of LNG will help to improve economic ties between the U.S. and the destination countries.\footnote{Cheniere Marketing, Inc., Order No. 2651, FE Docket No. 08-77-LNG at 11 (2009).} The NERA Study cited the additional positive economic benefits resulting from LNG

\footnotesize

\textsuperscript{40} Id.  
\textsuperscript{43} NERA Study at 13.  
\textsuperscript{44} Cheniere Marketing, Inc., Order No. 2651, FE Docket No. 08-77-LNG at 11 (2009).
exports in increased Gross Domestic Product that could range from $5 billion to $20 billion.\textsuperscript{45} And, in recent export orders, DOE/FE has justified authorization with reference to the National Export Initiative’s goal to “improve conditions that directly affect the private sector’s ability to export” and to “enhance and coordinate Federal efforts to facilitate the creation of jobs in the United States through the promotion of exports.”\textsuperscript{46}

Taken together with the net benefits to the domestic natural gas market, the economic benefits to local, regional economies, as well as the U.S. national economy, demonstrate that G2 LNG’s requested export authorization is not inconsistent with the public interest. To the contrary, G2 LNG’s proposed LNG exports will promote the public interest through positive impact to the domestic economy.

(iv) **Benefits to National Energy Security**

The LNG exports associated with G2 LNG’s requested authorization will support U.S. energy security because they will diversify and increase global LNG supplies. According to DOE/FE, “authorizing U.S exports may advance the public interest for reasons that are distinct from and additional to the economic benefits identified in the LNG Export Study.”\textsuperscript{47} A 2011 Rice University study, *Shale Gas and U.S. National Energy Security*, provides further evidence that increased natural gas production will have positive impacts on energy security.\textsuperscript{48} These positive impacts arise from reducing U.S. reliance on foreign energy sources.\textsuperscript{49} In granting G2 LNG’s request for export authorization, DOE/FE will continue to encourage the production and

\textsuperscript{45} NERA Study at 77.
\textsuperscript{47} *LNG Development Company, LLC*, DOE/FE Order No. 3465, FE Docket No. 12-77-LNG at 140 (2014); *Cameron LNG, LLC*, DOE/FE Order No. 3391, FE Docket No. 11-162-LNG at 131 (2014).
\textsuperscript{49} *Id.* at 9.
development of natural gas resources to the benefit of U.S. energy security – a benefit that is consistent with the public interest.

X. ENVIRONMENTAL IMPACT

In parallel with seeking the long-term authorization that is the subject of this Application, G2 LNG will initiate the pre-filing process at FERC for the proposed Project facilities. Initiation of the pre-filing process at FERC will be the first step that will lead to a detailed and comprehensive environmental review of the proposed Project facilities by FERC under the National Environmental Policy Act (“NEPA”). G2 LNG anticipates that, consistent with Section 15 of the NGA,\(^{50}\) FERC will act as the lead agency for environmental review, with the DOE acting as a cooperating agency.

In addition to the authorization from DOE/FE sought in this Application and the authorizations from FERC, G2 LNG will seek the necessary permits from and consultations with other federal, state, and local agencies. The federal permits and consultations G2 LNG will seek in connection with the Project include: a Water Suitability Assessment from the U.S. Coast Guard, the Clean Water Act Section 404 Permit from the U.S. Army Corps of Engineers, and a consultation with the U.S. Fish and Wildlife Service, as appropriate. The state permits and consultations G2 LNG will seek in connection with the Project include a Section 401 Water Quality Certificate from the Louisiana Department of Environmental Quality, an Air Quality Permit by the Louisiana Department of Environmental Quality, a Coastal Use Permit from the Louisiana Department of Natural Resources, and consultations with the Louisiana Department of Wildlife and Fisheries and the Louisiana Department of Culture, Recreation, and Tourism, as appropriate. G2 LNG will shortly begin the process of working with federal and state agencies to meet these requirements.

\(^{50}\) 15 U.S.C. § 717n.
XI. CONCLUSION

For the reasons set forth above and in accordance with Section 3(a) of the Natural Gas Act, G2 LNG respectfully requests that DOE/FE issue an order granting the long-term, multi-contract authorization for G2 LNG to engage in exports of domestically-produced LNG to any country with which the United States does not have a free trade agreement. G2 LNG requests this authorization for a 30-year period commencing at the earlier of the date of first export or ten years from the date of issuance of the authorization requested.

Respectfully submitted,

Mary Anne Sullivan
Hogan Lovells US LLP
555 Thirteenth Street, NW
Washington, D.C. 20004
Telephone: (202) 637-3695
Facsimile: (202) 637-5910
Email: maryanne.sullivan@hoganlovells.com
Dated: March 19, 2015
ATTACHMENT A
Opinion of Counsel
Opinion of Counsel

This opinion is submitted pursuant to 10 C.F.R. 590.202(c) of the Department of Energy administrative procedures. The undersigned is counsel to G2 LNG LLC. I have reviewed the corporate documents of G2 LNG, and it is my opinion that the proposed export of natural gas is within the company’s corporate powers.

Respectfully submitted,

Mary Anne Sullivan  
Partner  
Hogan Lovells US LLP  
555 Thirteenth Street NW  
Washington, DC 20004

Counsel to G2 LNG LLC
ATTACHMENT B
Verification
VERIFICATION

East Baton Rouge  )
                     )
State of Louisiana  )

I, Charles E. Roemer, III, being duly sworn, do hereby depose and say that I am the Chairman of G2 LNG LLC; that I am duly authorized to make this Verification; that I am familiar with the contents of the foregoing application; and that matters set forth therein are true and correct to the best of my knowledge and belief.

Charles E. Roemer, III

SWORN TO AND SUBSCRIBED before me on the 16th day of March, 2015.

Name: KAREN KOZAN
Title: Notary Public

KAREN KOZAN
#50528
My Commission Is For Life
OPTION TO LEASE

THIS OPTION TO LEASE ("Agreement") dated the day of , 2015 is made by and between , whose respective principal addresses are set forth on Exhibit A attached hereto, (each severally, not jointly or collectively, being referred to herein as "Owner"), and G2 LNG, LLC, a Delaware limited liability company, whose principal address is 8440 Jefferson Highway, Suite 401, Baton Rouge, LA 70809, on behalf of itself and its successors and assigns ("Optionee").

WITNESSETH:

1. **Option.** Subject to the terms and conditions set forth in this Agreement, and in consideration of the payment by Optionee to Owner of (the "Option Consideration"), which shall be paid to Owner within five (5) business days subsequent to the execution of this Agreement by both Owner and Optionee, Owner grants to Optionee the sole, exclusive and irrevocable option ("Option"), but not the obligation, to lease the lands situated in Cameron Parish, Louisiana and more particularly described on Exhibit B attached to and made a part of this Agreement by reference, and more particularly outlined in red on the plat labeled Exhibit C attached to and made a part of this Agreement by reference, together with the exclusive use of all easements, servitudes, rights and appurtenances of every nature and kind and all buildings and other improvements as same may be situated on or benefit the Property (collectively, "Property"). Optionee reserves the right to revise the legal description attached as Exhibit B upon receipt of the Survey defined in Paragraph 4 of this Agreement.

2. **Term.** The term of this Agreement shall commence on the date of execution by both Optionee and Owner, and shall continue until the Option Termination Date defined in the following sentence, as same may be extended as set forth in this Paragraph 2. Optionee may exercise the Option by giving Owner written notice ("Option Notice") and submitting the Lease to Owner for execution, at any time on or before February 28, 2016 (as the same may be extended as provided below, the "Option Termination Date"). Provided, however, that Optionee may extend the Option Termination Date for up to four (4) successive periods of twelve (12) months each (collectively,
“Extension Period”) by delivering to Owner written notice, given at least ten (10) days prior to the applicable Option Termination Date, that Optionee wishes to extend the then-applicable Option Termination Date prior to the expiration of the initial Option Termination Date or each Extension Period, as the case may be. At any time that Optionee exercises its right to so extend the Option Termination Date, it shall also deliver to Owner, along with the notice of extension thereof, additional consideration in the amount of 

3. **Lease.** As used in this Agreement, “Exercise Date” shall mean the date upon which Optionee delivers the Option Notice to Owner; provided, however, that in no event shall the Exercise Date be after the expiration of the Option Termination Date, as same may be extended by the Extension Period. Within ten (10) days of the Exercise Date, Owner agrees to execute and deliver to Optionee a lease substantially in the form of Exhibit D attached to and made a part of this Agreement by reference (“Lease”), it being understood and agreed by Owner and Optionee that, notwithstanding any term, condition or provision of this Agreement or the Lease to the contrary, the Lease submitted to Owner for its execution and delivery to Optionee shall be subject to such reasonable changes as may be requested by the lenders which have agreed to lend funds to Optionee for, or in connection with, the facilities, equipment, and machinery, which Optionee proposes to have constructed and operated on the Property, either by, through or under Optionee or an Affiliate or the successors and assigns of either Optionee or such Affiliates (Project). For purposes of this Agreement, “Affiliate” means in respect to Optionee a person or entity that directly or indirectly controls or is controlled by Optionee or is, together with Optionee, under the common control of another person or entity, for which purpose control shall mean beneficial ownership of fifty percent (50%) or more of the voting shares of a company or other entity or of the equivalent rights to determine the decisions of such a company or other entity. The commencement date of the term of the Lease shall be within the sole discretion of Optionee, but in no event shall be later than the date which is sixty (60) days following the Exercise Date.

4. **Survey.** During the term of this Agreement, Optionee, at its expense, shall have the right to cause to be prepared a current plat or survey of the Property (“Survey”) by a duly licensed Louisiana land surveyor satisfactory to Optionee.

5. **Title.** Prior to the Option Termination Date, Optionee shall have the right, at Optionee’s expense, to conduct a title search of the Property to determine, among other things, the state of title of the Property and all liens, encumbrances, mortgages, and other matters of record, including easements, restrictions, rights-of-way, covenants, and reservations, if any, affecting the Property (“Title Exceptions”). Owner agrees to use its best efforts to cure or remove all Title Exceptions and to satisfy the requirements reasonably made by Optionee within sixty (60) days after the date Optionee notifies Owner of such requirements.

6. **Condemnation.** In the event Owner or Optionee becomes aware or is notified that the Property or any part of it is, or will become, the subject of a condemnation or expropriation proceeding, whether for public or quasi-public use, such party immediately shall give notice to the other of such proceeding. Upon the giving or receipt of such notice, Optionee shall have the option:
(a) to execute the Lease in accordance with the terms and conditions of this Agreement and be entitled to exercise its rights and share in any condemnation award as provided for in the Lease; (b) to withdraw from the transactions made the subject of this Agreement in accordance with the provisions of Paragraph 7; or (c) exercise the Option at any time on or before the Option Termination Date and be entitled to exercise its rights and share in any condemnation award as provided for in the Lease.

7. **Withdrawal.** If at any time after the date on which Owner and Optionee have executed this Agreement, Optionee decides to not exercise the Option for any reason, Optionee may withdraw from this transaction by providing Owner written notice of such withdrawal. Thereupon, Optionee shall be released of all liability under this Agreement and Optionee shall not have any further obligation or liability to Owner hereunder or otherwise with respect to the Property; provided, however, all Option Consideration paid by Optionee prior to the date of such withdrawal shall be non-refundable to Optionee, except as is otherwise provided for in this Agreement.

8. **Representations and Warranties of Owner and Optionee.**

(a) Owner makes the following covenants, representations and warranties to Optionee, as of the date of Owner’s execution of this Agreement and as of the date the Lease is executed by Owner (except as otherwise set forth), all of which shall survive the execution of the Lease:

(i) There are no parties in possession of all or any portion of the Property, as the case may be, as lessees, tenants at sufferance or trespassers, except those identified on Exhibit E.

(ii) There are no existing facts or conditions which would result in the termination of access to and from the Property.

(iii) Owner has not received notice of any pending or threatened condemnation or similar proceeding by any governmental authority which would affect the Property or any part thereof.

(iv) To the best of Owner’s knowledge, Owner has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions relating to the Property or any part thereof.

(v) There is no pending or threatened litigation that could affect, encumber or burden the Property.

(vi) To the best of Owner’s knowledge, no Hazardous Materials (as hereinafter defined), toxic wastes, pollutants or contaminants have been produced, stored, disposed of or discharged on the Property or any portion thereof, into
any waterbody on the Property, or into any underground water supplies/ground supplies under the Property.

(vii) To the best of Owner’s knowledge, existing conditions do not violate any Environmental Law (as hereinafter defined), and there have been no notices or complaints with respect to a violation of an Environmental Law at the Property.

(viii) With respect to the Property, Owner has not entered into, nor does Owner contemplate entering into, any consent decree or order and is not subject to any judgment, decree or judicial or administrative order relating to compliance with, or the cleanup of Hazardous Materials under, any applicable Environmental Law.

(ix) To the best of Owner’s knowledge, there are no facts or circumstances that could form the basis for the assertion of any claim against Owner under any Environmental Laws with respect to the Property.

(x) To the best of Owner’s knowledge, the Property does not contain, nor, to Owner’s knowledge, has ever contained, any friable asbestos, regulated PCBs or underground storage tanks.

(xi) Owner has full power, authority and legal right to make and perform this Agreement and is not currently a party to any agreement or any other restriction or obligation that would limit or preclude its right to enter into and perform this Agreement, and each Owner who is an individual is a person of age of majority who is dealing with their separate property. Owner further represents and warrants that it has taken all necessary action and has obtained all requisite approvals to enter into and perform this Agreement. The persons executing this Agreement on behalf of each Owner that is not an individual were authorized to do so and upon the request of Optionee, such person shall deliver to Optionee satisfactory evidence of his or her authority to execute this Agreement and the Lease on behalf of Owner.

(xii) Owner owns good and clear title to the Property, and the Property is not subject to any Title Exceptions or any other reservations, leases, restrictions, easements, covenants or other encumbrances which would render Owner’s title unmerchantable, unfinanceable, or unsuitable for industrial use, as deemed by project financiers, including, but not limited to, leases applicable to oil, gas and other mineral interests in the Property except as set forth in Exhibit E of this Agreement. If any person holds any rights to use the surface of the Property or the subsurface of the Property, Owner shall obtain from
such person a waiver of such right to use the surface of the Property down to a depth of one thousand (1,000) feet below the surface of the Property.

(xiii) Owner has not and shall not enter into any agreement or lease for an interest in oil, gas or other minerals which grants, licenses or creates an interest in such oil, gas or other minerals to any person or entity, which allows access to or the right to enter the Property, under law or pursuant to an agreement, to explore, develop or otherwise exploit such oil, gas or mineral interest, except for agreements to explore, develop or otherwise exploit such oil and gas by directional drilling from other lands and by unitization, except as set forth in Exhibit E of this Agreement. During the term of this Agreement, Owner contracts and agrees not to enter, or take any action that would allow any other person or entity to enter the Property to conduct such exploration and exploitation activities.

(xiv) None of Owner’s representations and warranties shall be waived, released or modified by reason of any examinations, tests, due diligence or other independent review or investigation by Optionee or its agents or independent contractors.

(xv) Owner, at Optionee’s cost, will cooperate with Optionee in obtaining all changes of zoning, land use, special use or any other authorizations, and all approvals, licenses and permits required under local, parish, state or federal law or regulation to allow the use of the Property for the Project and such ancillary businesses and operations as Optionee may wish to conduct in connection therewith, and to construct, operate and maintain the Project, all as deemed necessary by Optionee, and Owner will, if requested by Optionee, execute all instruments reasonably requested by Optionee to assist in pursuing all such applications therefor, and will appear at administrative proceedings in support of same.

(xvi) Owner shall not materially alter or affect the condition of the Property.

(xvii) As long as this Agreement remains in effect, (i) Owner shall not, without Optionee’s prior written consent in its sole discretion, grant or amend any lease, license, permit to use, servitude, lien, security interest or other encumbrance on the Property and (ii) Owner will promptly notify Optionee of any sale, donation, exchange or other transfer of any interest in the Property, which notice will include a recorded copy of such transfer and the address of the transferee. Any such transfer will be subject to the terms and conditions of this Agreement.

(b) As used in this Agreement, the terms Environmental Laws, Hazardous Materials, and
knowledge shall be defined as follows:

(i) "Environmental Laws" shall mean local, state, and federal laws and regulations relating to protection of human health and the environment, pollution control, product registration, Hazardous Materials, and occupational health and safety.

(ii) "Hazardous Materials" shall mean any hazardous or toxic substances, materials or wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 172.101) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302) and amendments thereto, or substances, materials and wastes which are or become regulated under any applicable local, state or federal law, rule, or regulation, including, without limitation, any material, waste or substance which is: (i) petroleum; (ii) asbestos; (iii) polychlorinated biphenyls; (iv) designated as a hazardous substance pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 251, et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. 1317); (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., (42 U.S.C. 6903); or (vi) defined as a Hazardous Substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601, et seq. (42 U.S.C. 9601).

9. **Inspections and Investigations.** After the effective date of this Agreement, Optionee (or any contractor, agent or representative of Optionee) shall have the right, upon twenty-four (24) hours prior notice to Owner, to enter upon the Property without the prior permission of Owner (which permission is given in this Agreement) for the purpose of making any and all inspections and investigations as Optionee deems necessary, including, without limitation, any survey, environmental testing, geotechnical studies, soil sampling, title searches, groundwater quantity and quality analysis and boundary and topographical studies (collectively, "Tests"). Upon written request from an Owner, the results of such Tests shall be shared by Optionee with that Owner. Optionee may share the results of such Tests with lenders, title companies, consultants, sublessees, transferees, Affiliates and assignees, and prospective lenders, title companies, consultants, sublessees, transferees, Affiliates and assignees, and their respective agents and employees (collectively, "Test Viewers").

10. **Environmental Assessment and Investigations.** Prior to the Option Termination Date, Optionee shall have the right to conduct an environmental assessment of the Property, which assessment shall be conducted by an environmental consultant of Optionee’s choice. Owner grants Optionee and its consultants and other agents’ access to the Property to conduct such Phase I or Phase II assessments, tests, examinations, investigations, and studies as may be necessary or appropriate, in Optionee’s reasonable judgment, to evaluate the environmental condition of the
Property ("Environmental Assessment"). The Environmental Assessment shall be prepared for the
sole and exclusive use of Optionee and its lenders and investors. Upon written request from an
Owner, Optionee shall provide that Owner a copy of such Environmental Assessment. Optionee
shall not release such Environmental Assessment, or any information contained in it, to any third
party (including, without any limitation, any governmental agency), except if Optionee reasonably
believes such is required by law, rule or regulation or upon the prior written consent of Owner, which
consent may be withheld only in Owner’s sole reasonable discretion ("Confidentiality
Requirement"). The foregoing notwithstanding, Optionee may share the results of such
Environmental Assessment with lenders, title companies, consultants, sublessees and assignees and
prospective lenders, sublessees and assignees and their respective agents (collectively, "Assessment
Viewers") without the prior written consent of Owner. The Assessment Viewers shall be obligated
to the Confidentiality Requirement. The Assessment Viewers shall execute such documents as may
reasonably be required to evidence their prior consent to be bound by the Confidentiality
Requirement. Optionee shall indemnify, defend upon request, and hold Owner harmless from and
against all actual costs, damages, claims, liabilities, expenses, losses, court costs, and attorney’s fees
suffered by or against Owner due to a breach of the Confidentiality Requirement by Optionee, its
Test Viewers or its Assessment Viewers.

11. **Indemnity.** Optionee shall hold harmless, defend, and indemnify Owner from any
and all claims, liabilities, losses and expenses incurred by Owner arising from any and all activities
relating to the Tests and Environmental Assessment ("Indemnified Claims"). As to the Indemnified
Claims, neither Owner nor Owner’s respective managers, employees, or agents shall be liable to
Optionee, its employees, contractors and/or agents, for any loss, injury, or damage suffered or
incurred by any of them on the Property. Owner makes no representation or warranty with respect to
the condition existing on the Property. Optionee and its contractors, agents, representatives, and/or
employees are entering the Property at their sole risk. Optionee releases Owner and Owner’s
managers, employees, and agents from, for, and against any liability, injury, death, loss, or damage
caused by or resulting from the condition of the Property, except as otherwise provided in this
Agreement.

12. **Remedies.** In the event Optionee gives notice of its exercise of the Option and the
Lease is not executed because of non-performance, default or breach (collectively, "Default") on the
part of either party to this Agreement, the other party (if not itself then in Default) may elect at its
sole option, as its exclusive remedy, to take either of the following courses of action:

(i) enforce specific performance of this Agreement according to its terms by all means
available at law or in equity; or

(ii) terminate this Agreement upon (30) days prior written notice to the other party; the
party not in Default may also seek damages against the party in Default to
compensate such party for damages suffered as a result of the Default by the other
party.
13. **Notices.** Notices under this Agreement shall be given only in writing and delivered by personal delivery, certified mail, recognized overnight courier service or by facsimile electronic transmission, and shall be deemed delivered (unless otherwise set forth in this Agreement) when the notice is personally delivered or deposited in the mail, with the courier or facsimile electronic transmission service, postage or charges prepaid with confirmation of delivery requested, and directed to the party for whom intended at such party’s address as specified below, or such address as such party may have substituted therefor by notice to the other, as follows:

*If to Owner:*

**To the addresses set forth on Exhibit A**

*If to Optionee:*

G2 LNG LLC  
8440 Jefferson Highway, Suite 401  
Baton Rouge, LA 70809

Attn: Thomas H. Hudson

14. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective transferees, successors and assigns of each party hereto.

15. **Memorandum.** Owner and Optionee shall within (5) days of the execution of this Agreement, execute and acknowledge a memorandum of this Agreement in a form satisfactory to Optionee (“Memorandum”) which may, at Optionee’s sole option, be recorded in the real property records of Cameron Parish, Louisiana. Nothing in such Memorandum shall modify or amend any provision of this Agreement. Alternatively, Optionee may record this Agreement in the real property records of Cameron Parish, Louisiana. Upon termination of this Agreement and at the request of any party, Owner and Optionee shall enter into and record a memorandum evidencing such termination in a form reasonably satisfactory to the parties.

16. **Miscellaneous.**

(a) This Agreement embodies the entire agreement between the parties and cannot be varied or amended except by the written agreement of the parties.

(b) Time is of the essence of this Agreement.

(c) Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.
(d) The captions used in connection with Paragraphs of this Agreement are for convenience only and shall not be deemed to enlarge, limit or otherwise modify the meaning of the language of this Agreement.

(e) This Agreement and all of its terms and conditions shall survive the closing and execution of the Lease, and shall not be extinguished, modified or merged into the Lease.

(f) This Agreement, and the rights and obligations of the parties, and any dispute arising in connection with this Agreement, shall be governed by the laws of the State of Louisiana, not considering the applicable conflicts of laws principles thereof.

(g) All of the terms and conditions of this Agreement, including but not limited to the terms and conditions of the hereinafter defined Memorandum, shall constitute real rights, charges and obligations, and covenants running with the land described on Exhibit B and the Property, and shall apply to, bind and inure to the benefit of Owner, Optionee and their respective successors, transferees and assigns.

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original binding on the party or parties so signing, regardless of whether all grantors, lessors or vendors, as the case may be, join in this Agreement. All counterparts, construed together, shall constitute one Agreement.

17. **Place for Payment.** The Option Consideration and any additional consideration for any Extension Period as provided in Section 2 will be paid by Optionee to each Owner in the proportions set forth on Exhibit A. The payment of the Option Consideration and each payment of additional consideration will be deemed to have been delivered when personally delivered or deposited in the mail or with a recognized courier service, addressed to the Owner at the Owner’s address as provided in Paragraph 13. Owner will provide to Optionee Owner’s taxpayer identification number and execute any W-9 or other tax form as may be required by applicable law or regulation.

18. **Attorney’s Fees.** In connection with any litigation concerning this Agreement, the prevailing party shall be entitled to recover all of its costs, expenses and reasonable attorney’s fees from the non-prevailing party.

19. **Real Estate Commission.** Owner and Optionee each represent to the other party that they have dealt with no brokers in connection with the negotiation, execution and/or delivery of this Agreement or the Lease, and no party is entitled to any broker’s commission, finder’s fee or similar payment with respect to this Agreement or the Lease arising from the representing party’s actions. If any other person shall assert a claim to a finder’s fee, brokerage commission or other compensation on account of alleged employment as finder or broker in connection with this transaction, the party against whom the purported finder or broker is claiming shall indemnify, defend and hold the other
party harmless from and against any such claim and any and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought thereon, including, but not limited to, reasonable attorney’s fees and court costs in defending such claim.

[EXECUTED SIGNATURE PAGES REDACTED]
EXHIBIT A

Ownership List

[REDACTED]
EXHIBIT B

Description of Lands

Beginning at a point in T-15S, R-10W where the southwest corner of Section 33 intersects the south line of Section 2, proceed north approximately 13,250 feet to a Point of Beginning located on the common line between Sections 23 and 26 of T-14S, R-10W; then proceed south a distance of approximately 5280 feet to a point located on the common line between Section 26 and Section 35; then proceed east along the south line of Section 26 approximately 4300 feet to a point on the west boundary of the Calcasieu River Channel; then proceed in a northerly direction along the west boundary of the Calcasieu River Channel to the point of intersection with the north line of Section 26; then proceed west along the north line of Section 26 approximately 4100 feet to the point of beginning; containing 510 acres, together with all of Lessor’s interest, if any, (excluding any of Lessor’s interests or rights in and to minerals) whether now owned or hereafter acquired, in and to any and all present and future waterbottoms located near or adjacent to the Leased Premises, including without limitation, all dereliction, accretion or alluvion attached to and forming a part thereof.
EXHIBIT C
Plat[To be Attached]
EXHIBIT D

Form of Lease
Exhibit D

LEASE AGREEMENT

Between

[___________________________]
(Lessor)

And

G2 LNG, LLC
(Lessee)

__________________________, 201__
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Exhibit A - Description of Leased Premises
Exhibit B - Plat
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LEASE AGREEMENT

This LEASE AGREEMENT (this “Lease”) is made as of the ____ day of _____, 201__, by and between [______], whose principal address is [_________] (hereinafter collectively called “Lessor”), and G2 LNG, LLC, a Delaware limited liability company whose address is 8440 Jefferson Highway, Suite 420, Baton Rouge, LA 70809 (“Lessee”).

ARTICLE I
LEASE OF PREMISES

1.1 Description of Premises and Term. Lessor, in consideration of the rents to be paid, and subject to the terms, covenants, and conditions set forth in this Lease, leases to Lessee, and Lessee leases from Lessor, for the entire Term defined below, the lands situated in Cameron Parish, Louisiana described as Exhibit A attached hereto and shown on the map attached hereto as Exhibit B, together with the exclusive use of all easements, servitudes, rights and appurtenances thereto of every nature and kind and all buildings and other improvements as same may be situated on the Leased Premises, together with all of Lessor’s interest, if any, (excluding any of Lessor’s interests or rights in and to minerals) whether now owned or hereafter acquired, in and to any and all present and future waterbottoms located near or adjacent to the Leased Premises, including without limitation, all dereliction, accretion or alluvion attached to and forming a part thereof (collectively, the “Leased Premises”). In furtherance of the foregoing, and in recognition of the fact that the perimeter of the Leased Premises abuts certain waterbottoms, it is expressly understood and agreed that Lessee shall have and enjoy (and is hereby granted to the extent Lessor may legally grant such rights) such rights of ingress and egress through, over and across such waterbottoms in order to access the Leased Premises for all purposes of this Lease, and shall have the right, from time to time, to deepen, dredge, improve, construct permanent improvements or structures in or on such waterbottoms and maintain a channel for such purposes. This is a material right and privilege granted to Lessee in the nature of an incorporeal immovable right as part and parcel of the rights granted under this Lease; provided, however, Lessor makes no representations or warranties herein, express or implied, that Lessor owns, has good and clear title to, or has any right, title and interest in and to any of the waterbottoms located near or adjacent to the Leased Premises.

TO HAVE AND TO HOLD the Leased Premises for a term of thirty (30) years, beginning on the____ day of ______, 20__, and (subject to earlier termination as hereinafter provided) ending at midnight, Central Time, the _____ day of _____, 20__ (“Primary Term”). In addition, Lessor grants to Lessee the option to renew the Primary Term for seven (7) additional periods, the first six (6) additional periods being ten (10) years each and the last additional period being nine (9) years, beginning on the first day after the
expiration of the Primary Term and the first and each succeeding renewal term hereof, as the case may be, and ending on the expiration of ten (10) years thereafter or nine (9) years thereafter, as applicable (each a “Renewal Term”). The right to renew may be exercised by Lessee giving to Lessor notice in writing of such exercise at least one (1) year prior to the expiration of the Primary Term and each succeeding Renewal Term, as the case may be. (the Primary Term and any Renewal Term are collectively referred to as the “Term”). Notice to extend this Lease for a Renewal Term as contemplated above must be sent by certified mail, personal delivery or recognized overnight courier service to Lessor at the address provided in Section 13.3 (or such other address as may be specified from time to time by Lessor) and must be postmarked, personally delivered or deposited with the courier no later than the latest date provided in this Section for each such extension. In the event Lessee has not given Lessor notice of its intent to renew at the expiration of either the Primary Term or any Renewal Term, this Lease and the Term of this Lease shall not terminate or expire unless and until Lessor shall have given Lessee and each Leasehold Mortgagee (as defined in Section 9.14) notice of such failure to renew and shall have extended to such parties, for a period of thirty (30) days beyond the date of receipt of such notice from Lessor by Lessee and each Leasehold Mortgagee, the right to renew for a Renewal Term.

ARTICLE II

RENT

2.1 Annual Rent. (a) Upon commencement of the Primary Term, and during the Term, Lessee agrees to pay to Lessor annual rent for the Leased Premises equal to [redacted] per acre for each acre of the Leased Premises (“Base Rent”), payable in quarterly installments of [redacted]. The first quarterly installment of Base Rent is due and payable on or before the ___ day of ____, 20__. Base Rent for any portion of a year at the beginning or end of the Term shall be prorated on a per-day basis. Each quarterly installment of rent is due and payable on or before the first day of each month in which a quarterly installment is due.

(b) Adjustment of Base Rent. The Base Rent for each five year period during the Term shall be adjusted as of the first day of each such five (5) year period by a factor equal to the percentage increase in the Consumer Price Index as determined by the latest published figures next preceding the date of each such five (5) year period of this Lease (“Adjusted Index”) compared to the Consumer Price Index last reported immediately preceding the beginning date of this Lease, or the beginning of the most immediately preceding five (5) year period, whichever is applicable (“Beginning Index”). If the Adjusted Index has increased over the Beginning Index, the annual rent payable during each succeeding five (5) year period shall be set by multiplying the Base Rent, or the adjusted Base Rent during the preceding five (5) year period, whichever is applicable, by a fraction, the numerator of which is the Adjusted Index and the denominator of which is the Beginning Index. If the Adjusted Index has not increased over the Beginning Index, then no adjustment
to the Base Rent or adjusted Base Rent paid during the preceding five (5) year period shall be made, and the Base Rent for the succeeding five (5) years shall be the same as for the preceding five (5) years. As soon as the adjusted Base Rent for each succeeding five (5) year period during the Term is determined by Lessee, Lessee shall give Lessor notice of the amount of the adjusted Base Rent for such period, and the method by which same was calculated. Lessor shall have the right to approve the calculation of the adjusted Base Rent.

(c) **Consumer Price Index.** As used in this Lease, the term “Consumer Price Index” means the Consumer Price Index for all urban consumers (CPI-U), Southern Region (Houston Area), published by the Bureau of Labor Statistics, United States Department of Labor (1982-1984 equals 100). If the publication of the Consumer Price Index is discontinued prior to the expiration or termination of this Lease, or if the present method of ascertaining the index figure is materially or substantially changed, Lessor and Lessee will negotiate in good faith to arrive at a substitute standard which should produce substantially the same results as the Consumer Price Index was designed to give on the date of the execution of this Lease. In the event a new base for the Consumer Price Index is established, and thereafter, for the purposes of making computations as herein provided, the controlling indices stipulated in this Lease shall be adjusted to conform to the new base so that the calculations herein provided shall have the same results as if made on the Consumer Price Index 1982-1984 equals 100.

(d) **Interest.** All Rent or other sums due to Lessor by Lessee shall bear interest at the rate of ten percent (10%) per annum from the due date until paid, together with all reasonable attorney’s fees if placed in the hands of an attorney for collection.

2.2 **Place of Payment.** Rent shall be paid to Lessor at its address for notice provided in this Lease or to such other person or at such other address as Lessor may from time to time designate in writing. Rent shall be paid in legal tender of the United States of America without notice, demand, abatement, deduction or offset. Rent will be paid to each Lessor in the proportions set forth on Exhibit D. Lessor will promptly notify Lessee of any sale, donation, exchange or other transfer of any interest in the Leased Premises or Lessor’s interest under this Lease, which notice will include a recorded copy of such transfer and the address of the transferee.

2.3 **Utilities and Taxes.** The rent provided in this Lease shall be a net payment to Lessor. Lessor shall not be required to pay any costs or provide any services in connection with the Leased Premises. Lessee shall pay all utility bills, including, but not limited to electricity, gas, sewer charges and water, in connection with the use of the Leased Premises and subject to Lessee’s right to contest as set forth in Section 2.4 of this Lease. Lessee, as additional rent shall pay all taxes and assessments on the land, buildings, improvements, machinery, and equipment now or later placed on the land, and all general or special ad valorem taxes, assessments, and charges, and all other charges and payment of every kind and nature whatsoever, extraordinary as well as ordinary, and whether or not within the
contemplation of the parties, imposed by any governmental authority with respect to the Leased Premises or any part of the Leased Premises, or on any streets or roads in front of or adjoining the Leased Premises, any and all taxes, assessments, and other charges levied, assessed, or imposed upon the Leased Premises or any part thereof, in lieu of or in addition to the foregoing, under or by reason of any present or future law or any governmental authority, for the construction, maintenance, use, or occupancy of the Leased Premises and any improvements placed on the land during the Term of this Lease or any extended Term of this Lease. Lessor shall request the Cameron Parish Tax Assessor’s office to send the tax notices directly to Lessee. Upon receipt of the annual taxes due the Parish of Cameron and the State of Louisiana, or any other applicable governmental authority, Lessee shall pay the taxes due on or before December 31 of the year in which those taxes are assessed and shall send Lessor proof of payment of same on or before January 15 of the next year after each such year. Lessee, at its sole cost and expense, shall also pay and discharge when due, all taxes and assessments that shall or may during the Term of this Lease be charged, levied, assessed, or imposed upon any furniture, fixtures, equipment, or other movable property of every type and description that may be placed in or about the Leased Premises by any person or entity other than Lessor. If Lessee fails to pay any such taxes or assessments within this period, then, in addition to any interest due under this Lease, Lessee will be responsible for and will pay to Lessor, upon demand, all fines, penalties, interest, and costs that may be added by or otherwise payable to the taxing authority for the non-payment or late payment. In addition, if Lessee fails to pay any such taxes or assessments on or before the date required, then Lessor has the option, but not the obligation, to pay such taxes to the taxing authority, provided, however, that Lessor will have no obligation to pay such taxes to the taxing authority and will not be liable to Lessee or any other person or entity for any failure to do so. Neither Lessor’s payment of such taxes to the taxing authority nor its failure to do so will relieve Lessee of its obligation to pay the amount of such taxes (together with interest payable hereunder and fines, penalties, interest, and costs paid to the taxing authority) or shall constitute a waiver of Lessor’s right to exercise any of its rights or remedies for Lessee’s default in failing to pay such taxes when due if that failure continues beyond the period for notice and cure as set forth, Lessor reserving its right to exercise all of its rights and remedies for default arising as a result of such failure.

2.4 Right to Contest. Lessee may, at its expense, contest any Taxes and any other tax, assessment, fee, or payment for which it is responsible under this Article (collectively the “Charges”). Lessee shall pay any such Taxes or Charges under protest and shall follow the procedure set forth in La. R. S. 47:2110, et seq. in pursuing its contest of all such taxes. Any Taxes that are payable by Lessee for the tax year in which the Term of this Lease commences, as well as during the year in which the Term of this Lease terminates, shall be apportioned so that Lessee shall pay its proportionate share of the Taxes for such periods of time. Lessee may pay such Taxes or Charges in installments as and when such installments become due.
ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Lessor. Lessor represents and warrants that:

(a) There are no parties in possession of all or any portion of the Leased Premises, as the case may be, as lessees, tenants at sufferance or trespassers, except as set forth on Exhibit C.

(b) There are no existing facts or conditions which would result in the termination of access to and from the Leased Premises.

(c) Lessor has not received any notice of any pending or threatened condemnation or similar proceeding by any governmental authority which would affect the Leased Premises or any part of the Leased Premises.

(d) To the best of Lessor’s knowledge, Lessor has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions relating to the Leased Premises or any part of the Leased Premises.

(e) There is no pending or threatened litigation that could affect, encumber or burden the Leased Premises,

(f) To the best of Lessor’s knowledge, no Hazardous Materials (as defined in this Lease), toxic wastes, pollutants, or contaminants have been produced, stored, disposed of or discharged on the Leased Premises or any portion of the Leased Premises, into any waterbody on the Leased Premises, or into any underground water supplies/ground supplies under the Leased Premises.

(g) To the best of Lessor’s knowledge, existing conditions do not violate any Environmental Law (as defined in this Lease), and there have been no notices or complaints with respect to a violation of an Environmental Law at the Leased Premises.

(h) With respect to the Leased Premises, Lessor has not entered into, nor does Lessor contemplate entering into, any consent decree or order and is not subject to any judgment, decree or judicial or administrative order relating to compliance with, or the cleanup of Hazardous Materials under, any applicable Environmental Law.

(i) To the best of Lessor’s knowledge, there are no facts or circumstances that could form the basis for the assertion of any claim against Lessor under any Environmental Laws with respect to the Leased Premises.
(j) To the best of Lessor’s knowledge, the Leased Premises does not contain, nor, to Lessor’s knowledge, has ever contained, any friable asbestos, regulated PCBs or underground storage tanks.

(k) Currently, Lessor has no permits for or related to the intended use of Lessee, and Lessee shall be solely responsible for obtaining any said permits.

(l) Lessor has full power, authority and legal right to make and perform this Lease and that it is not currently a party to any agreement or any other restriction or obligation that would limit or preclude its right to enter into and perform this Lease. Lessor further represents and warrants that it has taken all necessary action and has obtained all requisite approvals to enter into and perform this Lease. The persons executing this Lease on behalf of Lessor were authorized to do so and upon the request of Lessee, such persons shall deliver to Lessee satisfactory evidence of his or her authority to execute this Lease on behalf of Lessor.

(m) To the best of Lessor’s knowledge, Lessor owns good and clear title to the Leased Premises, and the Leased Premises is not subject to any title exceptions or any other reservations, leases, restrictions, easements, covenants or other encumbrances, including, but not limited to, leases applicable to oil, gas and other mineral interests in the Leased Premises except as set forth in Exhibit C.

(n) Except as set forth in Exhibit C, Lessor has not, and during the Term of this Lease, and any extended Term of this Lease, shall not enter into any agreement or lease for an interest in oil, gas or other minerals which grants, licenses or creates an interest in such oil, gas or other minerals to any person or entity, which allows access to or the right to enter the Leased Premises, under law or pursuant to an agreement, to explore, develop or otherwise exploit such oil, gas or mineral interest, except for agreements to explore, develop or otherwise exploit such oil and gas by directional drilling from other lands and by unitization. Lessor contracts and agrees not to enter, or take any action that would allow any other person or entity to enter the Leased Premises during the Term or any extended Term hereof to conduct such exploration and exploitation activities except by directional drilling from adjacent lands, or by unitization.

(o) Lessor will not enter into any other agreement or document whatsoever concerning any uses of the surface of the Leased Premises without Lessee’s prior written consent, which may be withheld by Lessee for any reason or no reason in its sole discretion, including but not limited to the fact that any of same may interfere with Lessee’s intended use of the Leased Premises or the Project.

3.2 Definition

As used in this Lease, “knowledge” shall mean the knowledge of each separate party
to this Lease, after due inquiry has been made.

3.3 **Representations and Warranties of Lessee.** Lessee hereby represents and warrants to Lessor that:

(a) Lessee’s construction, occupancy, operation, or use of the Leased Premises shall not violate any applicable law, statute, ordinance, rule, regulation, order, or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), affecting the Leased Premises, including but not limited to all applicable zoning ordinances and building codes, flood disaster laws and health and environmental laws and regulations (hereinafter sometimes collectively called “Applicable Law”).

(b) Without limitation of (a) above, in its use of the Leased Premises, Lessee shall not violate any Environmental Laws.

(c) Lessee has full power, authority and legal right to make and perform this Lease, and it is not a party to any agreement or any other restriction or obligation that would limit or preclude its right to enter into and perform this Lease.

(d) Lessee has taken all necessary corporate action and has obtained all requisite corporate approvals to enter into and perform this Lease and that it is a duly organized and existing legal entity in the state of Delaware. The person executing this Lease on behalf of Lessee was authorized to do so and upon the request of Lessor, such person shall deliver to Lessor satisfactory evidence of his or her authority to execute this Lease on behalf of Lessee.

3.4 **Survival and Indemnification.**

(a) The representations, warranties and agreements of the parties contained in this Lease are continuing representations, warranties, and agreements, and shall survive for a period of the later to occur of five (5) years from the date of this Lease, or any expiration or termination of this Lease.

(b) To the fullest extent permitted under applicable law, each separate party Lessor agrees to indemnify Lessee, its officers, directors, affiliates, successors, assigns, lenders, and agents (collectively, the “Lessee Indemnified Parties”) against, and agrees to hold the Lessee Indemnified Parties harmless from and against, any and all losses, demands, claims, fines, damages, suits, penalties, judgments, causes of action, costs, and expenses (including but not limited to attorneys’ and experts’ fees) incurred or suffered by any Lessee Indemnified Party, caused by that separate party Lessor’s negligence (collectively, the “Damages”), or arising out of any of (i) any breach of or any inaccuracy in any representation or warranty made by that separate party Lessor in this Lease or any document delivered by
that separate party Lessor to Lessee; and/or (ii) any breach or failure by that separate party Lessor to perform any covenant or obligation of Lessor set out in this Lease or any document delivered by Lessor to Lessee except to the extent that such liability may have been caused by the breach of a legal or contractual duty by Lessee.

(c) Except as to violations of any Environmental Law in effect during the Term of this Lease, which are governed by the provisions of Article X of this Lease, Lessee shall indemnify, defend and hold harmless Lessor of and from any and all damage and liability for anything whatsoever arising from, or out of, or in connection with, the occupation of the Leased Premises by Lessee, its agents, representatives, or servants, except to the extent if such damage and liability is caused by Lessee as set forth in Section 3.4(b) above. Accordingly, to such extent, Lessee assumes all responsibility for the Leased Premises and occurrences on the Leased Premises and for its acts, negligence, and fault, and the acts, negligence, and fault of its servants, agents, employees, contractors, customers, invitees, and licensees and, subject to the provisions of this Lease, sublessees or assigns, in or about the Leased Premises, and agrees to reimburse Lessor and its members, agents, employees, and representatives for, and to indemnify, defend, and hold harmless Lessor, and its officers, members, agents, employees, and representatives, from and against any and all loss or damage sustained by, liability or charges imposed on, and claims or causes of action asserted against, Lessor and its officers, members, agents, employees and representatives or any of them arising, in whole or in part, out of or by reason of (i) the Leased Premises, or any part thereof or appurtenance thereto, or any future condition, defect, matter, or thing, whether hidden or apparent in or about the Leased Premises; (ii) any business or operations conducted in the Leased Premises or accident or other occurrence on the Leased Premises; (iii) without limiting the generality of the foregoing, any damage to or loss of any property placed or used in the Leased Premises or any injury to or death of any person occurring in the Leased Premises; (iv) any damages to or loss of any property of Lessee or any of its servants, agents, employees, contractors, customers, invitees, or licensees, or, subject to the provisions hereof, sublessees or assigns, occurring in or about the Leased Premises or any adjacent areas or streets, or any injury to or death of Lessee or any of its servants, agents, employees, contractors, customers, invitees, or licensees, or, subject to the provisions hereof, sublessees or assigns, occurring in or about the Leased Premises or any adjacent areas or streets; (v) any act, negligence, or fault of Lessee or any of its servants, agents, employees, contractors, customers, invitees or licensees or, subject to the provisions hereof, sublessees or assigns while in or about the Leased Premises or any adjacent sidewalks, parking areas, landscaped areas, or streets; or (vi) Lessee’s material violation of or material failure to comply fully with any of the provisions of this Lease. Notwithstanding anything in this Lease to the contrary, it is the intention of Lessor and Lessee that that each party to this Lease shall indemnify the other party for the indemnifying party’s proportionate fault, including but not limited to negligence, which causes Damages to the indemnified party.

(d) Except as otherwise expressly limited in this Article III, it is the intent of Lessor and Lessee that all indemnity obligations and liabilities contracted for in this Lease
shall be without monetary limit and without regard to the cause or causes thereof (including pre-existing conditions on the Leased Premises or as the result of an indemnification agreement with a third party). The indemnity contained in this Article III shall not apply to any violation of any Environmental Law in effect during the Term of this Lease. Such claims shall be governed by Section 10.2 below. Lessor and Lessee shall notify the other party promptly of any claim, demand, or action that may be presented to or served upon it for which indemnification will be sought pursuant to the terms of this Lease, and shall afford such other party full opportunity to assume the defense or participate in the defense of such claim, demand, or action and to protect itself under the obligations of its agreement to indemnify. Neither Lessor nor Lessee shall make any form of admission of liability in respect of any claim for which the other party is or might be liable pursuant to an indemnity in this Lease, or take any action to settle or compromise any such claim, without the prior written approval, not to be unreasonably withheld, of the party from whom indemnification will be sought.

3.5 Definitions.

"Environmental Laws" shall mean local, state, and federal laws and regulations relating to protection of human health and the environment, pollution control, product registration, Hazardous Materials, and occupational health and safety.

"Hazardous Materials" shall have the meaning as set forth in Section 10.2 of this Lease.

ARTICLE IV
USE OF LEASED PREMISES

The Leased Premises may be used for any legal uses determined at any time during the Term by Lessee.

ARTICLE V
IMPROVEMENTS OR ALTERATIONS AND MAINTENANCE

5.1 Permanent Improvements. Lessee has the right to make all improvements, construct and erect all structures and engage in such other activities, as it deems necessary or advisable to utilize the Leased Premises during the Term. Lessee shall be entitled to dredge and remove soil from such areas of the Leased Premises as are reflected on the attached plat. In the event Lessee constructs or dredges a ship entry slip and/or turning basin on the Leased Premises or portions thereof, such slip and/or turning basin shall be lined with an appropriate permanent bulkhead constructed of steel, concrete or other such permanent material other than wood. Such bulkheads shall be maintained during the Term of this Lease. The failure to construct and/or maintain such bulkheads shall be a material breach of this Lease. Provided such bulkheads have been constructed and maintained, notwithstanding any term,
condition or stipulation of this Lease to the contrary, Lessee shall never have any obligation to fill in any areas of the ship entry slip and turning basin, and Lessee shall be entitled to leave the ship entry slip and turning basin "as is / where is" upon any termination or cancellation of this Lease. Each Lessor agrees to negotiate in good faith for and grant such amendments of this Lease or separate leases or servitudes as are reasonably required by Lessee to erect lights, power, water and gas lines and similar infrastructure requirements over adjacent lands controlled by a Lessor. All improvements made, placed, or constructed on the Leased Premises by Lessee after the date of this Lease will be at the sole cost and expense of Lessee. Lessee must construct and install Lessee’s improvements in a good and workmanlike manner. Improvements by Lessee may not be located on Lessor’s property adjacent to the Leased Premises not leased by Lessee unless otherwise provided or unless Lessor consents to same in writing. Prior to the commencement of construction, Lessee shall present plans to Lessor that confirm compliance with such requirements. Lessee may deposit on the Leased Premises soil or other materials removed or dredged from other areas within or outside of the Leased Premises. Lessee shall have no obligation to remove any of such soil or other materials upon the expiration or termination of this Lease.

5.2 Return of Leased Premises. At the expiration of the Term or any renewals or extensions thereof, Lessee shall surrender the Leased Premises in good order and repair, normal wear and tear and casualty excepted and except as otherwise provided in this Lease.

5.3 Laborers and Materials. Lessee shall pay for all labor and services performed for, materials used by, or furnished to, any contractor employed by Lessee with respect to the Leased Premises, and Lessee shall defend, indemnify and hold Lessor and the Leased Premises harmless and free from, and cause immediate removal of, (or, in Lessee’s sole discretion cause any of same to be bonded out) any liens, claims, encumbrances or judgments created or suffered by Lessee in connection therewith.

5.4 Building Code. All improvements placed on the Leased Premises by Lessee shall comply with applicable building and electric codes covering the location and type of structure to be placed by Lessee on the Leased Premises.

5.5 Permits. Lessee must obtain and maintain in effect at all times during the Term of this Lease all permits, licenses and consents required or necessary for the construction, installation, maintenance, use and operation of Lessee’s improvements and Lessee’s use and occupancy of, and operations at, the Leased Premises.

5.6 Ownership or Removal of Alterations, Modifications or Improvements by Lessee. Lessee shall have the right (but not the obligation) at any time and from time to time during the Term of this Lease to construct improvements on the Leased Premises, to make all additions, alterations or changes in any such improvements, and to demolish in whole or in part or remove any such improvements. All such improvements shall conform with all Applicable Laws, regulations and codes relating to the construction thereof. All matters as to
design, manner or type of construction shall be within the sole discretion and responsibility of Lessee. All such alterations, modifications or improvements upon the Leased Premises made by Lessee, including all buildings, paneling, decorations, partitions, heating, ventilating and air-conditioning machinery and equipment, lighting fixtures, plumbing equipment, sprinkler system, and the like, shall remain the property of Lessee during the Term of this Lease or any extension thereof. Subject to the notice and right to cure provisions of Article IX of this Lease, at the termination of this Lease for any cause, all such improvements that Lessee desires to abandon shall, at the option of Lessor, become the property of Lessor, or Lessor shall have the right within ninety (90) days after termination of said Lease to demand Lessee remove such improvements from the Leased Premises (solely at Lessee’s expense) which Lessee within twenty-four (24) months following said notice shall remove. Upon the failure of the Lessee to comply with such request, Lessor may have such improvements removed at the cost of Lessee, and Lessee shall reimburse Lessor upon demand for all costs and expenditures of Lessor in having Lessee’s improvements removed from the Leased Premises.

5.7 **Assistance by Lessor.** To the extent necessary during the Term of this Lease and without risk or expense to Lessor, Lessor agrees to provide reasonable support to Lessee in Lessee’s efforts to secure permits, certifications and/or inspections from governmental agencies and other permitting bodies in the United States required or desired in connection with the construction and operation of an LNG facility on the Leased Premises (the "Project"), all as set forth more fully in Section 13.14 of this Lease. In addition, Lessor shall provide such reasonable assistance and take such reasonable action as may be required to enable Lessee to gain access to all utilities and related services required by Lessee for its intended use of the Leased Premises.

5.8 **Easements.** During the Term of this Lease, in the event Lessee requires the use of easements, access routes and related infrastructure on adjacent property owned or controlled by one or more of the persons constituting Lessor including without limitation, easements for Lessee’s installation, operation and maintenance of the power, water and gas lines necessary for the Lessee to occupy the Leased Premises for the permitted use, Lessor shall negotiate in good faith to facilitate agreement by and between the parties of reasonable terms and conditions, including payment where appropriate, to be applicable to the grant of such easements by Lessor and the use of such access routes and related infrastructure by Lessee, all at rates no more than the then-current rate for similar agreements paid to Lessor in Cameron Parish, Louisiana. In addition, Lessor represents and warrants that it has delivered all information, maps and plans showing all actual and proposed infrastructure uses available to Lessee for its use of the Leased Premises.

5.9 **Grant of Servitudes to Third Parties.** Lessor shall not grant servitudes or rights of way to others across the Leased Premises, except that Lessor may grant servitudes or rights of way to others across the Leased Premises at locations approved by Lessee in Lessee’s sole discretion, and provided that the subsequent grants must be subject to the rights
of Lessee herein, and the grantee’s construction, use and operations must be carried out so as not to create in any way a hazard or impediment to Lessee’s use of the Leased Premises. Each such servitude and right of way agreement will provide that the grantee of the servitude or right of way will relocate the servitude/right of way and its pipeline and other facilities located therein at such grantee’s expense at any time or times upon request of Lessee and contain such other terms and conditions as may be acceptable to Lessee.

ARTICLE VI
QUIET ENJOYMENT

Subject to Lessor’s right to notice and cure as set forth in Article IX of this Lease, Lessee, if not in material default of any of its material obligations under the Lease, on paying the rent and all other sums called for herein, and as set forth in this Lease, shall and may peaceably and quietly have, hold, occupy, use and enjoy the Leased Premises during the Term of this Lease. Lessor agrees to warrant and forever defend Lessee’s right to occupancy of the Leased Premises against the claims of any and all persons whomsoever claiming the same or any part thereof, by, through or under Lessor.

ARTICLE VII
ASSIGNMENT AND TRANSFER

7.1 Sublease or Transfer. Lessee may freely assign this Lease and/or the Project, in whole or in part, without the prior written consent of Lessor, provided each such assignee has a net worth of Twenty Million and No/100 Dollars ($20,000,000.00) or more at the time of the assignment. Lessee may freely sublease the Leased Premises, in whole or in part, to any party or entity. Unless expressly released by Lessor, Lessee shall remain fully liable and responsible to Lessor regardless of any assignment and/or sublease.

7.2 Conditions. The following conditions automatically apply to each assignment or transfer by Lessee without the necessity of same being stated in or referred to in Lessor’s written consent:

(a) Lessee must execute, have acknowledged and deliver to Lessor and cause the sublessee, assignee or other transferee (“Transferee”) of any portion of Lessee’s interest in this Lease, the leasehold estate created hereby or the Leased Premises to execute, have acknowledged and deliver to Lessor, an instrument in form and substance acceptable to Lessor in which:

(i) The Transferee adopts this Lease and assumes and agrees to perform all of the obligations of Lessee hereunder, as to the interest transferred to it.

(ii) The Transferee agrees to use and occupy the transferred space solely for the purposes permitted under Article IV and otherwise in accordance with

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this Lease; and

(b) Lessee must deliver to Lessor a counterpart of the document evidencing the assignment or other transfer executed by all parties to such transaction (except Lessor).

ARTICLE VIII
TERMINATION

8.1 Termination by Lessor. Subject always to the provisions of Article IX, if at any time during the Term of this Lease Lessee shall default in payment of rent due hereunder, Lessor may serve notice of its intent to terminate this Lease on a date specified in such notice, which shall be no earlier than sixty (60) days after the date such notice is received by Lessee. Lessor’s notice shall set forth the amount of rent, interest and late charges alleged to be owed. Lessor’s right to terminate this Lease with respect to a default in payment of rent shall terminate in the event payment in full, plus interest and other late charges as hereinabove provided, is made before the termination date specified in the notice to Lessee from Lessor, subject to the provisions of Article IX of this Lease.

8.2 Effect of Termination. Neither Lessor nor Lessee shall by the termination of this Lease be relieved of its respective obligations and liabilities arising from or incident to performance of this Lease.

ARTICLE IX
ENCUMBRANCES BY LESSEE

9.1 Right to Encumber. At any time and from time to time during the Term of this Lease, Lessee may assign or encumber Lessee’s interest in the Leasehold (as hereinafter defined) by one or more Leasehold Mortgages (as hereinafter defined) containing such terms and provisions as Lessee may, in its sole discretion, deem fit and proper, and without the consent or approval of Lessor. If Lessee encumbers the Leasehold by a Leasehold Mortgage and should Lessor be advised in writing of the name and address of the Leasehold Mortgagee (as hereinafter defined), then Lessor shall not terminate this Lease until Lessor shall comply with the provisions of this Article IX.

9.2 Leasehold Mortgage Authorized. On one or more occasions, without Lessor’s prior consent, Lessee may take back a purchase money Leasehold Mortgage upon a sale and assignment of the Leasehold made in compliance with the terms of this Lease or may Mortgage or otherwise encumber the Leasehold under one or more Leasehold Mortgages and assign this Lease as security for such Leasehold Mortgage or Mortgages.

9.3 Notice to Lessor. If Lessee shall, on one or more occasions, take back a
purchase money Leasehold Mortgage upon a sale and assignment of the Leasehold or shall otherwise Mortgage the Leasehold, Lessee or the Leasehold Mortgagee shall, within ninety (90) days of the execution of such Mortgage, provide Lessor with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee. Lessor and Lessee agree that, following receipt of such notice by Lessor, the provisions of this Article IX shall apply in respect to each such Leasehold Mortgage. In the event of any assignment of a Leasehold Mortgage or in the event of a change of address of a Leasehold Mortgagee or of an assignee of such Leasehold Mortgage, notice of the new name and address shall be provided to Lessor. Lessor shall promptly upon receipt of a communication purporting to constitute a notice provided for above acknowledge, by an instrument in recordable form, receipt of such communication as constituting the notice provided for above or, in the alternative, notify Lessee and the Leasehold Mortgagee of the rejection of such communication as not conforming with the provisions of this Section and specify the specific basis of such rejection. From time to time upon being requested to do so by Lessor, Lessee shall also notify Lessor of the date and place of recording and other pertinent recording data with respect to such instruments as have been recorded. Lessee authorizes any and all Leasehold Mortgagees to provide the information required under this subsection to Lessor upon Lessor’s request.

9.4 Consent of Leasehold Mortgagee Required. No cancellation, surrender or modification of this Lease, other than a remedy pursued by Lessor in accordance with the terms of this Lease, shall be effective as to any Leasehold Mortgagee unless consented to in writing by such Leasehold Mortgagee.

9.5 Default Notice. Upon the occurrence of (i) a material default under this Lease, or (ii) any event alleged to allow a termination of this Lease, or (iii) a matter on which Lessor may predicate or claim a default or event of default, or predicate or claim any right of termination of this Lease, Lessor shall provide Lessee written notice of same and shall allow Lessee the right to commence a cure of the alleged default within sixty (60) days of Lessee’s receipt of such notice. In the event Lessee so commences such a cure, the notice given by Lessor shall be automatically withdrawn and shall become null and void without further action by Lessor or Lessee. Lessor, upon providing Lessee such notice, shall also at the same time provide a copy of such notice to every Leasehold Mortgagee (provided Lessor has been furnished the name and address of each such Leasehold Mortgagee), which notice shall only be effective upon confirmation of receipt by each Leasehold Mortgagee, signature by any person on a receipt for a properly addressed certified mail correspondence or express courier delivery, or confirmation of a successfully transmitted facsimile, shall constitute confirmation of receipt. No such notice by Lessor to Lessee shall be deemed to have been duly given unless and until a copy thereof has been so received by every Leasehold Mortgagee. From and after such notice has been given to a Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period, after the giving of such notice upon it, for remedying any default or acts or omissions which are the subject matter of such notice or causing the same to be remedied, as is given Lessee after the giving of such notice to Lessee,
plus in each instance, the additional periods of time specified in this Lease to remedy, commence remedying or cause to be remedied the defaults or acts or omissions which are the subject matter of such notice specified in any such notice. Lessor shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee. Lessee authorizes each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee’s option and does hereby authorize entry upon the Leased Premises by the Leasehold Mortgagee for such purpose.

9.6 Notice to Leasehold Mortgagee. Subject also to the provisions of Section 9.7 below, if any event of default shall occur which entitles Lessor to terminate this Lease or terminate Lessee’s right to possession of the Leased Premises, Lessor shall have no right to terminate this Lease or to terminate Lessee’s right to possession of the Leased Premises unless, following the expiration of the period of time given Lessee to cure such event of default or the act or omission which gave rise to such event of default, Lessor shall notify every Leasehold Mortgagee of Lessor’s intent to so terminate or to terminate Lessee’s right to possession of the Leased Premises at least sixty (60) days in advance of the proposed effective date of such termination or taking possession of the Leased Premises (such notice being referred to herein as a “Termination Notice”, and the sixty (60) day period specified in such Termination Notice being referred to herein as the “Termination Notice Period”). Lessor’s provision to a Leasehold Mortgagee with a copy of any Termination Notice provided to Lessee indicating Lessor’s intent to terminate shall serve as notice to such Leasehold Mortgagee. No termination shall occur if, during the Termination Notice Period, any Leasehold Mortgagee shall: (i) notify Lessor of such Leasehold Mortgagee’s desire to nullify such notice, and (ii) pay or cause to be paid all rent and other payments, including taxes, then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and which may become due during such Termination Notice Period, and (iii) comply or in good faith, with reasonable diligence commence to comply with all non-monetary requirements of this Lease then in default and reasonably susceptible of being complied with by such Leasehold Mortgagee, provided however, that such Leasehold Mortgagee shall not be required during such Termination Notice Period to cure or commence to cure any default consisting of Lessee’s failure to satisfy and discharge any lien, charge or encumbrance against the Lessee’s interest in this Lease or the Leased Premises which is junior in priority to the lien of the Mortgage held by such Leasehold Mortgagee.

9.7 Procedure on Default

(a) If Lessor shall elect to terminate this Lease or to terminate Lessee’s right to possession of the Leased Premises by reason of any event of default of Lessee, and a Leasehold Mortgagee shall have proceeded in the manner provided for herein, the specified date for the termination of this Lease or termination of Lessee’s right to possession of the Leased Premises as fixed by Lessor in its Termination Notice shall be extended for a period of six (6) months, provided that such Leasehold Mortgagee shall, during such six (6) month period (i) pay or cause to be paid the rent and other monetary obligations of Lessee under this
Lease as the same become due, and continue its good faith efforts to perform all of Lessee’s other obligations under this Lease, excepting (A) obligations of Lessee to satisfy or otherwise discharge any lien, charge or encumbrance against Lessee’s interest in this Lease or the Leased Premises which is junior in priority to the lien of the Mortgage held by such Leasehold Mortgagee and (B) non-monetary obligations then in default and not reasonably susceptible of being cured by such Leasehold Mortgagee; and (ii) if not enjoined or stayed, take steps to acquire or sell Lessee’s interest in this Lease by foreclosure of the Leasehold Mortgage or other appropriate means and prosecute the same to completion with due diligence.

(b) If at the end of such six (6) month period such Leasehold Mortgagee is complying with the terms hereof, then this Lease shall not then terminate nor shall Lessor take possession of the Leased Premises, and the time for completion by such Leasehold Mortgagee of its proceedings shall continue so long as such Leasehold Mortgagee is enjoined or stayed from commencing or pursuing the foreclosure or assignment in lieu thereof or delayed by procedural requirements from completing the foreclosure or assignment in lieu thereof (including the pendency of any related litigation) and thereafter for so long as such Leasehold Mortgagee proceeds to complete steps to acquire or sell Lessee’s interest in this Lease by foreclosure of the Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity. Nothing in this Section, however, shall be construed to extend this Lease beyond the Term hereof or to require a Leasehold Mortgagee to continue such foreclosure proceedings after all monetary events of default and all other defaults reasonably susceptible of being cured have been cured. If all monetary events of default and all other defaults reasonably susceptible of being cured shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, then this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease.

(c) If a Leasehold Mortgagee is complying with this Section, then upon the acquisition of the Leasehold by such Leasehold Mortgagee or its designee or any other purchaser at a foreclosure sale or otherwise this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease, and Lessor shall recognize the Leasehold Mortgagee or its designee or purchaser at a foreclosure sale or otherwise, as applicable, as the Lessee hereunder.

(d) The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or of the Leasehold hereby created, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the Leasehold hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Lessee to be performed hereunder, but the purchaser at any sale of this Lease and of the Leasehold in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignee or transferee of this Lease and of the Leasehold under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be an assignee and shall be
deemed to have agreed to perform all of the terms, covenants and conditions on the part of the Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the Leasehold. If the Leasehold Mortgagee or its designee shall become holder of the Leasehold and if the improvements situated on the Leased Premises shall have been or become materially damaged on, before or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace, reconstruct or demolish such improvements (if and only to the extent expressly required under this Lease) only to the extent of the net insurance proceeds received by the Leasehold Mortgagee or its designee by reason of such damage. However, should such net insurance proceeds be insufficient to repair, replace, reconstruct or demolish such improvements to the extent expressly required by the terms of this Lease and should the Leasehold Mortgagee or its designee choose not to fully reconstruct or demolish the improvements to the extent expressly required by this Lease, such failure shall constitute a default under this Lease.

(e) Any Leasehold Mortgagee or other acquirer of the Leasehold pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings may, upon acquiring the Leasehold, sell and assign the Leasehold on such terms and to such persons and organizations as are acceptable to such Mortgagee or acquirer (whether or not the same is a permitted assignee), provided that such persons and organizations have a net worth of Twenty Million and No/100 Dollars ($20,000,000.00) or more, and thereafter be relieved of all obligations under this Lease; provided that such assignee has delivered to Lessor its written agreement to be bound by all of the provisions of this Lease arising from and after the date of such assignment.

(f) Notwithstanding any other provisions of this Lease, any sale of this Lease and of the Leasehold in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignment or transfer of this Lease and of the Leasehold hereby created in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be a permitted sale, transfer or assignment of this Lease and of the Leasehold hereby created.

(g) Any Leasehold Mortgagee or other acquirer of the Leasehold pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings shall, upon acquiring the Leasehold but subject to its rights under hereunder, diligently pursue a cure of all non-monetary requirements of this Lease of a continuing nature then in default and reasonably susceptible of being cured by the then-Lessee. In the event of an assignment as contemplated herein, the assignee Lessee shall diligently pursue a cure of all non-monetary requirements of this Lease of a continuing nature then in default and reasonably susceptible of being cured by the then-Lessee.

9.8 New Lease. The provisions concerning a “New Lease” shall apply only if and to the extent such provisions may be enforced under applicable Louisiana law at the time such enforcement is sought. In the event of the termination of this Lease as a result of
Lessee’s event of default, Lessor shall, in addition to providing the notices of default (or event of default) and termination as required above, provide each Leasehold Mortgagee with written notice that this Lease has been terminated, together with a statement of all sums which would at that time be due under this Lease but for such termination, and of all other defaults or events of default, if any, then known to Lessor. Lessor agrees to enter into a new lease (“New Lease”) of the Leased Premises with such Leasehold Mortgagee or its designee for the remainder of the Term of this Lease, effective as of the date of termination, at the rent and upon the terms, covenants and conditions (but excluding requirements which are not applicable or which have already been fulfilled) of this Lease, including, without limitation, all then-unexercised Renewal Terms provided under Section 1.1 of this Lease:

(a) Such Leasehold Mortgagee shall make written request upon Lessor for such New Lease within sixty (60) days after the date such Leasehold Mortgagee receives Lessor’s notice of termination of this Lease given pursuant hereto.

(b) Such Leasehold Mortgagee or its designee shall pay or cause to be paid to Lessor at the time of the execution and delivery of such New Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Lease but for such determination and, in addition thereto, all reasonable expenses, including reasonable attorney’s fees, which Lessor shall have incurred by reason of such termination and the execution and delivery of the New Lease and which have not otherwise been received by Lessor from Lessee or other party in interest under Lessee. Upon the execution of such New Lease, Lessor shall allow to the Lessee named therein as an offset against the sums otherwise due under this subsection or under the New Lease, an amount equal to the net income derived by Lessor from the Leased Premises during the period from the date of termination of this Lease to the date of the beginning of the lease term of such New Lease. In the event of a controversy as to the amount to be paid to Lessor pursuant to this subsection, the payment obligation shall be satisfied if Lessor shall be paid the amount not in controversy, and the Leasehold Mortgagee or its designee shall agree to pay any additional sum ultimately determined to be due plus interest at the rate of ten percent (10%) per annum and such obligation shall be adequately secured.

(c) Such Leasehold Mortgagee or its designee shall agree to remedy any of Lessee’s defaults of which said Leasehold Mortgagee was notified by Lessor’s notice of termination and which are reasonably susceptible of being so cured by Leasehold Mortgagee or its designee.

(d) Any New Lease made pursuant to this subsection shall be prior to any Mortgage or other lien, charge or encumbrance on the fee of the Leased Premises and the Lessee under such New Lease shall have the same right, title and interest in and to the Leased Premises as Lessee had under this Lease.

(e) The Lessee under any such New Lease shall be liable to perform the
obligations imposed on the Lessee by such New Lease only during the period such person has ownership of such Leasehold.

9.9 New Lease Priorities. If more than one Leasehold Mortgagee shall request a New Lease, the Lessor shall enter into such New Lease with the Leasehold Mortgagee whose Mortgage is prior in lien, or with the designee of such Leasehold Mortgagee. Lessor, without liability to Lessee or any Leasehold Mortgagee with an adverse claim, may rely upon a mortgagee title insurance policy issued by a responsible title insurance company doing business within the state of Louisiana as the basis for determining the appropriate Leasehold Mortgagee who is entitled to such New Lease.

9.10 Takings. Lessee’s share, as provided by Article XI of this Lease, of the condemnation award arising from any taking shall, subject to the provisions of such Article XI, be disposed of as provided for by any Leasehold Mortgage.

9.11 Casualty Loss. A standard mortgagee clause naming each Leasehold Mortgagee may be added to any and all insurance policies required to be carried by Lessee hereunder on condition that the insurance proceeds are to be applied in the manner specified in this Lease and the Leasehold Mortgage shall so provide; except that the Leasehold Mortgage may provide a manner for the disposition of such proceeds, if any, otherwise payable directly to Lessee (but not such proceeds, if any, payable to Lessor or payable jointly to Lessor and Lessee) pursuant to the provisions of this Lease.

9.12 Legal Proceedings. Lessor shall give each Leasehold Mortgagee prompt notice of any legal proceedings between Lessor and Lessee involving obligations under this Lease. Each Leasehold Mortgagee shall have the right to intervene in any such proceedings and be made a party to such proceedings, and the parties hereto do hereby consent to such intervention. In the event that any Leasehold Mortgagee shall not elect to intervene or become a party to any such proceedings, Lessor shall give the Leasehold Mortgagee notice of, and a copy of any award or decision made in any such proceedings, which shall be binding on all Leasehold Mortgagees not intervening after receipt of notice of legal proceedings.

9.13 Notices. Notices from Lessor to the Leasehold Mortgagee shall be mailed to the address furnished Lessor pursuant hereto, and those from the Leasehold Mortgagee to Lessor shall be mailed to the address designated pursuant to the provisions hereof. Such notices, demands and requests shall be given in the manner described in Section 12.3 and shall in all respects be governed by the provisions of that Section.

9.14 Definitions. The following terms used in this Article IX shall have the meanings set forth below (as such terms are used in this Article IX and elsewhere in this Lease):

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(a) "Leasehold" means the estate for years, leasehold estate and other right, title and interest in this Lease and the right of occupancy of the Leased Premises conveyed to Lessee by this Lease, including, without limitation, all then unexercised Renewal Terms provided under Section 1.1 hereof.

(b) "Leasehold Mortgagee" means a holder of a Leasehold Mortgage in respect to which the notice has been duly given and received by Lessor in conformance with the provisions of this Article IX and as to which the provisions of this Article IX are applicable.

(c) "Leasehold Mortgage" means a Mortgage of the Leasehold.

(d) "Mortgage" means, as a noun, a deed of trust, mortgage, deed to secure debt, security agreement or similar voluntary agreement creating a lien upon or security interest in or conveying title to the Leased Premises or any part thereof or any interest therein (including without limitation the Leasehold) as security for a debt or other obligation. As a verb, "Mortgage" means to grant any such a deed of trust, mortgage, deed to secure debt, security agreement or similar voluntary agreement creating a lien upon or security interest in or conveying title to the Leased Premises or any part thereof or any interest therein (including without limitation the Leasehold) as security for a debt or other obligation. The term shall not include an assignment or sale of this Lease with a lease or sublease back to Lessee.

(e) "Mortgagee" means the holder of a Mortgage or security interest in the Leased Premises or any moveable property or immovable property.

**ARTICLE X**

**ENVIRONMENTAL INDEMNITY AND INSURANCE**

10.1 **Insurance.** Without limiting the indemnity obligations or liabilities of Lessee provided herein, Lessee agrees at all times this Lease is in effect to carry and maintain at its sole expense insurance of the types and in the minimum amounts as follows:

(a) Comprehensive general public liability and property damage insurance providing coverage for products liability, personal liability, and "broad form" property damage, that includes a contractual liability endorsement covering Lessee's agreement to indemnify Lessor as set out in this Lease, with minimum combined single limits for bodily injury and property damage of $2,000,000.00 per person per occurrence with aggregate primary and excess coverage of no less than $10,000,000.00, which policy shall name Lessor as an additional insured as its interest may appear under the terms of this Lease, and

(b) Workers' Compensation insurance in accordance with the statutory requirements of the State of Louisiana, and Employers' Liability insurance with a limit of
$1,000,000.00, to the extent Lessee has employees;

(c) All risk property insurance for the benefit of Lessee and any Leasehold Mortgagee on all buildings, facilities, improvements and other constructions forming part of the Leased Premises or located thereon (including, without limitation, all buildings and other constructions now forming part of the Leased Premises and all improvements) covering all risks covered by an “all risk form” policy of fire and extended coverage insurance; and

(d) All risk property insurance for the benefit of Lessee and any Leasehold Mortgagee on all of Lessee’s furniture, equipment, and other personal property located in, upon, or about the Leased Premises, or used in the conduct of Lessee’s business in, upon, or from the Leased Premises, covering all risks covered by “all risk form” policy of fire and extended coverage insurance.

Lessor shall have the right, but not the obligation, to increase the required minimum insurance limits stated above (as well as the required minimum insurance limits set out herein) from time to time as Lessor may reasonably require to assure that the coverage provided at the time of the increase is economically equivalent to the coverage provided by the limits set out above on the execution of this Lease, which increase shall be calculated in the same manner as increases of rent under this Lease.

Each insurance policy required under this Section shall be issued by a company that is acceptable to Lessor, in its reasonable judgment, or Lessee’s lender, and is qualified to do business in the State of Louisiana. Lessee will deliver to Lessor an insurance certificate evidencing coverage required hereunder within thirty (30) days after the Term of this Lease begins. Lessee will further deliver to Lessor evidence of each renewal thereof no later than fifteen (15) calendar days before any such insurance policy shall expire. Each such policy or renewal thereof, as the case may be, shall be endorsed by the insurer that such policy may not be canceled except upon thirty (30) calendar days’ prior written notice to Lessor.

Each policy of insurance maintained hereunder and each renewal or replacement thereof shall contain (i) a clause in a form acceptable to Lessor providing that each underwriter shall waive all of its rights of recovery, under legal or conventional subrogation or otherwise, against Lessor; (ii) a “severability of interest” clause stating that the interests of Lessor, if any, including its members, managers, officers, employees, and agents, and the interests of any Mortgagee will not be affected by the failure of Lessee or any insurer to comply with any of the warranties expressed in the printed conditions of the policy; (iii) a clause providing that Lessor shall not liable to the insurance carrier for payment of any premiums for such insurance by reason of its being named an additional insured or loss payee, as the case may be, thereunder; and (iv) a clause providing that coverage is primary and not contributory with any other insurance or any self-insurance maintained by Lessee. Lessor and Lessee each waive every claim which arises or may arise in its favor and against

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the other party hereto during the Term of this Lease or any renewal or extension thereof for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the Leased Premises, covered by applicable insurance policies, to the extent that such loss or damage is recoverable under said insurance policies. Said mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of or damage to property of the parties hereto. Each party agrees to immediately give to each insurance company which has issued to it policies of insurance applicable to provisions of this Lease written notice of the terms of the mutual waivers set forth in this Section, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

10.2 Environmental Claims. As used in this Article, the term “Hazardous Materials” means any hazardous or toxic substances, materials or wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 172.101) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302) and amendments thereto, or substances, materials and wastes which are or become regulated under any applicable local, state or federal law, rule, or regulation, including, without limitation, any material, waste or substance which is: (i) petroleum; (ii) asbestos; (iii) polychlorinated biphenyls; (iv) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 251, et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. 1317); (v) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., (42 U.S.C. 6903); or (vi) defined as a “Hazardous Substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601, et seq. (42 U.S.C. 9601).

Lessee covenants and agrees from the date hereof, and as long as the provisions of this Lease shall remain in effect, to remediate or remove from the Leased Premises, if and as required by law, any Hazardous Materials placed in or on the Premises by Lessee, its agents, its employees or its independent contractors, and to comply in all respects with all federal, state and local governmental laws and regulations governing such remediation or removal. Lessee promises to give notice to Lessor of any claim, action, administrative proceeding (including, without limitation, informal proceedings), or other written demand by any governmental agency or other third party involving the existence of Hazardous Materials on the Leased Premises, and copies of any notice of any releases of Hazardous Materials given by Lessee pursuant to any law, rule or regulation, and any report of and response to any such incident.

Lessee agrees to indemnify, pay and protect, defend and save Lessor harmless from and against any and all claims (including, without limitation, third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs,
liabilities (including sums paid in settlement of claims), interest, or losses, including reasonable attorneys’ and paralegals’ fees and expenses, consultant fees, and expert fees, together with all other reasonable costs and expenses of any kind or nature (collectively, the “Costs”) that arise out of the release by Lessee or its agents, its employees or its independent contractors of any Hazardous Materials in or into the air, soil, ground water, or surface water at, on, about, under, or within the Leased Premises, or any portion thereof, or elsewhere in connection with Lessee’s operations on or in connection with the Premises. The indemnification provided in this Lease shall specifically apply to and include claims or actions brought by or on behalf of employees of Lessee. In the event Lessor shall suffer or incur any such costs, Lessee shall pay to Lessor the total of all such reasonable costs suffered or incurred by Lessor upon demand therefore by Lessor. Without limiting the generality of the foregoing, the indemnification provided in this Lease shall specifically cover costs, (including capital, operating and maintenance costs), incurred in connection with (1) any investigation or monitoring of site conditions, (2) any cleanup, containment, remedial, removal, or restoration work require or performed by any federal, state or local government agency or political subdivision or performed by any nongovernmental entity or person because of the presence, suspected presence, release, or suspected release of any Hazardous Material in or into the air, soil, ground water, or surface water at, on, about, under, or within the Premises or any portion thereof, or elsewhere in connection with Lessee’s operations on or in connection with the Premises and (3) any claims of third parties for loss or damage due to such Hazardous Materials.

In the event Lessee is required to conduct or perform any investigation or monitoring of site conditions for any cleanup, containment, restoration, removal or other remedial work (collectively the “Remedial Work”) under any applicable federal, state or local law or regulation, by any judicial order or by any governmental entity, or in order to comply with any agreements affecting the Leased Premises because of or in connection with any occurrence or event described in this Lease, Lessee shall perform or cause to be performed the Remedial Work in compliance with such law, regulation, order or agreement, provided that Lessee may withhold such compliance pursuant to a good faith dispute regarding the application, interpretation, or validity of the law, regulation, order or agreement, subject to the requirements of the following paragraph. All Remedial Work shall be performed by one or more contractors selected by Lessee after consultation with Lessor, and under the supervision of a consulting engineer selected by Lessee. Lessee shall consider Lessor’s reasonable comments regarding the selection of professionals. All costs and expenses of such Remedial Work shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, but shall not be required to, cause such Remedial Work to be performed, and all reasonable costs and expenses thereof or incurred in connection therewith shall be Costs within the meaning of this Lease. All such Costs shall be due and payable upon demand therefore by Lessor.
Lessee shall be permitted to contest or cause to be contested, subject to compliance with the requirements of this paragraph, by appropriate action any Remedial Work requirement, and Lessor shall not perform such requirement on its behalf, so long as Lessee has given Lessor written notice that Lessee is contesting or shall contest or cause to be contested the application, interpretation, or validity of the governmental law, regulation, order or agreement pertaining to the Remedial Work by appropriate proceedings conducted in good faith with due diligence; provided, that such contests shall not subject Lessor or any assignees of Lessor’s interest in the Premises to civil liability and does not jeopardize any such parties’ interest in the Premises. Lessee shall give such security or assurances as may be reasonably required by Lessor to insure compliance with the legal requirements pertaining to the Remedial Work (and payment of all Costs in connection therewith) and to prevent any sale, forfeiture, or loss by reason of such nonpayment or noncompliance.

This Section 10.2 shall be binding upon, inure to the benefit of, and be enforceable by Lessor and Lessee, and their respective heirs, legal representatives, successors and assigns, including, without limitation, any assignee or purchaser of all or any portion of the Lessor’s interest in the Leased Premises. If any term of this Article or any application thereof shall be invalid, illegal, or unenforceable, the remainder of this Article and any other application of such term shall not be affected thereby. No delay or omission in exercising any right hereunder shall operate as a waiver of such right or any other right. The provisions of this Article shall survive the termination or expiration of this Lease.

**ARTICLE XI**

**CONDEMNATION**

11.1 **Total Taking.** Should the entire Leased Premises be taken (which term, as used in this Article XI, shall include any conveyance in avoidance or settlement of eminent domain, condemnation, expropriation or other similar proceedings) by any governmental authority, corporation or other entity under the right of eminent domain, condemnation or similar right, this Lease shall terminate and all rents shall abate as of the date of taking possession by the condemning authority and upon the determination of the final award, the award therefor will be distributed first to Lessor for the full extent of Lessor’s loss, and then to Lessee for the value of the improvements taken, the Lessee’s expenses of relocation of its operations, value of Lessee’s fixtures and trade fixtures and any other portion of the condemnation award as it relates to the value of the Leasehold, with the balance, if any, to be distributed equally between Lessor and Lessee. As used herein, the term “award” shall mean any and all awards, damages or settlements which may be paid or made in connection with any taking of possession by any condemning authority of all or any portion of the Leased Premises.

11.2 **Partial Taking.** Should a portion of the Leased Premises (including without limitation the improvements) be taken by any governmental authority, corporation or other entity under the right of eminent domain, condemnation or similar right, this Lease shall
nevertheless continue in effect as to the remainder of the Leased Premises unless so much of the Leased Premises shall be so taken as to make it economically unsound for Lessee to use the remainder for the uses and purposes contemplated hereby, whereupon, in the sole discretion of Lessee, this Lease shall terminate as of the date of taking of possession by the condemning authority in the same manner as if the whole of the Leased Premises had been thus taken, and the award therefore shall be distributed as provided in Section 11.1. In the event of a partial taking where this Lease is not terminated, the rent payable shall be proportionally reduced on a per acre basis.

11.3 Award on Partial Taking. If a portion of the Leased Premises is taken and this Lease is not terminated as a result thereof, then Lessee, to the extent condemnation proceeds are available to Lessee, may restore, repair and refurbish the remainder of the Leased Premises in order to put them in a usable condition; any portion of the award not used for such repair and refurbishment work shall be paid as provided in the next sentence. If a portion of the Leased Premises is taken and no repair or restoration work is required thereof or if repair or restoration work is required and performed and a portion of such award is not used for such repair or restoration, then the award therefore or such portion shall be distributed first, to Lessor for the full extent of Lessor’s loss, and second, the balance, if any, shall be distributed to Lessee. Any such restoration, repair or refurbishment shall be performed in accordance with the provisions of this Lease.

11.4 Temporary Taking. If the whole or any portion of the Leased Premises shall be taken for temporary use or occupancy, the Term shall not be reduced or affected, and there shall be no abatement in rent. Except to the extent Lessee is prevented from so doing pursuant to the terms of the order of the condemning authority, Lessee shall continue to perform and observe all of the other covenants, agreements, terms and provisions of this Lease. In the event of a temporary taking and provided Lessee has continued to pay all rent when and as due, Lessee shall be entitled to receive the entire amount of any award therefore unless the period of temporary use or occupancy shall extend beyond the expiration of the final Term, whether the Primary Term or Renewal Term, in which case such award, after payment to Lessor therefrom for the estimated cost of restoration of the Leased Premises to the extent that any such award is intended to compensate for damage to the Leased Premises, shall be apportioned between Lessee and Lessor as of the day of expiration of such Term in the same ratio that the part of the entire period for which such compensation is made falling before the day of expiration and that part falling after, bear to such entire period.

11.5 Separate Awards. The court in condemnation proceedings shall, if not prohibited by law, be requested to make separate awards to Lessor and Lessee and Lessor and Lessee shall request such action by such court. The terms of this Article XI shall apply and shall be taken into account by the court in rendering separate awards.

11.6 Receipt of Award. If separate condemnation awards are not made, all sums, including damages and interest, constituting the condemnation award shall be deposited
promptly with a mutually agreeable escrow agent, and shall be distributed and disbursed pursuant to the terms of this Lease.

11.7 **Notice of Taking.** Lessee shall immediately notify Lessor of the commencement of any eminent domain, condemnation or other similar proceedings with regard to the Leased Premises. Lessor shall similarly notify Lessee and all Leasehold Mortgagees of the commencement of any such proceedings.

11.8 **Participation by Lessee.** Lessee and any Leasehold Mortgagee shall have the right to appear and participate in any condemnation proceedings (including any and all negotiations, hearings, trials and appeals therein) and to prove and recover out of the award any amounts that Lessee would be legally entitled to recover.

11.9 **Mortgagee Condemnation Award Requirement.** Notwithstanding the provisions contained in this Article XI, if any Leasehold Mortgagee elects in accordance with the terms of the Mortgage, to require all of that portion of a condemnation award that is attributable to the improvements and structures on the Leased Premises, or that would otherwise be payable to Lessee hereunder, to be paid to the Leasehold Mortgagee on account of the indebtedness secured by such Mortgage, then subject to rights of any other Leasehold Mortgagee with respect thereto, such payment shall be made to such Leasehold Mortgagee, and Lessee shall be relieved of all obligations, monetary or otherwise, established under this Article XI to the extent of such payment.

**ARTICLE XII**

**GENERAL PROVISIONS**

12.1 **Inspection.** With prior written approval from Lessee, Lessee shall permit Lessor and Lessor’s agents, representatives or employees, at their sole risk, to enter on the Leased Premises for the purpose of inspection to determine whether Lessee is in compliance with the terms of this Lease, or for the purposes of showing the Leased Premises to prospective lessees, purchasers, mortgagees or beneficiaries under deeds of trust. Lessor will abide by Lessee’s security, environmental, health and safety rules when entering the Leased Premises.

12.2 **No Partnership.** The relationship between Lessor and Lessee at all times shall remain solely that of Lessor and Lessee and not be deemed a partnership or joint venture.

12.3 **Payments and Notices.** All payments, notices, demands or requests from Lessee to Lessor shall be given to Lessor at the addresses set forth on Exhibit D or at such other address as Lessor shall request in writing. All payments, notices, demands or requests from Lessor to Lessee shall be given to Lessee at the following address: G2 LNG, LLC, 8440 Jefferson Highway, Suite 401, Baton Rouge, Louisiana 70809 or at such other address.
as Lessee shall request in writing. Any notice required or permitted under this Lease must be in writing. Any and all written notices required or permitted to be given under this Lease shall be deemed to have been properly given when sent to the other party by facsimile (when such facsimile has been acknowledged by answer back code of recipient) or when received by the other party if sent by certified mail, postage prepaid, or courier at the addresses set out above.

12.4 **Estoppel Certificate.** At any time and from time to time, but no more often than three (3) times yearly, in connection with a financing or a renewal of financing, Lessor shall, promptly and in no event later than twenty (20) days after a request from Lessee or any Leasehold Mortgagee, execute, acknowledge and deliver to Lessee or any present or proposed mortgagee of the leasehold estate, a certificate in the form supplied by Lessee, certifying: (i) that this Lease is in full force and effect and has not been modified (or if modified, setting forth all modifications), or if this Lease is not in full force and effect, the certificate shall so specify the reasons therefor; (ii) the commencement and expiration dates of this Lease; (iii) the date to which the rentals have been paid under this Lease and the amount thereof then payable, (iv) whether there are then, to the best of Lessor’s knowledge, any existing defaults by Lessee in the performance of its obligations under this Lease, and, if there are any such defaults, specifying the nature and extent thereof; (v) that no notice has been received by Lessor of any default under this Lease which has not been cured, except as to defaults specified in the certificate; (vi) the capacity of the person executing such certificate, and that such person is duly authorized to execute the same on behalf of Lessor; (vii) an agreement to provide notice of default to any Leasehold Mortgagee and an opportunity for such Leasehold Mortgagee to cure any such default, consistent with the terms of this Lease; (viii) the number of options remaining in this Lease, and (ix) any other information reasonably requested by Lessee or its present or proposed purchaser or mortgagee.

**ARTICLE XIII**
**MISCELLANEOUS**

13.1 **Parties Bound.** This Lease, and the rights and obligations of Lessor and Lessee, shall bind and inure to the benefit of Lessor and Lessee, and their respective legal representatives, heirs, distributees, successors and assigns where assignment is permitted by this Lease.

13.2 **Applicable Law.** This Lease shall be construed in accordance with and be governed by the laws of the State of Louisiana, without reference to the conflict of laws principles thereof.

13.3 **Severability.** If any part of this Lease is for any reason found to be unenforceable, all other portions nevertheless remain enforceable and the parties agree to enter into good faith negotiations to agree upon new terms which reflect as closely as
possible the original intent of the parties as set forth in such unenforceable provisions.

13.4 **Rights and Remedies Cumulative.** The rights and remedies provided by this Lease are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise. All the rights and remedies may be exercised and enforced concurrently or whenever occasion for the exercise arises.

13.5 **Attorney’s Fees.** In the event Lessor or Lessee breach or default upon any of the terms of this Lease and the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the reasonable attorneys’ fees incurred by the prevailing party.

13.6 **Number and Gender, Captions, References.** Pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporation and associations of every kind and character, and the singular shall include a plural wherever and as often as may be appropriate. Article and Section headings of this Lease are for convenience of reference and shall not affect the construction of interpretation of this Lease. Whenever the terms “hereof”, “hereby”, “herein” or words of similar import are used in this Lease they shall be construed as referring to this Lease in its entirety rather than to a particular Section or provision, unless the context specifically indicates to the contrary. Any reference to a particular “Article” or “Section” shall be construed as referring to the indicated Article or Section of this Lease.

13.7 **Brokers.** Lessee hereby warrants and represents unto Lessor that it has not incurred or authorized any brokerage commission, finder’s fees or similar payments in connection with this Lease, and agrees to defend, indemnify and hold harmless Lessor from and against any claim for brokerage commission, finder’s fees or similar payment arising by virtue of authorization by, through or under Lessee in connection with this Lease.

13.8 **Recordable Memorandum.** At any time and from time to time and upon the execution of this Lease, at the request of Lessee, Lessor will execute a memorandum setting forth the material terms of this Lease all in a recordable form reasonably acceptable to Lessee. Such instrument shall not in any way amend or modify any terms of this Lease. This Lease and any modifications, amendments or supplements hereto or a memorandum hereof may be filed for recordation in the official land records of Cameron Parish, Louisiana, and in such other location as may from time to time be provided by law as the proper place for recording this Lease.

13.9 **Interpretation.** This Lease shall be construed without regard to the identity of the person who drafted the various provisions hereof. Each provision of this Lease shall be construed as though both parties participated equally in its drafting. Consequently, the parties
acknowledge and agree that any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Lease.

13.10 **Force Majeure.** In the event either party to this Lease shall be delayed or hindered in or prevented from the performance required hereunder by reason of an event of force majeure, which includes, but is not limited to, strikes, lockouts, labor troubles (which strikes, lockouts or labor troubles the party suffering same shall not be obligated to settle except for reasons within its sole discretion), failure of power, riots, insurrection, war, acts of God, inability to obtain power, fuel, supplies, feedstock, machinery or equipment, any Federal or State law, or any order, rule, or regulation of any governmental authority, or any other reason of similar or dissimilar nature not the fault of the party delayed in performing work or doing acts (herein, “force majeure”), such party shall be excused for the period of time equivalent to the delay caused by such force majeure.

13.11 **Third Parties.** Except as herein specifically and expressly otherwise provided with regard to notices, opportunities to cure defaults and certain other enumerated rights, including but not limited to the rights of Leasethold Mortgagees, the terms and provisions of this Lease are for the sole benefit of Lessor and Lessee.

13.12 **Entire Agreement.** This Lease, including any exhibits, constitutes the parties’ final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this Lease. No change, waiver or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

13.13 **Further Assurances.** Lessor shall execute any documents, reasonably requested by or on behalf of Lessee, including but not limited to any right, permit, license or authorization with respect to the Leased Premises or the Project, and to further evidence the obligations of Lessor, or the rights or obligations of Lessee under this Lease. Lessor shall cooperate in good faith with Lessee in Lessee’s efforts to obtain permitting and financing for the Project.

13.14 **Cooperation with Zoning and other Matters.** In addition to the assistance to be provided by Lessor under Section 5.7 of this Lease, Lessor shall assist and cooperate with Lessee in connection with obtaining and/or preserving any zoning or rezoning of the Leased Premises, or any variances with respect thereto, as well as with obtaining and/or preserving any site plan approvals, grading permits, construction permits, development permits, building permits, sign permits or any other permits, approvals or licenses required of or from any governmental entities or officials in connection with the development, construction and operation of the improvements, and the Project, and will further cooperate with Lessee in connection with all other matters affecting the Leased Premises and the Project and/or Lessee’s operations and therein, including all matters involving Taxes. Lessor hereby agrees to execute any applications for any such rezoning, variances, approvals, permits or licenses and such other matters and hereby irrevocably appoints and authorizes Lessee, as Lessor’s
agent and attorney-in-fact, to seek, apply for and pursue such rezoning, variances, approvals, permits or licenses in the name, place and stead of Lessor, but at the sole cost and expense of Lessee. Lessor will immediately confirm Lessor’s appointment of Lessee as Lessor’s agent upon request of Lessee.

13.15 **No Waiver.** Failure on the part of either party to complain of any action or non-action on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by the non-complaining party of any of its rights hereunder. Further, it is covenanted and agreed that no waiver at any time of any of the provisions shall be construed as a waiver of any of the other provisions hereof and that a waiver at any time of any of the provisions hereof may not be construed as a waiver at any subsequent time of the same provisions. The consent or approval by one party to or of any action by the other requiring the approving party’s consent or approval shall not be deemed to waive or render unnecessary such party’s consent or approval to or of any subsequent similar act.

13.16 **Subordination of Lessor’s Lien.** Lessee shall have the right to place at the Leased Premises such furniture, trade fixtures, equipment, machinery, inventory and other property as Lessee deems necessary or desirable for the conduct of its business and the Project, and Lessee may remove from the Leased Premises or the Project all or any portion of such furniture, trade fixtures, equipment, machinery, inventory and other property at any time and from time to time whenever desired by Lessee. This Lease and any of the foregoing items may be leased from or mortgaged or encumbered to (or in favor of) some other party. Accordingly, such other party, whether lessor or mortgagee, shall at all times have the right (as against Lessor) to remove any of such trade fixtures, equipment, machinery, inventory and other property from the Leased Premises or the Project at any time. At the request of Lessee, Lessor will execute such instruments(s) as may be presented for signature by any such lessor or mortgagee solely for the purpose of further evidencing the rights of such lessor or mortgagee or other holder of an encumbrance as may be agreed to by Lessor. If Lessor should fail or refuse to execute any such instrument within fifteen (15) days following submission of such instrument to Lessor, then Lessee shall be authorized to execute such instrument on Lessor’s behalf, and Lessee hereby irrevocably appoints Lessee as Lessor’s agent and attorney-in-fact for such purposes. Lessor hereby subordinates in favor of any present or future holder(s) of any such present or future mortgage(s) all right or privilege Lessor has in and to Lessee’s furniture, trade fixtures, equipment, machinery, inventory and other property located from time to time on the Leased Premises, including, without limitation, the “lessor’s privilege” provided in Louisiana Civil Code Article 2707 to secure the payment of rent and other obligations of Lessee arising from this Lease. In the event that there is a mortgage on the Leased Premises, the Lessor shall obtain the same subordination from the mortgagee.

13.17 **Performance of Other Party’s Obligations.** If either party hereto fails to perform or observe any of its covenants, agreements or obligations hereunder, in a timely manner after having received notice from the other party, then the other party shall have the
right, but not the obligation, at its sole election (but not as its exclusive remedy) to perform or observe the covenants, agreements or obligations which are asserted to have not been performed or observed at the expense of the failing party and to recover all costs or expenses incurred in connection therewith.
13.18 **Counterparts.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original binding on the party or parties so signing, regardless of whether all lessors, as the case may be, join in this Lease. All counterparts, construed together, shall constitute one Lease.

13.19 **Consent of Lessor.** Whenever pursuant to this Lease Lessee requests the consent of Lessor, such consent of Lessor will be deemed to have been given if each person constituting Lessor holding an interest in the Leased Premises of 7½% or more of the whole consents to such request. In the event of a dispute between Lessee and Lessor or among the persons constituting Lessor arising under or pursuant to this Lease or the performance of Lessee’s obligations under this Lease (except with respect to a dispute between Lessee and a particular Lessor regarding the payment of Base Rent or adjusted Base Rent to that particular Lessor and involving facts specific to that Lessor), the decision or act of those persons constituting a majority in interest of all persons constituting Lessor will control and be binding upon all persons constituting Lessor.

[Signatures on following pages]
IN TESTIMONY WHEREOF, this Lease is executed in duplicate originals, either of which shall be deemed to be an original, on the date first above mentioned.

LESSOR:

LESSEE:
Exhibit A
Description of Leased Premises

[Description of Leased Premises to be inserted prior to execution of Lease]
Exhibit B
Plat

[Plat to be attached prior to execution of Lease]

[Plat will show dredge area per Lessee’s plans as set forth in Section 5.1 of Lease]
Exhibit C
Title Matters
EXHIBIT D

Lessor Names, Address and Proportion of Ownership
Title Matters

None.
ATTACHMENT D
Pipeline Infrastructure Map