



8555 UNITED PLAZA BOULEVARD
BATON ROUGE, LOUISIANA 70809-7000
225-248-2000
FAX 225-248-2010
www.joneswalker.com

Matthew W. Kern
Direct Dial 225-248-2238
mkern@joneswalker.com

December 15, 2016

Louisiana State Bond Commission
P. O. Box 44154
Baton Rouge, LA 70804-0154

Certified Mail #
7008 1830 0001 1883 8084
Return Receipt Requested

Re: Cameron Parish Police Jury, Cameron Parish Sheriff, and Cameron Parish School Board
vs. All taxpayers, property owners, citizens of the Parish of Cameron, State of Louisiana
and non-residents owning property or subject to taxation therein, and all other persons
interested in or affected in any way by the subject matter of the Motion for Judgment
Our Matter # 157405-02

To Whom It May Concern:

Notification of the initiation of cooperative endeavor agreement validation proceedings must be made upon the State Bond Commission by registered or certified mail, with return receipt requested.

Enclosed please find a certified copy of a Motion for Judgment filed on December 12, 2016 by the Cameron Parish Police Jury, the Cameron Parish Sheriff and the Cameron Parish School Board and an Order executed by the district court judge for the 38th Judicial District on the same date.

This is an informational filing required by law.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Matthew W. Kern".

Matthew W. Kern

MWK/nl
Enc.

CAMERON PARISH POLICE JURY,
CAMERON PARISH SHERIFF, AND
CAMERON PARISH SCHOOL BOARD

NUMBER: _____

10-19872

VERSUS

ALL TAXPAYERS, PROPERTY
OWNERS, CITIZENS OF THE PARISH OF
CAMERON, STATE OF LOUISIANA,
AND NON-RESIDENTS OWNING
PROPERTY OR SUBJECT TO TAXATION
THEREIN, AND ALL OTHER PERSONS
INTERESTED IN OR AFFECTED IN ANY
WAY BY THE SUBJECT MATTER OF
THE MOTION FOR JUDGMENT

38TH JUDICIAL DISTRICT COURT
PARISH OF CAMERON
STATE OF LOUISIANA
CLERK OF COURT
CAMERON PARISH, LA.

2016 DEC 12 PM 11 48

RECEIVED & FILED

MOTION FOR JUDGMENT

NOW INTO COURT, come the CAMERON PARISH POLICE JURY (the "*Police Jury*"), the CAMERON PARISH SHERIFF (the "*Sheriff*"), as the ex-officio tax collector within and for Cameron Parish and as the governing authority of Cameron Parish Law Enforcement Special District No. 1 ("*LESD1*") and Cameron Parish Law Enforcement Special District No. 2 ("*LESD2*" and together with *LESD1*, the "*Law Enforcement Districts*"), and the CAMERON PARISH SCHOOL BOARD (the "*School Board*" and, together with the Police Jury and the Sheriff, the "*Plaintiffs*"), through undersigned counsel, which respectfully represent:

1.

The Police Jury, the Sheriff, and the School Board are the respective governing authorities of the Cameron Parish, Louisiana (the "*Parish*"), the Law Enforcement Districts, and the Cameron Parish School Board, each of which is a political subdivision of the State of Louisiana (the "*State*").

2.

The Plaintiffs' domicile is Parish and venue is proper in this Court pursuant to La. Rev. Stat. Ann. § 13:5123 (1950).

3.

The Plaintiffs are authorized to bring this action under La. Rev. Stat. Ann. § 33:9031.1 (1950) (hereafter, the "*Cooperative Endeavor Agreement Validation Act*"), which provides for the use of La. Rev. Stat. Ann. §§ 13:5121 *et seq.* (1950) (hereafter the "*Bond Validation Act*") to judicially determine of the validity of (i) the Cooperative Endeavor Agreement (as defined in Paragraph 5 hereof), (ii) all proceedings taken in connection with the authorization of the Cooperative Endeavor Agreement, and (iii) the transactions contemplated thereby, all "[i]n order

to provide a uniform, expeditious, and equitable procedure with due regard for the public fisc and rights of persons in interest.” La. Rev. Stat. Ann. § 33:3031.1 (1950).

4.

The express purpose of the Cooperative Endeavor Agreement Validation Act is “to provide a uniform, expeditious and equitable procedure with due regard for the public fisc and rights of persons in interest, for the judicial determination of the validity of any cooperative endeavor agreements authorized under this Chapter or generally by Article VII, Section 14(C) of the Louisiana Constitution and the transactions contemplated thereby.” La. Rev. Stat. Ann. § 33:9031.1 (1950).

5.

The Plaintiffs desire to authorize and execute a Cooperative Endeavor and Payment in Lieu of Taxes Agreement (the “*Cooperative Endeavor Agreement*”) by and among the Police Jury, the School Board, the Sheriff, as the ex-officio tax collector within and for Cameron Parish and as the ex-officio executive officer of the Law Enforcement Districts, the Assessor of Cameron Parish (the “*Assessor*”), the Law Enforcement Districts, Ambulance Service District No. 2 (the “*Ambulance District*”), Waterworks District No. 2 (the “*Water District*”), Hackberry Fire Protection District No. 1 (the “*Fire District*”), the Hackberry Recreation District (the “*Recreation District*”), the Cameron Parish Public Library District (the “*Library District*”), the Calcasieu-Cameron Hospital Service District, d.b.a. West Calcasieu Cameron Hospital (the “*Hospital District*”), Mosquito Abatement District No. One (the “*Mosquito Abatement District*”), and Gravity Drainage District No. Nine (the “*Drainage District*” and, together with the Police Jury, the School Board, the Sheriff, the Law Enforcement Districts, the Assessor, the Ambulance District, the Water District, the Fire District, the Recreation District, the Library District, the Hospital District, and the Mosquito Abatement District, the “*Taxing Authorities*”), and Cameron LNG, LLC (“*Cameron LNG*” and, together with the Taxing Authorities, the “*Parties*”), and this is an action for the judicial validation of such Cooperative Endeavor Agreement to insure the legality of the transactions contemplated by the Cooperative Endeavor Agreement and the obligations undertaken by the Parties thereunder. A draft of the Cooperative Endeavor Agreement is attached hereto as **Exhibit “A.”**

6.

Made defendants herein, pursuant to the Cooperative Endeavor Agreement Validation Act and the Bond Validation Act, are all taxpayers, property owners, citizens of the Parish, and non-residents owning property or subject to taxation therein, and all other persons interested in or affected in any way by the execution of the Cooperative Endeavor Agreement and the transactions contemplated thereby, more fully described hereinafter, or having or claiming to have any rights or interest in the Cooperative Endeavor Agreement.

7.

La. Rev. Stat. Ann. §§ 33:9020 *et seq.* (1950) (hereinafter referred to as the “*Cooperative Economic Development Law*”), La. Const. art. VII, § 14(C), and La. Rev. Stat. Ann. §§ 33:1321-1331 (1950) (the “*Local Services Law*”), together with other relevant constitutional and statutory authority (collectively, the “*Act*”), authorize the Taxing Authorities to engage in cooperative endeavors with any public or private association or company for a public purpose, and economic development is declared to be a public purpose. La. Rev. Stat. Ann. § 33:9021(4) (1950); *Id.* at § 9021(6); see also, Bd. of Dir. of the Indus. Dev. Bd. of Gonzales, Inc. v. All Taxpayers, 938 So. 2d 11, 18 (La. 2006).

8.

Cameron LNG is in the process of constructing a natural gas liquefaction facility in addition to its existing natural gas regasification facility (collectively, the “*LNG Facility*”) in the Hackberry area of the Parish, and the construction of the First Train (as defined in Exhibit A to the Cooperative Endeavor Agreement) is anticipated to be substantially completed and become operational in 2018. (Cooperative Endeavor Agreement, p. 1).

9.

The Taxing Authorities have determined that the operation of the LNG Facility in the Parish is reasonably expected to result in immediate and extensive economic benefits to the Parish and its residents, including the creation and maintenance of employment opportunities and the fostering of industrial innovation and improvements, thereby stimulating economic development in the Parish and serving a valid public purpose, which is expected to exceed the value of the Taxing Authorities’ obligations under the Cooperative Endeavor Agreement. (*Id.* at 1-2).

10.

The Taxing Authorities are presently the beneficiaries of certain *ad valorem* taxes levied against property in the Parish, not including the LNG Facility described in Paragraph 8 hereof, all as more fully described within the propositions sanctioned by the Parish's electorate, as evidenced by various resolutions adopted by the Taxing Authorities promulgating such election results as evidenced by the filing of such resolutions with the Clerk of this Honorable Court.

11.

Receipt of advance payment of *ad valorem* taxes by the Taxing Authorities located in the Parish is authorized by La. Rev. Stat. Ann. § 33:2758 (1950). By La. Atty. Gen. Op. No. 07-0232 (September 14, 2007), the Louisiana Attorney General has opined that La. Rev. Stat. Ann. § 33:2758 (1950) is constitutional.

12.

In order to encourage Cameron LNG's long-term capital investment and to facilitate its construction of the LNG Facility in the Parish, the Plaintiffs desire to enter into the Cooperative Endeavor Agreement, whereby the Taxing Authorities will agree to not assess, impose, or otherwise collect or attempt to collect *ad valorem* taxes from Cameron LNG on the LNG Facility during the term of the Cooperative Endeavor Agreement. (Cooperative Endeavor Agreement, Art. III).

13.

In exchange for the obligations undertaken by the Taxing Authorities, the Cooperative Endeavor Agreement provides that Cameron LNG shall make annual payments (the "*Annual Payments*") to the Sheriff commencing in tax year 2016 through 2038 in the amounts set forth in Article I of the Cooperative Endeavor Agreement, which Annual Payments shall be disbursed to the Taxing Authorities. (*Id.* at Art. I).

14.

The Plaintiffs are duly authorized pursuant to the Cooperative Endeavor Agreement Validation Act and the Bond Validation Act to file and do hereby file this Motion for Judgment (this "*Motion*") against all defendants hereinafter stated in order to determine: (i) the constitutionality, legality and validity of the Cooperative Endeavor Agreement, (ii) the constitutionality, validity of all proceedings taken in connection with the authorization of the Cooperative Endeavor Agreement, (iii) the constitutionality, legality and validity of the

transactions contemplated by the Cooperative Endeavor Agreement, (iv) any other matters related to the validity or approvals related to the Cooperative Endeavor Agreement, (v) the constitutionality, legality and validity of the obligations undertaken by the Parties under the Cooperative Endeavor Agreement, and (vi) any other matters or objections adjudicated or that might have been called into question in this proceeding.

15.

The Plaintiffs aver that the Cooperative Endeavor Agreement and the transactions contemplated thereby and the obligations undertaken therein are valid, legal, and enforceable obligations of the Parties thereto.

16.

The Plaintiffs have instituted this action in order to obtain an expedited determination of: (i) the constitutionality, legality and validity of the Cooperative Endeavor Agreement, (ii) the validity of all proceedings taken in connection with the authorization of the Cooperative Endeavor Agreement, (iii) the constitutionality, legality and validity of the transactions contemplated by the Cooperative Endeavor Agreement, (iv) any other matters related to the validity or approvals related to the Cooperative Endeavor Agreement, (v) the constitutionality, legality and validity of the obligations undertaken by the Parties under the Cooperative Endeavor Agreement, and (vi) any other matters or objections adjudicated or that might have been called into question in this proceeding.

WHEREFORE, the Plaintiffs pray:

(1) That, pursuant to the Cooperative Endeavor Agreement Validation Act and the Bond Validation Act, this Court issue an order (the "Order") directing the publication of this Motion two (2) times within a period of fifteen (15) consecutive calendar days from the date of the Order in the *Cameron Pilot*, a newspaper of general circulation in the Parish, being the official journal of the Plaintiffs (the first publication of which is to be not later than eight (8) days from and after the date of issuance of the Order), and at the same time fix a time and place for hearing this cause, which time and place will be published with this Motion for Judgment (the date fixed for the hearing to be at least ten (10) days, but not more than thirteen (13) days, after the second publication of this Motion for Judgment);

(2) That, at the time and place designated in the Order, this Court proceed to hear and determine all questions of law and fact in this cause, including, but not limited to: (i) the

constitutionality, legality and validity of the Cooperative Endeavor Agreement, (ii) the validity of all proceedings taken in connection with the authorization of the Cooperative Endeavor Agreement, (iii) the constitutionality, legality and validity of the transactions contemplated by the Cooperative Endeavor Agreement, (iv) any other matters related to the validity or approvals related to the Cooperative Endeavor Agreement, (v) the constitutionality, legality and validity of the obligations undertaken by the Parties under the Cooperative Endeavor Agreement, and (vi) any other matters or objections adjudicated or that might have been called into question in this proceeding;

(3) That, after due proceedings, this Court render a judgment herein establishing and declaring: (i) the constitutionality, legality and validity of the Cooperative Endeavor Agreement, (ii) the validity of all proceedings taken in connection with the authorization of the Cooperative Endeavor Agreement, (iii) the constitutionality, legality and validity of the transactions contemplated by the Cooperative Endeavor Agreement, (iv) any other matters related to the validity or approvals related to the Cooperative Endeavor Agreement, (v) the constitutionality, legality and validity of the obligations undertaken by the Parties under the Cooperative Endeavor Agreement, and (vi) any other matters or objections adjudicated or that might have been called into question in this proceeding;

(4) That, pursuant to the Cooperative Endeavor Agreement Act and the Bond Validation Act, this Honorable Court issue a permanent injunction against the institution by any person of any action or proceeding contesting: (i) the constitutionality, legality and validity of the Cooperative Endeavor Agreement, (ii) the validity of all proceedings taken in connection with the authorization of the Cooperative Endeavor Agreement, (iii) the constitutionality, legality and validity of the transactions contemplated by the Cooperative Endeavor Agreement, (iv) any other matters related to the validity or approvals related to the Cooperative Endeavor Agreement, (v) the constitutionality, legality and validity of the obligations undertaken by the Parties under the Cooperative Endeavor Agreement, and (vi) any other matters or objections adjudicated or that might have been called into question in this proceeding; and

(5) For all equitable relief.

Respectfully submitted,

CAMERON PARISH POLICE JURY

By: 

Fred L. Chevalier (Bar # 04049)
Matthew W. Kern (Bar # 31810)
Jones Walker LLP
8555 United Plaza Blvd., 5th Floor
Baton Rouge, Louisiana 70809
Telephone: (225) 248-2000

Joseph A. Delafield (Bar # 04824)
Joseph A. Delafield,
A Professional Corporation
3401 Ryan Street, Suite 307
Lake Charles, Louisiana 70605
Telephone: (337) 477-4655

Counsel to the Police Jury

CAMERON PARISH SHERIFF

Patrick B. McIntire (Bar #17052)
Oats & Marino, A Partnership of
Professional Corporations
100 E Vermilion St., #400
Lafayette, Louisiana 70501
Telephone: (337) 233-1100

Counsel to the Sheriff

CAMERON PARISH SCHOOL BOARD

Joseph A. Delafield (Bar # 04824)
Joseph A. Delafield,
A Professional Corporation
3401 Ryan Street, Suite 307
Lake Charles, Louisiana 70605
Telephone: (337) 477-4655

Counsel to the School Board

EXHIBIT A

COOPERATIVE ENDEAVOR AND
PAYMENT IN LIEU OF TAXES AGREEMENT

**COOPERATIVE ENDEAVOR
AND PAYMENT IN LIEU OF TAXES AGREEMENT**

STATE OF LOUISIANA

PARISH OF CAMERON

This **COOPERATIVE ENDEAVOR AND PAYMENT IN LIEU OF TAXES AGREEMENT** ("Agreement") made and entered into as of the ___ day of _____, 2016, by, between and among the following parties (each a "Party" and collectively, the "Parties"):

1. **CAMERON PARISH POLICE JURY**, herein represented by _____, President of the Cameron Parish Police Jury ("Parish");
2. **CAMERON PARISH SCHOOL BOARD**, herein represented by _____, _____ of the Cameron Parish School Board ("School Board");
3. **SHERIFF AND EX-OFFICIO TAX COLLECTOR WITHIN AND FOR CAMERON PARISH**, represented herein by _____, Sheriff and Ex-Officio Executive Officer of the Cameron Parish Law Enforcement District ("Sheriff");
4. **ASSESSOR OF CAMERON PARISH**, represented herein by _____, the duly elected and qualified Assessor of the Parish of Cameron ("Tax Assessor");
5. **LAW ENFORCEMENT SPECIAL DISTRICT NO. 1**, represented herein by _____, _____ of Law Enforcement Special District No. 1 ("LESD1")¹;
6. **LAW ENFORCEMENT SPECIAL DISTRICT NO. 2**, represented herein by _____, _____ of Law Enforcement Special District No. 2 ("LESD2");
7. **AMBULANCE SERVICE DISTRICT NO. 2**, represented herein by _____, _____ of Ambulance District No. 2 ("Ambulance District");
8. **WATERWORKS DISTRICT NO. 2**, represented herein by _____, _____ of Water District No. 2 ("Water District");
9. **HACKBERRY FIRE PROTECTION DISTRICT NO. 1**, represented herein by _____, _____ of Hackberry Fire District No. 2 ("Fire District");

¹ Note to Parish: The determination of which taxing jurisdictions will participate in the CEA is subject to further discussion with Cameron Parish officials. All taxing jurisdictions should be a party hereto.

10. **HACKBERRY RECREATION DISTRICT**, represented herein by _____,
_____ of Hackberry Recreation District (“Recreation District”);
11. **CAMERON PARISH PUBLIC LIBRARY DISTRICT**, represented herein by _____,
_____ of Cameron Parish Public Library District (“Library District”);
12. **CALCASIEU-CAMERON HOSPITAL SERVICE DISTRICT, D.B.A. WEST CALCASIEU CAMERON HOSPITAL**, represented herein by _____,
_____ of Calcasieu-Cameron Hospital Service District (“Hospital District”);
13. **MOSQUITO ABATEMENT DISTRICT NO. ONE**, represented herein by _____,
_____ of Mosquito Abatement District No. One (“Mosquito Abatement District”);
14. **GRAVITY DRAINAGE DISTRICT NO. NINE**, represented herein by _____,
_____ of Gravity Drainage District No. One (“Drainage District” and, together with Parish, School Board, Sheriff, Tax Assessor, LESD1, LESD2, Ambulance District, Water District, Fire District, Recreation District, Library District, Hospital District, and Mosquito Abatement District, collectively the “Taxing Authorities”);
15. **CAMERON LNG, LLC**, a Delaware limited liability company authorized to and doing business in the State of Louisiana, herein represented by Carla Mashinski, Chief Financial Officer (“Cameron LNG”).

WITNESSETH:

WHEREAS, Cameron LNG is in the process of constructing a natural gas liquefaction facility in addition to its existing natural gas regasification facility as set forth in attached “Exhibit A” in the Hackberry area of Cameron Parish, Louisiana, construction of the First Train (as defined in “Exhibit A” hereof) of the LNG Facility (as defined in “Exhibit A” hereof) will be substantially completed and the First Train operational during the 2018 tax year;

WHEREAS, Cameron LNG has provided social investments within the Cameron Parish community over the past 10 years exceeding \$2.5 million, including funding local disaster relief post-Hurricanes Katrina and Rita, funding an annual scholarship program for Cameron Parish High School students, providing updates for Cameron Parish school libraries, supporting & funding local community programs, events, activities & youth organizations, and providing funding for health care clinics and emergency services, and Cameron LNG estimates an additional \$8 to \$10 million in social investments through 2038;

WHEREAS, Cameron LNG through its Engineering, Procurement and Construction Contractor has employed over 2000 Southwest Louisiana residents and used over 200 local suppliers and subcontractors on the current construction site, which provides over \$500 million of economic value directly into the Southwest Louisiana economy;

WHEREAS, Cameron LNG has begun hiring permanent staff for the liquefaction facility located within Cameron Parish, which will increase from 60, 13 of whom are currently full time residents of Cameron Parish, to over 225 full time positions once the facility is fully operational;

WHEREAS, Cameron Parish and various Taxing Authorities have identified substantial and immediate infrastructure needs, including but not limited to construction of new schools, community centers, fire and public safety stations, improvements to roads, communications systems, navigation channels, and utilities, and operations funding;

WHEREAS, Cameron Parish lacks the funding to finance such improvements under current or projected future budgets;

WHEREAS, although Cameron LNG's LNG Facility qualifies for industrial *ad valorem* tax exemptions provided for in Louisiana Constitution Article VII, § 21(F) ("ITE") as set forth in each ITE contract listed in "Exhibit B," Cameron LNG has a significant interest in supporting the Taxing Authorities whose infrastructure, facilities and equipment will support the LNG Facility and its suppliers, contractors and employees;

WHEREAS, Taxing Authorities and the residents of Cameron Parish will receive immediate and extensive benefits from construction and operation of the LNG Facility in Cameron Parish, including immediate financing of critical infrastructure needs, creation and maintenance of employment opportunities, stimulation of economic development and fostering of industrial innovation and improvements;

WHEREAS, considering the long-term capital investment and risks involved in undertaking construction and operation of the LNG Facility, it is essential that Cameron LNG ascertain in advance its operating costs, including its *ad valorem* tax liability;

WHEREAS, Cameron LNG is willing and has agreed to pay annually to Taxing Authorities through the Sheriff certain amounts, as set forth herein commencing in tax year 2016 through and inclusive of 2038;

WHEREAS, in exchange for Cameron LNG's contractual commitment to make such payments pursuant to this Agreement, the Sheriff is willing to collect and the Taxing Authorities are willing to accept, during the term of this Agreement, Cameron LNG's payments in lieu of *ad valorem* taxes which have been or could be assessed by the Tax Assessor as set forth herein;

WHEREAS, the Parties desire to designate this Agreement a cooperative endeavor agreement, as permitted by Sections 9020 through 9037 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (“Cooperative Economic Development Law”) and contract as herein provided with respect to Cameron LNG’s making annual payments in lieu of *ad valorem* taxes, and otherwise contracting in accordance with the provisions of Section 2758 and Sections 1321 through 1331 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (“Local Services Law”); and

WHEREAS, each of the Taxing Authorities, recognizing the immediate and extensive benefits of this Agreement, for the reasons set forth above, declare that:

- (1) The obligations of the Taxing Authorities contemplated by this Agreement are for a public purpose that comports with a governmental purpose which each Taxing Authority has the legal right to pursue;
- (2) Those obligations, taken as a whole, are not gratuitous; and
- (3) Each of the Taxing Authorities has a demonstrable, objective, and reasonable expectation of receiving a benefit which is at least equivalent to the cost to each of the Taxing Authorities contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises, and of the mutual covenants and agreements herein contained, it is agreed as follows:

ARTICLE I

Except as may be adjusted pursuant to Article XII hereof, Cameron LNG shall make Annual Payments (“Annual Payments”) to the Sheriff commencing in tax year 2016 through 2018 in the amount equal to \$4,500,000. Commencing in tax year 2019 through 2038, the Annual Payments shall be in the amount equal to \$24,500,000. The Annual Payments shall be made to Taxing Authorities by the Sheriff, beginning in tax year 2016 through and inclusive of 2038.

In the event that the First Train, Second Train or Third Train (all three as defined in “Exhibit A” hereof) does not become Operational before September 30, 2019, then the Annual Payment for the 2019 tax year only shall be adjusted downward by \$6,666,666.66 for the First Train, \$6,666,666.67 for the Second Train, and \$6,666,666.67 for the Third Train (each such reduction an “Annual Payment Reduction”). In the event of an Annual Payment Reduction, the Annual Payment for the tax years 2020 through 2026 shall be increased by 1/7th of the amount of each Annual Payment Reduction (for example, if there is an Annual Payment Reduction related to the Third Train, then the payment for tax years 2020 through 2026 shall be increased by \$952,380.95 (\$6,666,666.67 divided by 7)). For purposes of this Agreement, the term “Operational” shall mean the date that each train has completed commissioning, start-up and testing, and received written authorization from the U.S. Federal Energy Regulatory Commission

to place such train into service.

Upon the Effective Date (as defined herein), the obligation of Cameron LNG to make the Annual Payments provided herein shall be deemed executory. Accordingly, on or about December 1, beginning in tax year 2017 and on December 1 of each tax year through and including 2038, Sheriff shall provide to Cameron LNG an invoice (each, an "Invoice") in the amount of the Annual Payment as provided by this Article. Such Invoice shall set forth the Annual Payment required to be paid by Cameron LNG as set forth in this Article I, less any taxes due to a Newly Created Taxing Authority as provided in Article XII of this Agreement. Furthermore, the Annual Payment for the 2016 tax year shall be due and payable within thirty (30) days after this Agreement is validated by a final, non-appealable Judgment as provided in La. R.S. 33:9031.1 and 13:5121, et. seq. (the "Validation Law") even if such final, non-appealable Judgment is provided during the 2017 tax year.

The Annual Payment shall be due and payable to Sheriff within thirty (30) days of receipt of the Invoice, and any payment not made by such date shall be considered and shall thereafter be subject to the same interest, penalties and fees as a delinquent tax payment as provided for by Louisiana State law generally, provided that such default may be remedied if the payment and any applicable interest, penalties and fees thereon are paid within thirty (30) days of such default. However, in the event that the Invoice reflects any amount due other than the Annual Payment provided in this Article, the Sheriff may not consider such amount as a delinquent payment or proceed to collect such amount. Furthermore, the Annual Payment for the 2016 tax year shall be due and payable within thirty (30) days after this Agreement is validated by a final, non-appealable Judgment as provided in La. R.S. 33:9031.1 and 13:5121, et. seq. (the "Validation Law") even if such final, non-appealable Judgment is provided during the 2017 tax year.

ARTICLE II

This Agreement shall become effective on the date that all of the Parties shall have individually and collectively executed and delivered this Agreement and the Agreement is validated by a final, non-appealable Judgment as provided in the Validation Law ("Effective Date"), and from the Effective Date through and including the year 2038 shall be the "Contract Period". This Agreement shall become null and void and shall never come into effect if the condition in the preceding sentence of this Article II has not been satisfied by February 28, 2017.

ARTICLE III

In exchange for Cameron LNG's undertaking the obligations expressed in this Agreement, Taxing Authorities shall and hereby obligate themselves to not assess, impose, or otherwise collect or attempt to collect *ad valorem* taxes from Cameron LNG on the LNG Facility during the Contract Period and such Taxing Authorities (other than Newly Created Taxing Authorities) shall only collect payments that do not exceed the amounts set forth in Article I above.

The Assessor shall not assess the LNG Facility during the Contract Period except to the extent required as a result of an Additional Tax Amount (as defined in Article XII). In the event that an Additional Tax Amount is created prior to or during the term of any of the ITE contracts (including any extensions or renewals) referenced in Exhibit B, the LNG Facility shall be exempt from the Additional Tax Amount during the term and to the extent of such ITE contracts.

However, after the expiration of such ITE contract terms, or in the event that Additional Tax Amount is imposed after the expiration of the term of any of such ITE contracts, the Assessor shall notify Cameron LNG and direct it to report the LNG Facility as provided by law. The Assessor shall assess the LNG Facility as provided by law solely for the purpose of determining the Additional Tax Amount due. Cameron LNG shall have all rights under law to protest, appeal, or challenge the valuation of the LNG Facility for the purpose of determining the Additional Tax Amount due.

Each year, the Sheriff shall issue a tax bill to Cameron LNG for the Additional Tax Amount due and send a separate Invoice as provided in Article I to Cameron LNG in the amount of the Annual Payment less the Additional Tax Amount due. Cameron LNG shall pay the tax bill as provided by law and shall pay the Invoice as provided in this Agreement. In no event shall the Sheriff issue a tax bill to Cameron LNG in excess of the Additional Tax Amount due to the Newly Created Taxing Authority and in no event shall Cameron LNG's total payment to the Sheriff in any tax year exceed the amount of the Annual Payment.

ARTICLE IV

Sheriff shall, after receipt of the Annual Payments provided for in this Agreement, withhold the same percentage of the Annual Payments as that authorized by law to be withheld from *ad valorem* taxes for payment into public retirement systems and shall transfer the withheld amount proportionally to the respective retirement systems. Sheriff shall thereafter disburse the remaining amount to Taxing Authorities in the same manner as *ad valorem* tax payments in proportion to the amounts set forth on "Exhibit C" hereto (as such amounts may be adjusted pursuant to the terms of this Agreement).

ARTICLE V

This Agreement shall remain in full force and effect during the Contract Period unless earlier terminated in accordance with Article X.

ARTICLE VI

Nothing contained in this Agreement shall relieve Cameron LNG from any obligation to pay *ad valorem* taxes with respect to taxable property other than the LNG Facility that is the

subject of this Agreement, as defined in Exhibit A, and identified in the ITE contracts with the State of Louisiana and listed in the affidavits of final cost provided to the State of Louisiana in connection with the ITE contracts referenced in Exhibit B. Taxing Authorities obligate themselves to not oppose an ITE application, whether for initial approval or renewal, for the LNG Facility contemplated under this Agreement, and if such ITE application is not approved or renewed, then all such property of the LNG Facility that would have been subject to such ITE if granted or renewed shall remain subject to this Agreement.

Repair and maintenance of the LNG Facility subject to the provisions of this Agreement, including major repairs, replacements and reconstructions of equipment of the LNG Facility, completed during the Contract Period ("Repair, Reconstruction and Replacement Property") might be subject to separate ITE contracts (if applied for and granted). The treatment of Repair, Reconstruction and Replacement Property and *ad valorem* taxes once Repair, Reconstruction and Replacement Property becomes taxable, whether or not an ITE is granted for Repair, Reconstruction and Replacement Property, shall be subject to the provisions of this Agreement. No additional payments shall be due to the Taxing Authorities with respect to Repair, Reconstruction, and Replacement Property until the termination or expiration of this Agreement.

ARTICLE VII

Cameron LNG acknowledges that Taxing Authorities may seek to obtain financing supported by this Agreement ("Financing") from certain authorized conduit issuers, other state or federal governmental authorities, and private financial institutions ("Parish Lenders"). Subject to the terms and conditions of its own indebtedness (the "Cameron LNG Lender Provisions"), Cameron LNG agrees to use commercially reasonable efforts to cooperate with Parish in its efforts to obtain such Financing, including by: (i) supplying information concerning Cameron LNG and the LNG Facility (that is in Cameron LNG's possession and is not of a proprietary nature) as Parish Lenders may reasonably request; (ii) executing additional documents as are normal and customary for such Financing and as Parish Lenders may reasonably request; and (iii) taking other actions as are normal and customary for such Financing and as Parish Lenders may reasonably request.

The Parties acknowledge that Cameron LNG has existing financial arrangements and may seek new or modified financial arrangements from financial institutions ("Cameron LNG Lenders" and, together with Parish Lenders, "Lenders"). The Parties agree that any Party may, without the consent of any of the other Parties, pledge or grant a security interest in all or any portion of its rights and obligations under this Agreement for its indebtedness to any Lenders. Any such Lenders may assign such rights and obligations in, to and under this Agreement to any subsequent assignee in connection with the sale, transfer, or exchange of their rights in this Agreement upon and after enforcement of their remedies against the assigning party under any deed of trust or other security instrument creating a lien in their favor upon written notice to the other Parties. Each of the Parties (subject, with respect to Cameron LNG, to the Cameron LNG

Lender Provisions) shall execute such documents containing such normal, customary and reasonable terms as may be reasonably requested by any such Lenders or subsequent assignees to evidence and acknowledge its consent to and the effectiveness of any such collateral assignment, hypothecation, pledge or other encumbrance.

ARTICLE VIII

This Agreement is hereby designated a cooperative endeavor agreement, as permitted by the Cooperative Economic Development Law and the Local Services Law. The validity of this Agreement is subject to all federal, state and local laws.

The Parish, at Cameron LNG's cost, has filed a Motion for Judgment as provided in the Validation Law and all Parties have agreed to support validation of this Agreement as provided in the Validation Law. The Parish shall consult and confer with Cameron LNG regarding preparation of the Motion for Judgment, and the appeal of any judgment rendered in such proceeding, and shall obtain Cameron LNG's written approval thereto, not to be unreasonably withheld, prior to such filing. Each Party (subject, with respect to Cameron LNG, to the Cameron LNG Lender Provisions) agrees to cooperate to obtain such validation, and, in any other legal proceeding with third parties challenging the validity or enforceability of this Agreement or any provision herein, to cooperate in defense of such challenge, including, without limitation, by: (i) supplying information as reasonably requested by any other Party hereto in advancement of such efforts; (ii) executing additional documents as are normal and customary for such suits and as reasonably requested by any other Party hereto; and (iii) taking other actions as are normal and customary for such suits as reasonably requested by any other Party hereto.

In the event that this Agreement is not validated pursuant to the Validation Law because of a deficiency that can be remedied by the Parties through good faith negotiation, the Parties shall, within one-hundred twenty (120) days thereof, undertake such good faith negotiations to remedy such deficiency, which may include, without limitation, execution of a new cooperative endeavor agreement with such deficiency remedied therein, and shall promptly seek validation pursuant to the Validation Law. The foregoing obligation of the Parties to negotiate in good faith to remedy a deficiency shall continue and survive notwithstanding any termination of the Agreement pursuant to Article X hereof. If the Agreement is not validated after the Parties take such steps, the Agreement may be terminated by any Party after the date of a final judgment denying validation by a court having jurisdiction over the matter as provided in Article X, Sections (1)(a) and (b) hereof. The Parties shall in good faith collectively decide whether to appeal any judgment denying validation.

ARTICLE IX

Sheriff hereby covenants, stipulates and agrees that he shall tender and submit to Taxing Authorities the funds provided for herein to be utilized by them as ordinary *ad valorem* tax

payments, and Taxing Authorities agree to accept the tender from the Sheriff as provided for herein. All Parties agree to be bound by the terms of this Agreement and further agree to coordinate and cooperate in good faith to achieve the ends desired by all of the Parties to this Agreement.

ARTICLE X

This Agreement may be terminated, and be of no further force or effect (except for the final sentence of this Article X), upon the occurrence of any of the following events (each, an "Early Termination Event"):

(1) By any Party upon written notice to the other Parties:

- a. in accordance with Article VIII herein;
- b. if after the filing of a Motion for Judgment as provided in the Validation Law pursuant to Article VIII hereof, a court having jurisdiction over the matter enters an appealable judgment either denying validation of the Agreement or that one or more provisions of this Agreement are invalid, void or unenforceable, and the Parties in good faith collectively decide to not appeal such judgment; or
- c. if a Party fails to perform or observe any material provision of this Agreement, and such failure is for the non-payment of an Annual Payment or to provide a Tax Credit (as set defined below) and continues for ten (10) days, or if otherwise, continues for thirty (30) days.

(2) By Cameron LNG upon notice to the other Parties, if:

- a. the Third Train does not become Operational prior to September 30, 2022;
- b. a Terminable Force Majeure Event (as defined in Article XVII below) occurs;
or
- c. any Taxing Authority seeks to terminate this Agreement or modify the effect of any of its provisions (other than the Taxing Authorities enforcing their rights under this Agreement in accordance with Article X Section (1)c above and Article XI), including any challenge to the amount of the Annual Payments agreed herein.

The Parties hereto agree that any failure by Cameron LNG to make Annual Payments shall be deemed a failure to pay *ad valorem* taxes, shall be enforced by the Sheriff according to normal

enforcement procedures for non-payment of *ad valorem* taxes, and the Sheriff may place a tax lien in the amount of the Annual Payment on the LNG Facility for non-payment ranking as any other tax lien according to law.

If the Agreement is terminated due to an Early Termination Event pursuant to Article X, *ad valorem* taxes on the LNG Facility shall be assessed, imposed, and collected as provided by law, except as otherwise provided in this Article X. In such case, Cameron LNG shall have all rights under law to protest, appeal, or challenge the valuation of the LNG. The Taxing Authorities shall treat all Annual Payments paid by Cameron LNG prior to the effective date of such termination as prepaid *ad valorem* tax payments, and Cameron LNG shall receive a dollar-for-dollar credit for all such amounts paid ("Tax Credit"), plus interest on all Annual Payments received prior to the 2030 tax year at the actual rate of interest that would have been earned had such amounts been held in escrow pursuant to La. R.S. 47:2134 commencing on the Annual Payment date under this Agreement through the date the Tax Credit is applied in accordance with this paragraph. Beginning in the tax year in which termination of this Agreement is effective through the 2038 tax year, the Tax Credits shall be applied to reduce Cameron LNG's *ad valorem* tax liabilities by an amount such that the *ad valorem* tax due equals the Annual Payment for that tax year as provided in this Agreement; *provided* that if the Tax Credit balance is insufficient to reduce the *ad valorem* tax due to an amount equal to the Annual Payment for that tax year as provided in this Agreement, then the remaining balance of the Tax Credits shall be applied; *provided further* that if the *ad valorem* tax due is lower than the Annual Payment for that tax year as provided in this Agreement, then no Tax Credit shall be applied. The Tax Credits shall expire and no longer be applicable after the 2038 tax year. The Sheriff shall adjust the tax bill issued to Cameron LNG by applying the Tax Credits in accordance with this Article X. The obligation for the Taxing Authorities to provide Tax Credits pursuant to this Article X and for the Sheriff to adjust the tax bill issued to Cameron LNG by applying the Tax Credits as described herein shall survive termination of this Agreement.

ARTICLE XI

This Agreement shall extend to, be binding upon, and inure to the benefit of the Parties, their respective legal representatives, successors and assigns.

This Agreement supersedes all prior and contemporaneous oral and written agreements, understandings, negotiations, and discussions among the Parties relating to the matters and transactions covered by this Agreement.

This Agreement constitutes the entire agreement between the Parties and all Parties represent that no oral or other written representations have been made. No amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by all Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by

any other Party shall not be construed as a waiver of any other default. This Agreement shall be binding on each Party's successors and permitted assigns.

If any provision of this Agreement or the application of any such provision to any person or circumstance shall be declared by any court of competent jurisdiction to be invalid, illegal, void or unenforceable in any respect, all other provisions of this Agreement, or the application of such provision to persons or circumstances other than those as to which it has been held invalid, illegal, void or unenforceable, shall nevertheless remain in full force and effect and will in no way be affected, impaired or invalidated thereby. If any provision of this Agreement is found to be invalid, illegal, void or unenforceable by any court of competent jurisdiction, the Parties shall negotiate in good faith and use commercially reasonable efforts to promptly modify this Agreement to give effect to the original intention of the Parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the State of Louisiana, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement.

This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

The Parties hereto agree that all Parties may utilize all available remedies at law or in equity to enforce this Agreement and any provision hereof, expressly including injunction and mandate to compel compliance herewith without the necessity of proving damages or posting any bond.

ARTICLE XII

The Parties acknowledge that the creation of new taxing authorities that are able to impose *ad valorem* taxes on the LNG Facility during the Contract Period will materially and adversely impact Cameron LNG. Furthermore, the Parties acknowledge that Cameron LNG will be materially and adversely impacted if an *ad valorem* tax liability beyond the Annual Payment specified in this Agreement should arise. Accordingly, in the event that any taxing authority is created that includes the LNG Facility ("Newly Created Taxing Authority"), or an *ad valorem* tax liability arises in an amount that exceeds the Annual Payments specified in this Agreement (including an *ad valorem* tax imposed on the LNG Facility while it is under construction or an *ad valorem* tax imposed on the LNG Facility by an existing taxing jurisdiction that is not a party to this Agreement), at any time until the termination or expiration of this Agreement, the Annual

Payment for each year of the remaining term of the Agreement shall be decreased by the amount of any *ad valorem* tax due by Cameron LNG to the Newly Created Taxing Authority or as a result of an *ad valorem* tax liability arising in an amount that exceeds the Annual Payment specified in this Agreement (the "Additional Tax Amount"). The Additional Tax Amount shall be determined as provided in Article III above. The Parties acknowledge that in the event of a reduction in the Annual Payment, portions of the Annual Payment due to all Taxing Authorities as set forth on "Exhibit C" hereto shall be proportionally reduced, so that the aggregate reduction in Annual Payment to all Taxing Authorities shall equal the Additional Tax Amount. Sheriff shall implement this provision by adjusting the Invoice(s) and/or tax bill(s) rendered to Cameron LNG and collecting Annual Payments (as adjusted herein).

To the extent that the creation of the Newly Created Taxing Authority is caused by an existing Taxing Authority (the "Creating Taxing Authority"), the portion of the Annual Payment due to the Creating Taxing Authority set forth in "Exhibit C" shall be adjusted so as to reduce the portion of the Annual Payment due to the Creating Taxing Authority by the Additional Tax Amount. If the portion of the Annual Payment due to the Creating Taxing Authority is less than the Additional Tax Amount, the Annual Payment shall be reduced to zero and the portions of the Annual Payment due to the other Taxing Authorities as set forth in "Exhibit C" hereto shall be proportionally reduced. The Parties acknowledge that in the event of such a reduction, the aggregate reduction in Annual Payment to all the Taxing Authorities shall equal the Additional Tax Amount.

ARTICLE XIII

The Parties covenant and agree that they will execute such other and further documents as are or may become necessary or convenient as reasonably requested by a Party to effectuate and carry out the purpose of this Agreement.

ARTICLE XIV

Each Party represents and warrants to the other Parties that (a) such Party has the full and complete legal authority to enter into this Agreement, (b) such Party has taken all necessary corporate, governmental, regulatory and legal actions as may be required to allow such Party to execute and deliver this Agreement, perform its obligations hereunder, and be legally bound by the terms and conditions hereof, subject to bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally, (c) this Agreement is binding and enforceable in accordance with its terms on such Party and its successors, and (d) the authorizing resolutions of such Taxing Authorities attached hereto *in globo* as "Exhibit D" is a true and complete copy and has not been modified or rescinded. Each Party further represents and warrants that it shall use commercially reasonable efforts to accomplish all actions required of such Party herein, and shall undertake all reasonable actions necessary to defend, maintain, and uphold the Agreement. However, commercially reasonable efforts will not include a requirement for a Taxing Authority to incur

attorney's fees, marketing fees, or other costs or expenses in defending, maintaining and upholding the Agreement.

ARTICLE XV

All notices permitted or required under this Agreement shall be given in writing (a) delivered personally, (b) delivered by overnight mail or courier service, with delivery receipt requested, or (c) delivered by certified mail, return receipt requested, to the applicable Party as set forth in attached "Exhibit E," as such address may be updated from time to time by the applicable Party by notice to the other Parties.

ARTICLE XVI

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. A facsimile, electronic mail, or similar transmission of a counterpart signed by a Party, or a copy of a counterpart signed by a Party, will be regarded as an original signed by such Party for the purposes hereof.

ARTICLE XVII

A "Force Majeure Event" shall mean an extraordinary event or circumstance beyond the control of Cameron LNG, including but not limited to war, strike, riot, crime, acts or omissions of any governmental entity, changes in law or standards, loss of licenses or authorizations, loss of utilities, loss of transportation routes or services, catastrophic failure of any of the main components of the LNG Facility, or an event recognized as an Act of God (such as fire, drought, hurricane, flooding, tornado, earthquake, volcanic eruption, or any other adverse weather event) that adversely affects Cameron LNG's ability to construct or operate the LNG Facility or to export or import liquefied natural gas.

Force Majeure shall not include changes in market or general economic conditions including changes in market prices for natural gas or liquefied natural gas (unless such events are a cause for the modification, rescission, suspension or revocation of a license or authorization that impacts the ability of Cameron LNG to operate the LNG Facility or to export or import liquefied natural gas).

Upon occurrence of a Force Majeure Event, Cameron LNG shall give written notice of such event to the Taxing Authorities within thirty (30) days of such occurrence. The Force Majeure Event shall commence on the date of such occurrence until the effects of such Force Majeure Event are fully removed, remedied or repaired, or otherwise no longer prevent performance of Cameron LNG's obligations hereunder (the "Force Majeure Period"). Cameron

LNG shall proceed with due diligence to effect repairs or undertake efforts to remedy or mitigate the effects of a Force Majeure Event.

During the first thirty (30) days of a Force Majeure Period, Cameron LNG's obligations under this Agreement shall be suspended. If the Force Majeure Period lasts beyond thirty (30) days, then during the remainder of the Force Majeure Period, Cameron LNG's Annual Payment obligations will be proportionately reduced to account for any reduction in capacity utilization as a result of such Force Majeure Event. For example, if in the 2021 tax year there is a single Force Majeure Period that lasts for ninety (90) days, and the capacity utilization of the LNG Facility is reduced by fifty percent (50%) during that ninety (90) day Force Majeure Period, then the Annual Payment for the 2021 tax year would be reduced to \$22,486,301.37 ($\$24,500,000 - [(60 \text{ days}/365 \text{ days}) * (\$24,500,000 * 50\%)] = \$22,486,301.37$).

A "Terminable Force Majeure Event" means a Force Majeure Event which significantly disrupts Cameron LNG's operations at the LNG Facility, and from which Cameron LNG does not intend to repair, remedy, replace, or resume full operations at the LNG Facility.

Upon the occurrence of a Terminable Force Majeure Event, Cameron LNG, at its option, may terminate this Agreement pursuant to Article X, Section 2(b) hereof.

ARTICLE XVIII

All disputes, claims, controversies, differences or questions arising out of or relating to this Agreement (including without limitation, those as to the validity, interpretation, breach, violation or termination thereof) ("Dispute") shall be presented for non-binding mediation in accordance with process to be agreed by the Parties (the "Mediation"); *provided, however*, that the Mediation may be waived in writing at any time by all Parties to such Dispute. The Parties agree to cooperate in good faith on the selection of a mutually agreeable mediation process. The Parties expressly agree that the outcome of such Mediation shall not be binding on the Parties.

Each Party acknowledges and agrees that all statements or other disclosures made by any other Party during or with respect of the Mediation, as set forth herein, are confidential, shall be maintained as confidential, and shall not be relied on or introduced as evidence for any purpose in any subsequent litigation, administrative proceeding, or binding dispute resolution proceeding relating to the Dispute or otherwise.

Unless the Parties unanimously waive the Mediation in writing, it shall be a condition precedent to the institution of any judicial or administrative action or proceeding that the Mediation shall have been fully exhausted within ninety (90) days of initiation without fully resolving the Dispute. Notwithstanding the foregoing or any other provisions of this Article XVIII, the Parties understand and agree that the Mediation does not preclude any Party from taking any action necessary or desirable to interrupt or suspend prescription of any claims against

any other Party, or in order to preserve claims or protests relating to the assessment or imposition of any property tax by any taxing authority within, or the Assessor of, Cameron Parish. If the Parties fail to settle the Dispute within ninety (90) days after initiating the Mediation, then any Party upon giving ten (10) days written notice to all other Parties, will be free, except as otherwise provided herein, to pursue any remedy by any means provided under law.

To the extent not prohibited by law, all applicable statutes of limitation, prescriptive periods, and defenses based upon the passage of time shall be tolled while the Parties comply with the requirement to pursue Mediation. The Parties shall take any action, if any, required to effectuate such tolling.

Each Party will bear its own costs and expenses of preparation for and participation in the Mediation; *provided, however*, that the costs and expenses of the mediator shall be borne fifty percent (50%) by Cameron LNG and fifty percent (50%) by the Taxing Authorities, unless otherwise agreed by the Parties.

Signatures on the Following Pages

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their
duly authorized officers and representatives as of the date and year first above written.

WITNESSES:

CAMERON PARISH POLICE JURY

Name: _____

Name: _____

By: _____
Name: _____
Title: _____

WITNESSES:

CAMERON PARISH SCHOOL BOARD

Name: _____

Name: _____

By: _____
Name: _____
Title: _____

WITNESSES:

**SHERIFF AND EX-OFFICIO TAX
COLLECTOR, CAMERON PARISH**

Name: _____

Name: _____

By: _____
Name: _____
Title: _____

WITNESSES:

ASSESSOR, CAMERON PARISH

Name: _____

Name: _____

By: _____
Name: _____
Title: _____

WITNESSES:

**LAW ENFORCEMENT SPECIAL
DISTRICT NO. 1, CAMERON PARISH**

By: _____

Name: _____

Name: _____

Name: _____

Title: _____

WITNESSES:

**LAW ENFORCEMENT SPECIAL
DISTRICT NO. 2, CAMERON PARISH**

Name: _____

By: _____

Name: _____

Name: _____

Title: _____

WITNESSES:

**GRAVITY DRAINAGE DISTRICT NO.
NINE, CAMERON PARISH**

Name: _____

By: _____

Name: _____

Name: _____

Title: _____

WITNESSES:

WITNESSES:

**WEST CAMERON HOSPITAL
SERVICE DISTRICT, CAMERON
PARISH**

Name: _____

By: _____

Name: _____

Name: _____

Title: _____

WITNESSES:

**AMBULANCE SERVICE DISTRICT
NO. 2, CAMERON PARISH**

Name: _____

By: _____

Name: _____

Name: _____

Title: _____

WITNESSES:

Name: _____

Name: _____

**WATERWORKS DISTRICT NO. 2,
CAMERON PARISH**

By: _____
Name: _____
Title: _____

WITNESSES:

Name: _____

Name: _____

**HACKBERRY FIRE PROTECTION
DISTRICT NO. 1, CAMERON PARISH**

By: _____
Name: _____
Title: _____

WITNESSES:

Name: _____

Name: _____

**HACKBERRY RECREATION
DISTRICT, CAMERON PARISH**

By: _____
Name: _____
Title: _____

Name: _____

Name: _____

**CAMERON PARISH PUBLIC
LIBRARY DISTRICT, CAMERON
PARISH**

By: _____
Name: _____
Title: _____

Name: _____

**CALCASIEU-CAMERON HOSPITAL
SERVICE DISTRICT, CAMERON
PARISH**

By: _____
Name: _____
Title: _____

Name: _____

**MOSQUITO ABATEMENT DISTRICT
NO. 1, CAMERON PARISH**

Name: _____

By: _____

Name: _____

Name: _____

Title: _____

WITNESSES:

CAMERON LNG, LLC

Name: _____

By: _____

Name: _____

Name: Carla Mashinski

Title: Chief Financial Officer

Exhibit A

The LNG facility will consist of natural gas liquefaction and export facilities to be added to Cameron LNG's existing LNG receipt terminal in Hackberry, Louisiana as more specifically described below (the "Liquefaction Facility" together with the "Regas Facility" shall be the "LNG Facility". As described in more detail below, the LNG Facility will be comprised of three liquefaction trains capable of exporting up to 14.92 million tonnes per annum (Mtpa), or approximately 2.1 billion cubic feet per day of liquefied natural gas. Construction of the three liquefaction trains ("First Train", "Second Train," and "Third Train" respectively) began in 2014, and the construction of the First Train is anticipated to be completed in 2018. Construction work in progress in connection with the Liquefaction Facility shall be subject to this Agreement. Any liquefaction trains constructed subsequent to the First Train, Second Train, and Third Train are not subject to the Agreement.

Once all three trains are Operational, the LNG Facility shall include, but not be limited to, the following:

"Liquefaction Facility"

The primary elements of the Liquefaction Facility once all three trains are Operational shall include:

- Three natural gas pre-treatment, processing and liquefaction Trains, each with a permitted capacity of 4.98 MTPA of LNG (First Train, Second Train and Third Train);
- Two heavy hydrocarbons (primarily pentane-plus) storage tanks (each 1,036,560 gallons of storage) and truck loading facilities;
- Refrigerant receipt and storage facilities, including six propane bullets with 134,500 gallons of stored propane refrigerant volume (four bullets for inventory and two bullets in case of de-inventorying a Train), two 74,850-gallon ethylene tanks;
- Switch yard and gear for imported electrical power; and
- A construction dock for receipt of heavy equipment and other construction supplies by barge.

Each of the three Trains will be comprised of:

- A feed gas pre-treatment unit to remove impurities including water, carbon dioxide, mercury, and hydrogen sulfide;
- A heavy hydrocarbon removal unit to extract pentanes-plus from the natural gas; and

- A liquefaction unit. Each liquefaction unit will contain equipment to progressively cool the feed gas with propane and mixed refrigerant until the natural gas is condensed to a liquid state.

The heavy hydrocarbons removed from the feed gas stream will be stored and transported to domestic markets for sale.

Miscellaneous infrastructure required to support the operations will be installed as part of the Liquefaction Facility and includes, but is not limited to:

- Three new boil-off gas compressors to be used during the liquefaction process and located in the existing regasification plant;
- Three 2.5 MW diesel engine backup generators, a diesel storage tank;
- Additional administration, warehouse and maintenance facilities; and
- Any other auxiliary or ancillary facilities, capital additions, and improvements that are added to the Liquefaction Facility prior to all three trains becoming Operational.

In addition, several modifications will be made to the Regas Facility including:

- The replacement of 3 of the 4 in-tank pumps on each LNG storage tank and the addition as loading rates at up to 12,000 m³/hr are substantially higher than LNG send out needs under regasification mode;
- Upgrading the vapor handling system to accommodate increased vapor generation associated with loading manufactured LNG into the tanks and onto LNG tankers;
- Adding various piping tie-ins and modifications to the control systems.

“The Regas Facility”

The Regas Facility includes the following:

- A ship turning basin with two LNG jetty tanker berths, each constructed to accommodate LNG tankers of up to 265,000 cubic meters (m³), but limited via USCG permit restriction to nominal 217,000 m³ tankers (i.e., Q-Flex class). Each berth is equipped with three liquid unloading arms (two dedicated liquid arms, one hybrid liquid/vapor arm) and one vapor return arm;
- Three full-containment LNG storage tanks, each with a usable capacity 160,000 m³;
- Ten submerged combustion vaporizers;
- Nine first stage in-tank pumps;
- Eight second stage pumps;
- Boil off gas compressor and condensing system;

- LNG recirculation system;
- Ancillary facilities, including utilities, buildings, and service facilities at the LNG terminal;
- A connection to a natural gas sendout pipeline;
- Administration, warehouse, operations buildings, and maintenance facilities, and parking lots;
and
- Any other auxiliary or ancillary facilities, capital additions, and improvements that are added to the Regas Facility prior to all three trains becoming Operational.

For the avoidance of doubt, the LNG Facility shall include all of the following property and improvements located in Cameron Parish and contained within the following boundary delineated by the dotted blue line at the point in time when all three trains become Operational:

Exhibit B

List of Each ITE Contract

COMPANY NAME	NAICS CODE	ITE NUMBER	PROJECT LOCATION - CITY	PROJECT LOCATION - STATE	PROJECT LOCATION - PARISH	ESTIMATED TOTAL INVESTMENT	BOARD APPROVED AMOUNT
Cameron LNG, LLC	325120	20030342-ITE	Hackberry	LA	Cameron	549,229,000	549,229,000
Cameron LNG, LLC	325120	20030342 B-ITE	Hackberry	LA	Cameron	171,530	171,530
Cameron LNG, LLC	325120	20110922-ITE	Hackberry	LA	Cameron	6,008,111	6,008,111
Cameron LNG, LLC	325120	20110922 A-ITE	Hackberry	LA	Cameron	41,008,497	41,008,497
Cameron LNG, LLC	325120	20120654-ITE	Hackberry	LA	Cameron	545,464	545,464
Cameron LNG, LLC	325120	20120899-ITE	Hackberry	LA	Cameron	1,653,254	1,653,254
Cameron LNG, LLC	325120	20130360-ITE	Hackberry	LA	Cameron	147,677	147,677
Cameron LNG, LLC	325120	20130429-ITE	Hackberry	LA	Cameron	9,020,758,000	9,020,758,000
Cameron LNG, LLC	325120	20130562-ITE	Hackberry	LA	Cameron	338,255	338,255
Cameron LNG, LLC	325120	20140602-ITE	Hackberry	LA	Cameron	1,407,934	1,142,934
Cameron LNG, LLC	325120	20150635-ITE	Hackberry	LA	Cameron	188,748	153,748
Cameron LNG, LLC	325120	20161013-ITE (Pending)	Hackberry	LA	Cameron	225,972	225,972

Exhibit C

Portion of Annual Payments Allocated to Each Taxing Authority

	2016-2018	2019-2038
Parish	\$ _____	\$ _____
School Board	\$ _____	\$ _____
Sheriff	\$ _____	\$ _____
Tax Assessor	\$ _____	\$ _____
LESD1	\$ _____	\$ _____
LESD2	\$ _____	\$ _____
Drainage District	\$ _____	\$ _____
Port District	\$ _____	\$ _____
Hospital	\$ _____	\$ _____
Ambulance District	\$ _____	\$ _____
Water District	\$ _____	\$ _____
Fire District	\$ _____	\$ _____
Recreation District	\$ _____	\$ _____
Total Annual Payment	\$ _____	\$ _____

The total Annual Payment and each of the amounts set forth above are subject to reduction as provided by (a) Article I in the event that any of the Trains are not completed within the time period provided therein, (b) Article XII in the event of the creation of new taxing or assessment districts that includes the LNG Facility, or (c) upon the occurrence of a Force Majeure Event or Terminable Force Majeure Event.

KM Draft December 11, 2016/Subject to Further Approval by Cameron's Board of
Directors
Attorney-Client Privilege/Common Interest Privilege
Attorney Work Product
KM 7827667

Exhibit D

Authorizing Resolutions of Taxing Authorities

[attached]

Exhibit E

Notices

To Parish:

President
Cameron Parish Police Jury
Parish of Cameron
10080 Gulf Highway
Lake Charles, Louisiana 70607

To School Board:

To Tax Assessor:

Assessor, Parish of Cameron
State of Louisiana
119 Smith Circle, Room 24
Cameron, Louisiana 70631

To Sheriff:

Sheriff and Ex-Officio Tax Collector
Parish of Cameron
119 Smith Circle, Room 22
Cameron, Louisiana 70631

To LESD1:

To LESD2:

To Drainage District:

To Port District:

To Hospital:

To Ambulance District:

To Water District:

To Fire District:

To Recreation District:

KM Draft December 11, 2016/Subject to Further Approval by Cameron's Board of
Directors
Attorney-Client Privilege/Common Interest Privilege
Attorney Work Product
KM 7827667

KM Draft December 11, 2016/Subject to Further Approval by Cameron's Board of
Directors
Attorney-Client Privilege/Common Interest Privilege
Attorney Work Product
KM 7827667

To Cameron LNG:

President
Cameron LNG, LLC



CAMERON PARISH POLICE JURY,
CAMERON PARISH SHERIFF, AND
CAMERON PARISH SCHOOL BOARD

NUMBER: _____ 10-19872

VERSUS

ALL TAXPAYERS, PROPERTY
OWNERS, CITIZENS OF THE PARISH OF
CAMERON, STATE OF LOUISIANA,
AND NON-RESIDENTS OWNING
PROPERTY OR SUBJECT TO TAXATION
THEREIN, AND ALL OTHER PERSONS
INTERESTED IN OR AFFECTED IN ANY
WAY BY THE SUBJECT MATTER OF
THE MOTION FOR JUDGMENT

38TH JUDICIAL DISTRICT COURT
PARISH OF CAMERON
STATE OF LOUISIANA

CERK OF COURT
CAMERON PARISH, LA.

2016 DEC 12 PM 11 50

RECEIVED & FILED

ORDER

TO: All taxpayers, property owners, citizens of the Parish of Cameron, State of Louisiana, and non-residents owning property or subject to taxation therein, and all other persons interested in or affected in any way by the subject matter of the Motion for Judgment

Considering the Motion for Judgment (the "*Motion*") filed herein by the Cameron Parish Police Jury (the "*Police Jury*"), the Cameron Parish Sheriff (the "*Sheriff*"), as the ex-officio tax collector within and for Cameron Parish and as the governing authority of Cameron Parish Law Enforcement Special District No. 1 ("*LESD1*") and Cameron Parish Law Enforcement Special District No. 2 ("*LESD2*" and together with *LESD1*, the "*Law Enforcement Districts*"), and the Cameron Parish School Board (the "*School Board*" and, together with the Police Jury and the Sheriff, the "*Plaintiffs*"), each of which is authorized, as the governing authority of their respective political subdivisions of the State of Louisiana, to file this validation proceeding to establish and recognize: (i) the constitutionality, legality and validity of the Cooperative Endeavor and Payment in Lieu of Taxes Agreement (the "*Cooperative Endeavor Agreement*") by and among the Police Jury, the School Board, the Sheriff, as the ex-officio tax collector within and for Cameron Parish and ex-officio executive officer of the Law Enforcement Districts, the Assessor of Cameron Parish (the "*Assessor*"), the Law Enforcement Districts, Ambulance Service District No. 2 (the "*Ambulance District*"), Waterworks District No. 2 (the "*Water District*"), Hackberry Fire Protection District No. 1 (the "*Fire District*"), the Hackberry Recreation District (the "*Recreation District*"), the Cameron Parish Public Library District (the "*Library District*"), the Calcasieu-Cameron Hospital Service District, d.b.a. West Calcasieu Cameron Hospital (the "*Hospital District*"), Mosquito Abatement District No. One (the "*Mosquito Abatement District*"), and Gravity Drainage District No. Nine (the "*Drainage*")

District” and, together with the Police Jury, the School Board, the Sheriff, the Law Enforcement Districts, the Assessor, the Ambulance District, the Water District, the Fire District, the Recreation District, the Library District, the Hospital District, and the Mosquito Abatement District, the “*Taxing Authorities*”), and Cameron LNG, LLC (“*Cameron LNG*” and, together with the Taxing Authorities, the “*Parties*”), as contemplated therein, (ii) the validity of all proceedings taken in connection with the authorization of the Cooperative Endeavor Agreement, (iii) the constitutionality, legality and validity of the transactions contemplated by the Cooperative Endeavor Agreement, (iv) any other matters related to the validity or approvals related to the Cooperative Endeavor Agreement, (v) the constitutionality, legality and validity of the obligations undertaken by the Parties under the Cooperative Endeavor Agreement, and (vi) any other matters or objections adjudicated or that might have been called into question in this proceeding, said Motion now having been presented to this Court, and the Court being fully advised of the premises:

IT IS HEREBY ORDERED THAT the Plaintiffs are hereby directed to publish the Motion filed in these proceedings, together with a notice of the time and place scheduled for hearing this matter, on the 15th day of December, 2016, and on the 22nd day of December, 2016, in the *Cameron Pilot*, a newspaper of general circulation in the Parish, being the official journal of the Parish, as required by La. Rev. Stat. Ann. §§ 13:5121-5130 (1950).

IT IS FURTHER ORDERED THAT all taxpayers, property owners, citizens of Cameron Parish and non-residents owning property or subject to taxation therein, and all other persons interested in or affected in any way by the execution by the Taxing Authorities of the Cooperative Endeavor Agreement and the transactions contemplated thereby, be and they are each hereby required to show cause, if any they can, on the 3rd day of January, 2017 at 10:00 o'clock a.m., at the Thirty-Eighth Judicial District Court for the Parish of Cameron, State of Louisiana, why the relief prayed for in the said Motion should not be granted establishing and declaring that after due proceedings, this Court render a judgment herein establishing and declaring: (i) the constitutionality, legality and validity of the Cooperative Endeavor Agreement, (ii) the validity of all proceedings taken in connection with the authorization of the Cooperative Endeavor Agreement, (iii) the constitutionality, legality and validity of the transactions contemplated by the Cooperative Endeavor Agreement, (iv) any other matters related to the validity or approvals related to the Cooperative Endeavor Agreement, (v)

the constitutionality, legality and validity of the obligations undertaken by the Parties under the Cooperative Endeavor Agreement, and (vi) any other matters or objections adjudicated or that might have been called into question in this proceeding.

IT IS FURTHER ORDERED THAT, by the publication of the Motion in this cause and of this Order, all taxpayers, property owners, citizens of Cameron Parish and non-residents owning property or subject to taxation therein, and all other persons interested in or affected in any way by the execution by the Parties of the Cooperative Endeavor Agreement and the transactions contemplated thereby, and all other matters set forth above, shall be considered as parties defendants in these proceedings and as having been duly served, and this Court shall have jurisdiction over them the same as if each of them were named individually as a party defendant in said Motion and personally served with process in this cause.

THIS DONE AND ORDERED at Cameron, Louisiana, this 12th day of December, 2016.

(S) PENELOPE RICHARD

PENELOPE Q. RICHARD

JUDGE, 38TH JUDICIAL DISTRICT COURT