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May 15, 2012

VIA E-MAIL & U.S. MAIL

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Mr. John Anderson (john.anderson@hq.doe.gov) Office of Fossil Energy [FE-34] U.S. Department of Energy 1000 Independence Avenue, S.W. Washington, D.C. 20585	Edward B. Myers (edward.myers@hq.doe.gov) Fossil Energy and Energy Efficiency U.S. Department of Energy 1000 Independence Avenue, SW Washington, D.C. 20585
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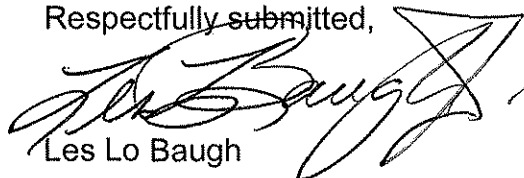
RE: FE Docket No. 12-05- LNG - Option Agreement

Dear Mr. Anderson and Mr. Myers:

When we filed the lease between Gulf Coast LNG Exports, LLC and Brownsville Navigation District, it was done pursuant to the relevant procedures of the Department of Energy as a confidential, proprietary document. Subsequently, we discussed with Brownsville your request that it and Gulf Coast consent that the relevant lease be made public *in a redacted form*, namely, after redacting the most sensitive and highly confidential commercial proprietary information.

Both Gulf Coast and Brownsville have consented to that approach. Please find enclosed the redacted copy of the lease, which, at your option may be posted on the DOE website or otherwise made public by the DOE in these proceedings.

Respectfully submitted,


Les Lo Baugh

cc: John Tobola

enclosure

OPTION TO LEASE

THIS OPTION TO LEASE ("Option Agreement") dated as of Jan 9, 2012 ("Effective Date"), is entered into between the Brownsville Navigation District of Cameron County, Texas, a political subdivision of the State of Texas ("Optionor") and Gulf Coast LNG Exports, LLC, a Delaware limited liability company ("Optionee"). Optionor and Optionee may be referred to herein, collectively as "Parties" and individually as a "Party".

RECITALS

A. Optionor is the owner of real property situated in Cameron County, Texas, and more particularly described in the attached Exhibit A and incorporated herein by reference ("Premises").

B. Optionee desires to acquire from Optionor the option to lease the Premises, and Optionor desires to grant such option to Optionee on the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. OPTION TO LEASE. Subject to the terms and conditions more particularly described in this Option Agreement, Optionor grants to Optionee the exclusive right and option to lease the Premises during the Term (the "Option"). In addition, Optionee shall have the right to: (a) substitute the Premises described in this Option Agreement with replacement premises in a location to be agreed to between the Parties; and (b) lease additional premises for purposes of a turning basin in a location to be agreed to between the Parties. At such time as the Parties have agreed on such replacement or additional premises, the Parties will enter into an amendment to this Option Agreement specifying such replacement or additional premises.

2. CONSIDERATION. Optionee shall pay to Optionor as consideration for the Initial Term of the Option an option fee equal to [REDACTED] ("Option Fee"), payable upon execution of this Option Agreement; provided, however, that within thirty (30) days after execution of this Option Agreement by all Parties, Optionee, in its sole discretion, may terminate this Option Agreement by written notice to Optionor. In the case of such termination, Optionee shall receive an immediate refund of the Option Fee less a cancellation fee [REDACTED] which cancellation fee shall equal [REDACTED].

The Option Fee shall be payable at the following address: Brownsville Navigation District, 1000 Foust Road, Brownsville, Texas 78521.

3. TERM.

(a) **Initial Term.** The initial term of this Option Agreement shall be for a period of [REDACTED] commencing on the Effective Date, unless earlier terminated as provided herein (the "Initial Term" and, together with any Extension Term, the "Term").

(b) **Extension Term.** Provided that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Optionee shall [REDACTED] options (each, an "Extension Option") to extend the Term for a period of [REDACTED] unless sooner terminated as provided herein (each, an "Extended Term"). In order to exercise each Extension Option, Optionee shall provide written notice to Optionor of its election to exercise the applicable Extension Option (the "Extension Option Notice") no less than thirty (30) days prior to the expiration of the Initial Term or the first Extended Term, as applicable, together with payment of an additional Option Fee of [REDACTED]

[REDACTED] Optionee's written notice shall inform Optionor of the diligent efforts and progress Optionee has made towards obtaining approval by the DOE of Optionee's right to export liquefied natural gas from the Premises, or planning, permitting and financing of the natural gas liquefaction export facility, as applicable. All terms and conditions of this Option Agreement shall remain in full force and effect during any Extended Term.

4. EARLY TERMINATION. This Option Agreement may be terminated by Optionee, in its sole discretion, for any reason, during the Term, by giving thirty (30) days' prior written notice to Optionor. Except as provided in Section 2 above, however, no such early termination shall entitle Optionee to a refund of any portion of any Option Fee previously paid.

5. EXERCISE OF OPTION. Optionee may exercise the Option by delivering to Optionor, at anytime prior to the expiration of the Term, a written notice stating that Optionee exercises the Option. Optionee may exercise the Option only with respect to all of the Premises in their entirety.

6. FORM OF LEASE. In the event Optionee exercises the Option, the Parties shall enter into a lease for the Premises on Optionor's standard lease form, with commercially reasonable modifications appropriate to the development of a natural gas liquefaction export facility as agreed to by the Parties (the "Lease"), within sixty (60) days after the date of such exercise. The purpose of the Lease shall be for Optionee to construct and operate a natural gas liquefaction export facility. The Parties agree to use good faith efforts to agree upon the form of the Lease on or before the expiration of the Initial Term.

7. INSPECTION RIGHTS.

(a) During the Term, upon reasonable prior notice to Optionor, Optionee and Optionee's consultant, contractor or other agents, shall have the right to enter upon the Premises (at Optionee's sole cost and expense) for the purpose of inspecting, investigating, evaluating, studying, testing, surveying and analyzing the Premises for its suitability for Optionee's business purposes, including, without limitation, to conduct the following: soil sampling, environmental, archeological and geologic studies and Phase I and Phase II environmental site assessments. Optionee shall use reasonable care to prevent injury or damage to the Premises. After entry and upon any damage to the Premises, Optionee shall immediately restore the Premises to substantially the same condition as existed before Optionee entered the Premises.

(b) In order to facilitate the conduct of said investigations, no later than ten (10) days after the Effective Date, Optionor shall, to the extent such items are in Landlord's reasonable possession or control, furnish Optionee with: (i) Optionor's most recent title commitment or policy for the Premises, (ii) Optionor's most recent topographical and/or ALTA survey(s) of the Premises, parcel maps and/or subdivision plats containing the Premises, (iii) any and all Phase I and/or Phase II environmental site assessments or other soils and/or hazardous substance reports pertaining to the Premises, including all forms of documents in Landlord's possession relating to compliance with all federal, state and local environmental laws, and all hazardous abatement reports, (iv) information on the zoning permits and approvals applicable to the Premises, (v) information on the location and capacity of utilities, and (vi) tax bills for the most recent fiscal year.

8. INDEMNIFICATION. Optionee shall indemnify, protect, defend and hold Optionor harmless for, from, and against, any liability, loss, claim, damage, cost (including, but not limited to, mechanics' and materialmen's liens), or expense (including reasonable attorney's fees and court costs) arising from any physical damage to the Premises caused by Optionee's exercise of the rights granted to Optionee pursuant to Section 7 above, including, but not limited to, injuries to persons or property caused by Optionee or its employees, agents and independent contractors while present on the Premises pursuant to Section 7 above. In no event shall Optionee be liable to Optionor for discovering or releasing, disturbing or moving any hazardous or regulated substance caused to be on, under, or about, the Premises by anyone other than Optionee or its agents. The foregoing indemnity does not apply to: (a) any loss, liability, cost or expense to the extent arising from, or related to, the negligent or willful acts or omissions of Optionor; (b) any diminution in value in the Premises arising from, or related to, matters discovered by Optionee during its investigation of the Premises; (c) any latent defects in the Premises discovered by Optionee; and (d) the release or spread of any hazardous materials or regulated substances which are discovered (but not deposited) on or under the Premises by Optionee.

9. INSURANCE. Prior to entering on the Premises, Optionee shall deliver to Optionor a certificate of insurance evidencing insurance coverage in compliance with the terms of this Section 9. Optionee shall maintain and keep in effect, at Optionee's sole

expense, at all times during the Term: (a) worker's compensation and comprehensive liability insurance to cover activities on the Premises by Optionee, and (b) commercial general liability insurance in amounts of not less than One Million Dollars (\$1,000,000.00) per occurrence and in the aggregate. The insurance coverage shall name Optionor as an additional insured, and shall contain a clause that Optionor shall receive thirty (30) days' prior written notice of any policy change or cancellation.

10. APPROVALS; ENCUMBRANCES.

(a) Optionee shall have the right during the Term to apply for all permits and approvals from governmental authorities and public utility companies necessary or desirable for Tenant's intended development, construction, use and operation of the Premises. Optionor agrees to reasonably cooperate with Optionee in regard to all such applications. Optionor further agrees to consent to, and to promptly execute when required as owner of the Premises, such plans, applications, and other requests for governmental approval, and amendments thereto, which may be prepared by or at the direction of the Optionee, incident to the planning, permitting and development of the Premises.

(b) From the Effective Date until the date of expiration or earlier termination of this Option Agreement, Optionor shall not cause or permit any mortgage, deed of trust, lien, encumbrance, covenant, condition, restriction, assessment, easement, right-of-way, obligation, encroachment or liability whatsoever to be placed of record or to affect the leasehold interest to be given Optionee pursuant to this Option Agreement or to otherwise exist, without Optionee's prior written consent, which Optionee may withhold in its sole and absolute discretion.

11. NOTICES. All notices, demands, requests and exercises under this Option Agreement by either Party shall be in writing and shall be deemed to have been given by such Party to the other Party or Parties (a) on the date of personal delivery, (b) on the date delivered by a nationally recognized overnight courier service, or (c) three (3) Business Days after being placed in the United States Mail, registered or certified, postage prepaid, addressed to the other Party as follows:

To Optionor: Brownsville Navigation District
 1000 Foust Road
 Brownsville Texas 78521
 Attn: Port Director/Chief Executive Officer
 Phone: (956) 831-4592

With Copy To: The Rentfro Law Firm
 Post Office Box 6355
 (700 FM 802, Building A, Third Floor)
 Brownsville, Texas 78523-6355
 Attn: Daniel L. Rentfro Jr.
 Phone: (956) 542-4329

To Optionee: Gulf Coast LNG Exports, LLC
333 Clay Street, #5050
Houston, Texas 77002
Attn: Michael S. Smith
Phone: (713) 980-2896

With Copy To: Brownstein Hyatt Farber Schreck, LLP
410 17th Street, Suite 2200
Denver, CO 80202
Attn: Steven C. Demby
Phone: (303) 223-1119

The addresses above may be changed by written notice to the other Party delivered pursuant to this Section; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

12. ASSIGNMENT. Optionee shall not assign this Option Agreement or any of Optionee's rights without first obtaining the prior written consent of Optionor, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Optionee may, without the prior written consent of Optionor, assign this Option Agreement (a) to an Affiliate of Optionee, (b) in connection with the merger or consolidation of Optionee with another entity, or (c) in connection with the sale, pledge or other transfer of less than [REDACTED] of the ownership interests of Optionee.

13. LITIGATION COSTS. In any legal action brought by either party to enforce the terms of this Option Agreement, the Prevailing Party shall receive reasonable attorney fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled. "Prevailing Party" shall mean the party determined to be the prevailing party by a court of law.

14. BROKERS. Each Party represents and warrants that it has not dealt with any other real estate broker or agent in connection with this Option Agreement. Each Party shall indemnify the other and hold it harmless from any cost, expense, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Option Agreement or its negotiation by reason of any act or statement of the indemnifying party.

15. SUCCESSORS. This Option Agreement and the covenants and conditions herein contained shall bind and inure to the benefit of the respective heirs, personal representatives, executors, successors, and assigns of each Party.

16. WAIVERS. No waiver of any breach of a provision in this Option Agreement shall be deemed a waiver of any other provision. No waiver shall be valid unless in writing and executed by the waiving Party.

17. FURTHER ASSURANCES. Whenever requested to do so by a Party, the other Party shall execute, acknowledge, and deliver any such other instruments as reasonably necessary in order to carry out the intent and purpose of this Option Agreement.

18. NO THIRD-PARTY RIGHTS. Nothing in this Option Agreement, express or implied, is intended to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies under or by reason of this Option Agreement.

19. INTEGRATION. This Option Agreement contains the entire agreement between the Parties respecting the matter set forth, and expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the Parties respecting these matters.

20. COUNTERPARTS. This Option Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the parties hereto.

21. AMENDMENT. This Option Agreement may not be amended or altered except by an instrument in writing executed by the Parties.

22. PARTIAL INVALIDITY. Any provision of this Option Agreement that is held to be invalid, unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforcement of this Option Agreement shall be of no further force or effect, but all the remaining provisions of this Option Agreement shall remain in full effect and this Option Agreement shall be construed as if such invalid, unenforceable or illegal provisions had not been contained herein.

23. AUTHORITY OF PARTIES. Each Party represents and warrants that (a) it has full power, capacity, authority and legal right to execute and deliver this Option Agreement and to perform all of its obligations hereunder and (b) this Option Agreement is a legal, valid and binding obligation of each Party, enforceable in accordance with its terms. Each person executing this Option Agreement on behalf of a Party represents and warrants that he or she has the full right and authority to execute this Option Agreement on behalf of that Party.

24. GOVERNING LAW. This Option Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to choice of law principles. Exclusive venue over any action concerning this Option Agreement shall lie in Cameron County, Texas.

25. CONFIDENTIALITY. Each Party agrees that all terms of this Option Agreement and any and all other information that a Party shares with the other and identifies as "Confidential" shall be confidential and proprietary information ("**Confidential Information**") of the disclosing Party ("**Disclosing Party**"). All

information provided by a Disclosing Party to the other Party ("**Receiving Party**") shall be kept confidential and, under no circumstances shall the Receiving Party disclose such information to any other Person except only: (a) at the written direction of the Disclosing Party; (b) to those employees and/or representatives of the Receiving Party who are required to have access to or knowledge of the Confidential Information so long as such Persons agree not to disclose the Confidential Information except as provided herein; (c) to the extent necessary to comply with applicable law, any governmental approval or permitting process or a valid order of a court of competent jurisdiction, in which event the Receiving Party shall so notify the Disclosing Party as promptly as practicable (and, if possible, prior to making any disclosure) and shall in all cases seek confidential treatment of such information; or (d) in order to enforce its rights under this Option Agreement. Further, the Receiving Party shall not use the Confidential Information provided by the Disclosing Party for any purpose other than with respect to the transaction contemplated herein. The Parties agree that any breach of the confidentiality provisions hereof shall cause irreparable harm to the non-breaching Party and each Party hereby consents to the non-breaching Party obtaining equitable or injunctive relief as a remedy in respect of such breach without the need for the posting of a bond. Notwithstanding anything to the contrary herein, Optionor and Optionee shall have the right to disclose the terms of this Option Agreement to their respective attorneys, accountants, financial advisors, and lenders so long as such Persons agree not to disclose the Confidential Information except as provided herein. This Section 25 shall survive termination of this Option Agreement.

26. WAIVER OF JURY TRIAL. The Parties waive trial by jury in any action or proceeding brought in connection with this Option Agreement.

27. DEFINITIONS. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in this Section 27:

(a) "**Affiliate**" shall mean with respect to a specified Person, any other Person who or which is (i) directly or indirectly Controlling, Controlled by or under Common Control with the specified Person, or (ii) any member, stockholder, director, officer, manager, or comparable principal of, or relative or spouse of, the specified Person.

(b) "**Business Day**" shall mean any day other than a Saturday, Sunday, or legal holiday on which national banks are authorized by federal law to close.

(c) "**Control**" (including the correlative meanings of the terms "Controlling," "Controlled by" and "under Common Control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(d) "**Person**" shall mean an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization and any other entity.

IN WITNESS WHEREOF, the parties have executed this Option Agreement as of the day and year first written above.

OPTIONOR:

Brownsville Navigation District
Of Cameron County, Texas

By: 

Name: John Reed

Its: Chairman

OPTIONEE:

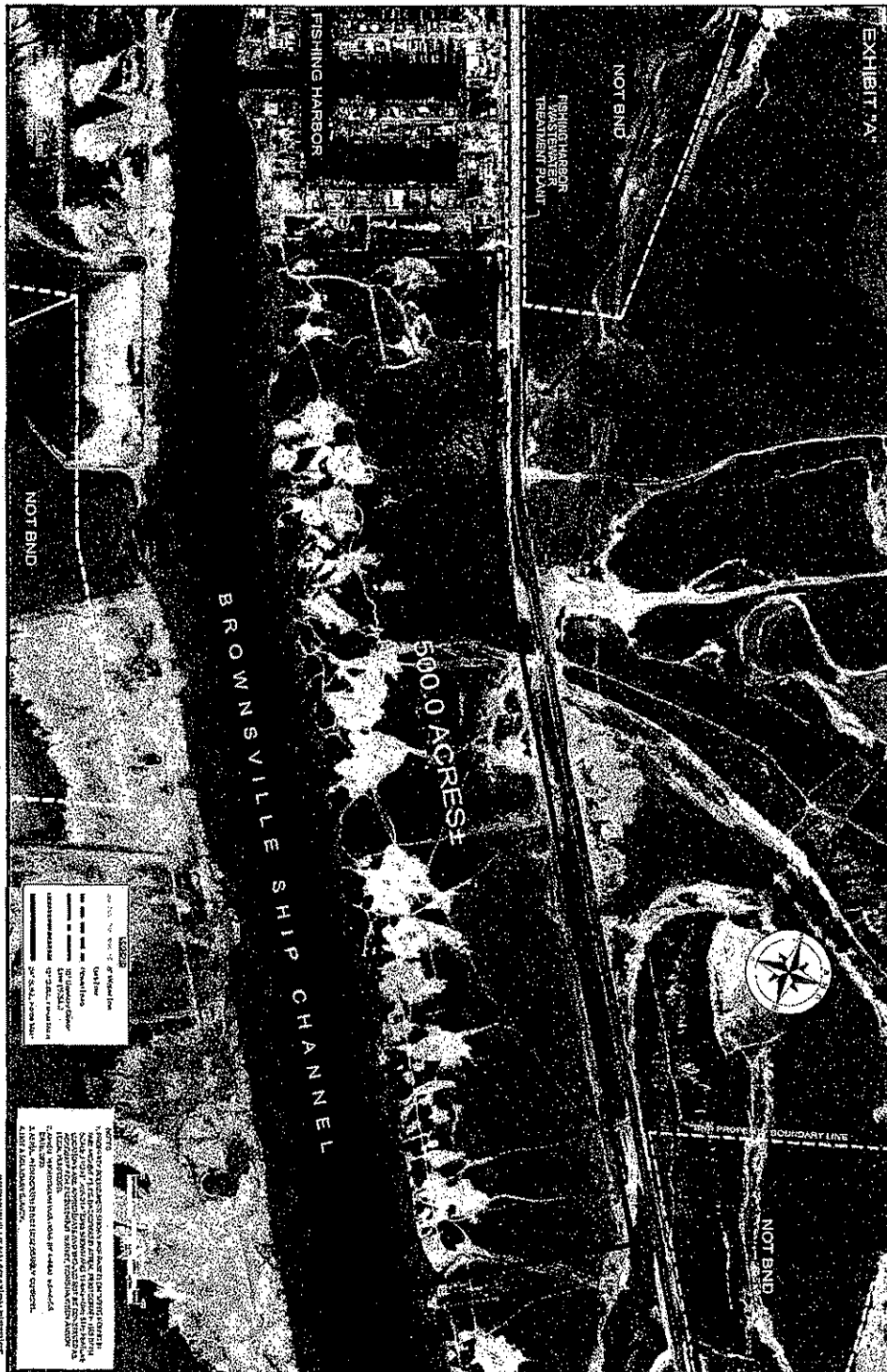
Gulf Coast LNG Exports, LLC

By: 

Name: Michael S. Smith

Its: Manager

EXHIBIT A
THE PREMISES
(See Attached)



LEGEND	
(Symbol)	Proposed Industrial Development
(Symbol)	Proposed Road
(Symbol)	Proposed Canal
(Symbol)	Proposed Pipeline
(Symbol)	Proposed Utility
(Symbol)	Proposed Boundary Line
(Symbol)	Proposed Right-of-Way
(Symbol)	Proposed Easement
(Symbol)	Proposed Encroachment
(Symbol)	Proposed Other

NOTES:
 1. THIS MAP IS A PRELIMINARY MAP AND IS NOT TO BE USED FOR CONVEYANCE OF INTERESTS.
 2. THE BOUNDARY LINES SHOWN ON THIS MAP ARE BASED ON THE BEST AVAILABLE INFORMATION AND ARE NOT GUARANTEED.
 3. THE PROPOSED INDUSTRIAL DEVELOPMENT IS SUBJECT TO THE APPROVAL OF THE APPROPRIATE AGENCIES.
 4. THE PROPOSED ROAD, CANAL, PIPELINE, UTILITY, AND OTHER FEATURES ARE SUBJECT TO THE APPROVAL OF THE APPROPRIATE AGENCIES.
 5. THE PROPOSED BOUNDARY LINES AND RIGHT-OF-WAY LINES ARE SUBJECT TO THE APPROVAL OF THE APPROPRIATE AGENCIES.
 6. THE PROPOSED EASEMENTS AND ENCROACHMENTS ARE SUBJECT TO THE APPROVAL OF THE APPROPRIATE AGENCIES.
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 11. THE PROPOSED EASEMENTS AND ENCROACHMENTS ARE SUBJECT TO THE APPROVAL OF THE APPROPRIATE AGENCIES.
 12. THE PROPOSED OTHER FEATURES ARE SUBJECT TO THE APPROVAL OF THE APPROPRIATE AGENCIES.

BROWNSVILLE DEVELOPMENT DISTRICT
 1000 CALLE DEL PUERTO ROAD
 BROWNSVILLE, TEXAS 77802-4875
 PHONE: (361) 833-1313
 FAX: (361) 833-1313
 EMAIL: PDD@BROWNSVILLETX.COM

Drawn by: L	APPROVED BY: J
DATE DRAWN: 10/1/2017	PROJECT NAME: 1
DESIGNED BY: J	SCALE: 1" = 200'
DATE: 10/1/2017	PROJECT NAME: 1

**PROPOSED INDUSTRIAL DEVELOPMENT
 EAST OF THE FISHING HARBOR**

