

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2019

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-16383

CHENIERE



CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

95-4352386

(I.R.S. Employer Identification No.)

700 Milam Street , Suite 1900

Houston , Texas

(Address of principal executive offices)

77002

(Zip Code)

(713) 375-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$ 0.003 par value

Trading Symbol
LNG

Name of each exchange on which registered
NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 2, 2019, the issuer had 256,779,983 shares of Common Stock outstanding.

CHENIERE ENERGY, INC.
TABLE OF CONTENTS

Definitions	1
Part I. Financial Information	
Item 1. Consolidated Financial Statements	3
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Stockholders' Equity	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Item 3. Quantitative and Qualitative Disclosures about Market Risk	50
Item 4. Controls and Procedures	51
Part II. Other Information	
Item 1. Legal Proceedings	52
Item 1A. Risk Factors	52
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	52
Item 6. Exhibits	53
Signatures	54

DEFINITIONS

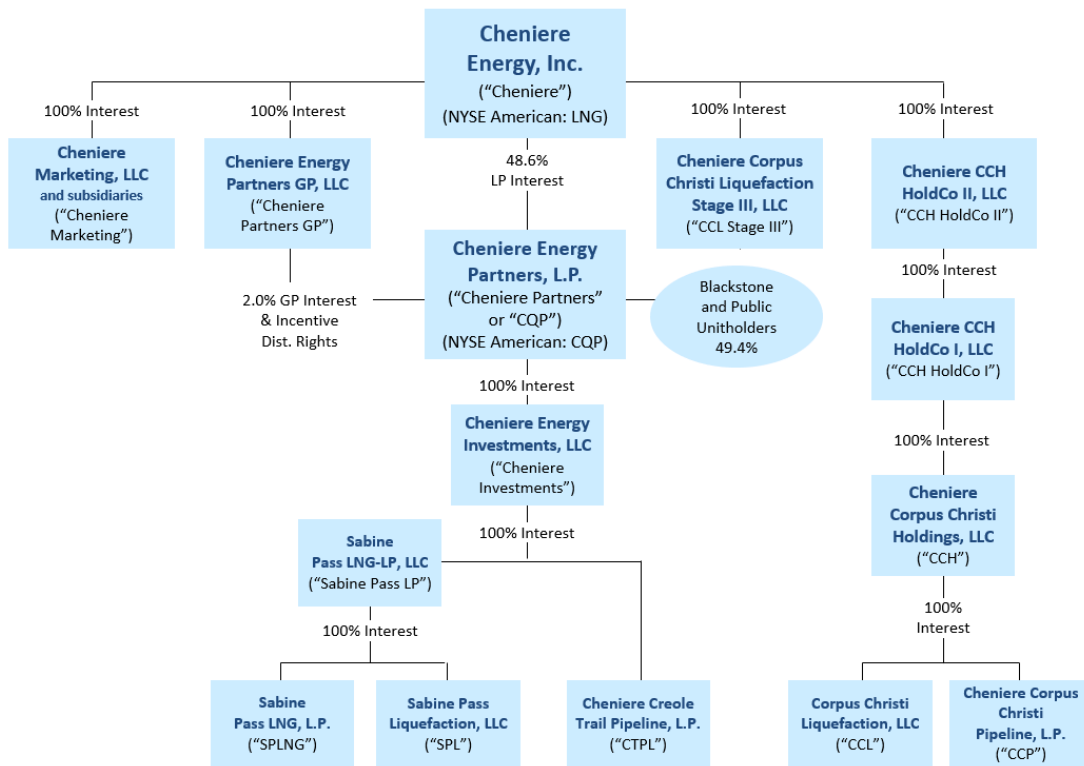
As used in this quarterly report, the terms listed below have the following meanings:

Common Industry and Other Terms

Bcf	billion cubic feet
Bcf/d	billion cubic feet per day
Bcf/yr	billion cubic feet per year
Bcfe	billion cubic feet equivalent
DOE	U.S. Department of Energy
EPC	engineering, procurement and construction
FERC	Federal Energy Regulatory Commission
FTA countries	countries with which the United States has a free trade agreement providing for national treatment for trade in natural gas
GAAP	generally accepted accounting principles in the United States
Henry Hub	the final settlement price (in USD per MMBtu) for the New York Mercantile Exchange's Henry Hub natural gas futures contract for the month in which a relevant cargo's delivery window is scheduled to begin
LIBOR	London Interbank Offered Rate
LNG	liquefied natural gas, a product of natural gas that, through a refrigeration process, has been cooled to a liquid state, which occupies a volume that is approximately 1/600th of its gaseous state
MMBtu	million British thermal units, an energy unit
mtpa	million tonnes per annum
non-FTA countries	countries with which the United States does not have a free trade agreement providing for national treatment for trade in natural gas and with which trade is permitted
SEC	U.S. Securities and Exchange Commission
SPA	LNG sale and purchase agreement
TBtu	trillion British thermal units, an energy unit
Train	an industrial facility comprised of a series of refrigerant compressor loops used to cool natural gas into LNG
TUA	terminal use agreement

Abbreviated Legal Entity Structure

The following diagram depicts our abbreviated legal entity structure as of June 30, 2019, including our ownership of certain subsidiaries, and the references to these entities used in this quarterly report:



Unless the context requires otherwise, references to "Cheniere," the "Company," "we," "us" and "our" refer to Cheniere Energy, Inc. and its consolidated subsidiaries, including our publicly traded subsidiary, Cheniere Partners.

Unless the context requires otherwise, references to the "CCH Group" refer to CCH HoldCo II, CCH HoldCo I, CCH, CCL and CCP, collectively.

PART I. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CHENIERE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	June 30, 2019 (unaudited)	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,279	\$ 981
Restricted cash	1,161	2,175
Accounts and other receivables	433	585
Inventory	290	316
Derivative assets	127	63
Other current assets	135	114
Total current assets	4,425	4,234
Property, plant and equipment, net	29,073	27,245
Operating lease assets, net	502	—
Debt issuance costs, net	55	72
Non-current derivative assets	103	54
Goodwill	77	77
Other non-current assets, net	337	305
Total assets	\$ 34,572	\$ 31,987
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 120	\$ 58
Accrued liabilities	1,572	1,169
Current debt	—	239
Deferred revenue	136	139
Current operating lease liabilities	292	—
Derivative liabilities	84	128
Other current liabilities	3	9
Total current liabilities	2,207	1,742
Long-term debt, net	29,944	28,179
Non-current operating lease liabilities	202	—
Non-current finance lease liabilities	58	57
Non-current derivative liabilities	94	22
Other non-current liabilities	44	58
Commitments and contingencies (see Note 16)		
Stockholders' equity		
Preferred stock, \$0.0001 par value, 5.0 million shares authorized, none issued	—	—
Common stock, \$0.003 par value		
Authorized: 480.0 million shares at June 30, 2019 and December 31, 2018		
Issued: 270.5 million shares at June 30, 2019 and 269.8 million shares at December 31, 2018		
Outstanding: 257.5 million shares at June 30, 2019 and 257.0 million shares at December 31, 2018	1	1
Treasury stock: 13.0 million shares and 12.8 million shares at June 30, 2019 and December 31, 2018, respectively, at cost	(423)	(406)
Additional paid-in-capital	4,097	4,035
Accumulated deficit	(4,129)	(4,156)
Total stockholders' deficit	(454)	(526)
Non-controlling interest	2,477	2,455
Total equity	2,023	1,929
Total liabilities and equity	\$ 34,572	\$ 31,987

The accompanying notes are an integral part of these consolidated financial statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
LNG revenues	\$ 2,173	\$ 1,442	\$ 4,316	\$ 3,608
Regasification revenues	67	65	133	130
Other revenues	52	36	104	47
Total revenues	2,292	1,543	4,553	3,785
Operating costs and expenses				
Cost of sales (excluding depreciation and amortization expense shown separately below)	1,277	873	2,491	2,051
Operating and maintenance expense	295	147	516	287
Development expense	3	3	4	4
Selling, general and administrative expense	77	73	150	140
Depreciation and amortization expense	204	111	348	220
Impairment expense and loss on disposal of assets	4	—	6	—
Total operating costs and expenses	1,860	1,207	3,515	2,702
Income from operations	432	336	1,038	1,083
Other income (expense)				
Interest expense, net of capitalized interest	(372)	(216)	(619)	(432)
Loss on modification or extinguishment of debt	—	(15)	—	(15)
Derivative gain (loss), net	(74)	32	(109)	109
Other income	16	10	32	17
Total other expense	(430)	(189)	(696)	(321)
Income before income taxes and non-controlling interest	2	147	342	762
Income tax benefit (provision)	—	3	(3)	(12)
Net income	2	150	339	750
Less: net income attributable to non-controlling interest	116	168	312	411
Net income (loss) attributable to common stockholders	\$ (114)	\$ (18)	\$ 27	\$ 339
Net income (loss) per share attributable to common stockholders—basic (1)	\$ (0.44)	\$ (0.07)	\$ 0.11	\$ 1.42
Net income (loss) per share attributable to common stockholders—diluted (1)	\$ (0.44)	\$ (0.07)	\$ 0.11	\$ 1.40
Weighted average number of common shares outstanding—basic	257.4	242.8	257.3	239.2
Weighted average number of common shares outstanding—diluted	257.4	242.8	258.6	241.7

(1) Earnings per share in the table may not recalculate exactly due to rounding because it is calculated based on whole numbers, not the rounded numbers presented.

The accompanying notes are an integral part of these consolidated financial statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions)
(unaudited)

Three and Six Months Ended June 30, 2019

	Total Stockholders' Equity							
	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Non- controlling Interest	Total Equity
	Shares	Par Value Amount	Shares	Amount				
Balance at December 31, 2018	257.0	\$ 1	12.8	\$ (406)	\$ 4,035	\$ (4,156)	\$ 2,455	\$ 1,929
Vesting of restricted stock units	0.6	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	28	—	—	28
Shares withheld from employees related to share-based compensation, at cost	(0.2)	—	0.2	(12)	—	—	—	(12)
Net income attributable to non-controlling interest	—	—	—	—	—	—	196	196
Distributions and dividends to non-controlling interest	—	—	—	—	—	—	(144)	(144)
Net income	—	—	—	—	—	141	—	141
Balance at March 31, 2019	257.4	1	13.0	(418)	4,063	(4,015)	2,507	2,138
Vesting of restricted stock units	0.1	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	33	—	—	33
Shares withheld from employees related to share-based compensation, at cost	—	—	—	(2)	—	—	—	(2)
Shares repurchased, at cost	—	—	—	(3)	—	—	—	(3)
Net income attributable to non-controlling interest	—	—	—	—	—	—	116	116
Equity portion of convertible notes, net	—	—	—	—	1	—	—	1
Distributions and dividends to non-controlling interest	—	—	—	—	—	—	(146)	(146)
Net loss	—	—	—	—	—	(114)	—	(114)
Balance at June 30, 2019	257.5	\$ 1	13.0	\$ (423)	\$ 4,097	\$ (4,129)	\$ 2,477	\$ 2,023

The accompanying notes are an integral part of these consolidated financial statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY—CONTINUED
(in millions)
(unaudited)

Three and Six Months Ended June 30, 2018

	Total Stockholders' Equity							
	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Non- controlling Interest	Total Equity
	Shares	Par Value Amount	Shares	Amount				
Balance at December 31, 2017	237.6	\$ 1	12.5	\$ (386)	\$ 3,248	\$ (4,627)	\$ 3,004	\$ 1,240
Vesting of restricted stock units	0.3	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	16	—	—	16
Shares withheld from employees related to share-based compensation, at cost	—	—	0.1	(6)	—	—	—	(6)
Net income attributable to non-controlling interest	—	—	—	—	—	—	243	243
Distributions and dividends to non-controlling interest	—	—	—	—	—	—	(143)	(143)
Net income	—	—	—	—	—	357	—	357
Balance at March 31, 2018	237.9	1	12.6	(392)	3,264	(4,270)	3,104	1,707
Issuance of stock to acquire additional interest in Cheniere Holdings	10.3	—	—	—	376	—	(376)	—
Share-based compensation	—	—	—	—	23	—	—	23
Shares withheld from employees related to share-based compensation, at cost	(0.1)	—	—	(2)	—	—	—	(2)
Net income attributable to non-controlling interest	—	—	—	—	—	—	168	168
Equity portion of convertible notes, net	—	—	—	—	1	—	—	1
Distributions and dividends to non-controlling interest	—	—	—	—	—	—	(145)	(145)
Net loss	—	—	—	—	—	(18)	—	(18)
Balance at June 30, 2018	248.1	\$ 1	12.6	\$ (394)	\$ 3,664	\$ (4,288)	\$ 2,751	\$ 1,734

The accompanying notes are an integral part of these consolidated financial statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Six Months Ended June 30,	
	2019	2018
Cash flows from operating activities		
Net income	\$ 339	\$ 750
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	348	220
Share-based compensation expense	61	58
Non-cash interest expense	93	30
Amortization of debt issuance costs, deferred commitment fees, premium and discount	44	35
Amortization of operating lease assets	158	—
Loss on modification or extinguishment of debt	—	15
Total losses (gains) on derivatives, net	(147)	4
Net cash provided by (used for) settlement of derivative instruments	62	(8)
Impairment expense and loss on disposal of assets	6	—
Other	2	(5)
Changes in operating assets and liabilities:		
Accounts and other receivables	59	80
Inventory	33	10
Other current assets	(46)	(61)
Accounts payable and accrued liabilities	(80)	(132)
Deferred revenue	(2)	(13)
Operating lease liabilities	(163)	—
Other, net	(7)	(1)
Net cash provided by operating activities	760	982
Cash flows from investing activities		
Property, plant and equipment, net	(1,508)	(1,508)
Investment in equity method investment	(34)	—
Other	—	16
Net cash used in investing activities	(1,542)	(1,492)
Cash flows from financing activities		
Proceeds from issuances of debt	2,021	1,799
Repayments of debt	(630)	(281)
Debt issuance and deferred financing costs	(20)	(46)
Debt extinguishment costs	—	(8)
Distributions and dividends to non-controlling interest	(290)	(288)
Payments related to tax withholdings for share-based compensation	(14)	(8)
Repurchase of common stock	(3)	—
Other	2	—
Net cash provided by financing activities	1,066	1,168
Net increase in cash, cash equivalents and restricted cash	284	658
Cash, cash equivalents and restricted cash—beginning of period	3,156	2,613
Cash, cash equivalents and restricted cash—end of period	\$ 3,440	\$ 3,271

Balances per Consolidated Balance Sheet:

	June 30, 2019
Cash and cash equivalents	\$ 2,279
Restricted cash	1,161
Total cash, cash equivalents and restricted cash	\$ 3,440

The accompanying notes are an integral part of these consolidated financial statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 1—NATURE OF OPERATIONS AND BASIS OF PRESENTATION

We own and operate two natural gas liquefaction and export facilities at Sabine Pass and Corpus Christi. The Sabine Pass LNG terminal is located in Cameron Parish, Louisiana, on the Sabine-Neches Waterway less than four miles from the Gulf Coast. Cheniere Partners is in various stages of constructing and operating six natural gas liquefaction facilities (the “SPL Project”) at the Sabine Pass LNG terminal adjacent to the existing regasification facilities through a wholly owned subsidiary, SPL. Trains 1 through 5 are operational and Train 6 is under construction. The Sabine Pass LNG terminal has operational regasification facilities owned by Cheniere Partners’ wholly owned subsidiary, SPLNG, and a 94-mile pipeline that interconnects the Sabine Pass LNG terminal with a number of large interstate pipelines owned by Cheniere Partners’ wholly owned subsidiary, CTPL.

The Corpus Christi LNG terminal is located near Corpus Christi, Texas and is operated by our wholly owned subsidiary CCL. We also operate a 23-mile natural gas supply pipeline that interconnects the Corpus Christi LNG terminal with several interstate and intrastate natural gas pipelines (the “Corpus Christi Pipeline” and together with the liquefaction facilities, the “CCL Project”) through our wholly owned subsidiary CCP. The CCL Project is being developed in stages with the first phase being three Trains (“Phase 1”). The first stage includes Trains 1 and 2, two LNG storage tanks, one complete marine berth and a second partial berth and all of the CCL Project’s necessary infrastructure facilities (“Stage 1”). The second stage includes Train 3, one LNG storage tank and the completion of the second partial berth (“Stage 2”). Train 1 is operational, Train 2 is undergoing commissioning and Train 3 is under construction.

Additionally, separate from the CCH Group, we are developing an expansion of the Corpus Christi LNG terminal adjacent to the CCL Project (“Corpus Christi Stage 3”) and filed an application with FERC in June 2018 for seven midscale Trains with an expected aggregate nominal production capacity of approximately 9.5 mtpa and one LNG storage tank.

We remain focused on expansion of our existing sites by leveraging existing infrastructure. We continue to consider development of other projects, including infrastructure projects in support of natural gas supply and LNG demand, which, among other things, will require acceptable commercial and financing arrangements before we make a final investment decision (“FID”).

Basis of Presentation

The accompanying unaudited Consolidated Financial Statements of Cheniere have been prepared in accordance with GAAP for interim financial information and with Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Consolidated Financial Statements and accompanying notes included in our [annual report on Form 10-K for the year ended December 31, 2018](#). In our opinion, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation, have been included.

Results of operations for the three and six months ended June 30, 2019 are not necessarily indicative of the results of operations that will be realized for the year ending December 31, 2019.

Recent Accounting Standards

We adopted ASU 2016-02, *Leases (Topic 842)*, and subsequent amendments thereto (“ASC 842”) on January 1, 2019 using the optional transition approach to apply the standard at the beginning of the first quarter of 2019 with no retrospective adjustments to prior periods. The adoption of the standard resulted in the recognition of right-of-use assets and lease liabilities for operating leases of approximately \$550 million on our Consolidated Balance Sheets, with no material impact on our Consolidated Statements of Operations or Consolidated Statements of Cash Flows. We have elected the practical expedients to (1) carryforward prior conclusions related to lease identification and classification for existing leases, (2) combine lease and non-lease components of an arrangement for all classes of leased assets, (3) omit short-term leases with a term of 12 months or less from recognition on the balance sheet and (4) carryforward our existing accounting for land easements not previously accounted for as leases. See [Note 11—Leases](#) for additional information on our leases following the adoption of this standard.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

NOTE 2—RESTRICTED CASH

Restricted cash consists of funds that are contractually and legally restricted as to usage or withdrawal and have been presented separately from cash and cash equivalents on our Consolidated Balance Sheets. As of June 30, 2019 and December 31, 2018, restricted cash consisted of the following (in millions):

	June 30, 2019	December 31, 2018
Current restricted cash		
SPL Project	\$ 596	\$ 756
Cheniere Partners and cash held by guarantor subsidiaries	—	785
CCL Project	279	289
Cash held by our subsidiaries restricted to Cheniere	286	345
Total current restricted cash	<u>\$ 1,161</u>	<u>\$ 2,175</u>

Pursuant to the accounts agreements entered into with the collateral trustees for the benefit of SPL's debt holders and CCH's debt holders, SPL and CCH are required to deposit all cash received into reserve accounts controlled by the collateral trustees. The usage or withdrawal of such cash is restricted to the payment of liabilities related to the SPL Project and the CCL Project (collectively, the "Liquefaction Projects") and other restricted payments.

In May 2019, Cheniere Partners entered into the \$1.5 billion credit facilities (the "2019 CQP Credit Facilities"), which replaced the previous \$2.8 billion credit facilities (the "2016 CQP Credit Facilities"). The cash held by Cheniere Partners and its guarantor subsidiaries was restricted in use under the terms of the 2016 CQP Credit Facilities and the related depositary agreement governing the extension of credit to Cheniere Partners, but is no longer restricted under the 2019 CQP Credit Facilities.

NOTE 3—ACCOUNTS AND OTHER RECEIVABLES

As of June 30, 2019 and December 31, 2018, accounts and other receivables consisted of the following (in millions):

	June 30, 2019	December 31, 2018
Trade receivables		
SPL and CCL	\$ 257	\$ 330
Cheniere Marketing	145	205
Other accounts receivable	31	50
Total accounts and other receivables	<u>\$ 433</u>	<u>\$ 585</u>

NOTE 4—INVENTORY

As of June 30, 2019 and December 31, 2018, inventory consisted of the following (in millions):

	June 30, 2019	December 31, 2018
Natural gas	\$ 19	\$ 30
LNG	38	24
LNG in-transit	104	173
Materials and other	129	89
Total inventory	<u>\$ 290</u>	<u>\$ 316</u>

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

NOTE 5—PROPERTY, PLANT AND EQUIPMENT

As of June 30, 2019 and December 31, 2018, property, plant and equipment, net consisted of the following (in millions):

	June 30, 2019	December 31, 2018
LNG terminal costs		
LNG terminal and interconnecting pipeline facilities	\$ 23,650	\$ 13,386
LNG site and related costs	319	86
LNG terminal construction-in-process	6,529	14,864
Accumulated depreciation	(1,625)	(1,299)
Total LNG terminal costs, net	28,873	27,037
Fixed assets and other		
Computer and office equipment	22	17
Furniture and fixtures	22	22
Computer software	104	100
Leasehold improvements	42	41
Land	59	59
Other	20	21
Accumulated depreciation	(127)	(111)
Total fixed assets and other, net	142	149
Assets under finance lease		
Tug vessels	60	60
Accumulated depreciation	(2)	(1)
Total assets under finance lease, net	58	59
Property, plant and equipment, net	\$ 29,073	\$ 27,245

Depreciation expense was \$203 million and \$111 million during the three months ended June 30, 2019 and 2018, respectively, and \$346 million and \$219 million during the six months ended June 30, 2019 and 2018, respectively.

We realize offsets to LNG terminal costs for sales of commissioning cargoes that were earned or loaded prior to the start of commercial operations of the respective Train during the testing phase for its construction. We realized offsets to LNG terminal costs of \$202 million during the six months ended June 30, 2019 for sales of commissioning cargoes from the Liquefaction Projects. We did not realize any offsets to LNG terminal costs during the three months ended June 30, 2019 and the three and six months ended June 30, 2018.

NOTE 6—DERIVATIVE INSTRUMENTS

We have entered into the following derivative instruments that are reported at fair value:

- interest rate swaps to hedge the exposure to volatility in a portion of the floating-rate interest payments under CCH's credit facilities("CCH Interest Rate Derivatives") and to hedge against changes in interest rates that could impact anticipated future issuance of debt by CCH("CCH Interest Rate Forward Start Derivatives");
- commodity derivatives consisting of natural gas supply contracts for the commissioning and operation of the SPL Project, CCL Project and potential future development of Corpus Christi Stage 3 ("Physical Liquefaction Supply Derivatives") and associated economic hedges (collectively, the "Liquefaction Supply Derivatives");
- financial derivatives to hedge the exposure to the commodity markets in which we have contractual arrangements to purchase or sell physical LNG("LNG Trading Derivatives"); and
- foreign currency exchange ("FX") contracts to hedge exposure to currency risk associated with both LNG Trading Derivatives and operations in countries outside of the United States ("FX Derivatives").

We recognize our derivative instruments as either assets or liabilities and measure those instruments at fair value. None of our derivative instruments are designated as cash flow hedging instruments, and changes in fair value are recorded within our Consolidated Statements of Operations to the extent not utilized for the commissioning process.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

The following table shows the fair value of our derivative instruments that are required to be measured at fair value on a recurring basis as of June 30, 2019 and December 31, 2018, which are classified as derivative assets, non-current derivative assets, derivative liabilities or non-current derivative liabilities in our Consolidated Balance Sheets (in millions):

	Fair Value Measurements as of							
	June 30, 2019				December 31, 2018			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
CCH Interest Rate Derivatives asset (liability)	\$ —	\$ (88)	\$ —	\$ (88)	\$ —	\$ 18	\$ —	\$ 18
CCH Interest Rate Forward Start Derivatives liability	—	(7)	—	(7)	—	—	—	—
Liquefaction Supply Derivatives asset (liability)	—	1	89	90	6	(19)	(29)	(42)
LNG Trading Derivatives asset (liability)	(4)	51	—	47	1	(25)	—	(24)
FX Derivatives asset	—	10	—	10	—	15	—	15

We value our CCH Interest Rate Derivatives and CCH Interest Rate Forward Start Derivatives using an income-based approach utilizing observable inputs to the valuation model including interest rate curves, risk adjusted discount rates, credit spreads and other relevant data. We value our LNG Trading Derivatives and our Liquefaction Supply Derivatives using a market or option-based approach incorporating present value techniques, as needed, using observable commodity price curves, when available, and other relevant data. We value our FX Derivatives with a market approach using observable FX rates and other relevant data.

The fair value of our Physical Liquefaction Supply Derivatives is predominantly driven by observable and unobservable market commodity prices and, as applicable to our natural gas supply contracts, our assessment of the associated conditions precedent, including evaluating whether the respective market is available as pipeline infrastructure is developed. The fair value of our Physical Liquefaction Supply Derivatives incorporates risk premiums related to the satisfaction of conditions precedent, such as completion and placement into service of relevant pipeline infrastructure to accommodate marketable physical gas flow. As of June 30, 2019 and December 31, 2018, some of our Physical Liquefaction Supply Derivatives existed within markets for which the pipeline infrastructure was under development to accommodate marketable physical gas flow.

We include a portion of our Physical Liquefaction Supply Derivatives as Level 3 within the valuation hierarchy as the fair value is developed through the use of internal models which incorporate significant unobservable inputs. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks, such as future prices of energy units for unobservable periods, liquidity, volatility and contract duration. In determining and recording fair value, we do not use third party sources that derive price based on proprietary models or market surveys.

The Level 3 fair value measurements of natural gas positions within our Physical Liquefaction Supply Derivatives could be materially impacted by a significant change in certain natural gas and international LNG prices. The following table includes quantitative information for the unobservable inputs for our Level 3 Physical Liquefaction Supply Derivatives as of June 30, 2019:

	Net Fair Value Asset (Liability) (in millions)	Valuation Approach	Significant Unobservable Input	Significant Unobservable Inputs Range
Physical Liquefaction Supply Derivatives	\$89	Market approach incorporating present value techniques	Henry Hub Basis Spread	\$(0.700) - \$0.056
		Option pricing model	International pricing spread, relative to Henry Hub (1)	128% - 176%

(1) Spread contemplates U.S. dollar-denominated pricing.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

Increases or decreases in basis or pricing spreads, in isolation, would decrease or increase, respectively, the fair value of our Physical Liquefaction Supply Derivatives.

The following table shows the changes in the fair value of our Level 3 Physical Liquefaction Supply Derivatives during the three and six months ended June 30, 2019 and 2018 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Balance, beginning of period	\$ 31	\$ 10	\$ (29)	\$ 43
Realized and mark-to-market gains (losses):				
Included in cost of sales	7	(1)	23	(12)
Purchases and settlements:				
Purchases	50	6	50	6
Settlements	1	(4)	45	(25)
Transfers out of Level 3 (1)	—	1	—	—
Balance, end of period	\$ 89	\$ 12	\$ 89	\$ 12
Change in unrealized gains (losses) relating to instruments still held at end of period	\$ 7	\$ (1)	\$ 23	\$ (12)

(1) Transferred to Level 2 as a result of observable market for the underlying natural gas purchase agreements.

Derivative assets and liabilities arising from our derivative contracts with the same counterparty are reported on a net basis, as all counterparty derivative contracts provide for the unconditional right of set-off in the event of default. The use of derivative instruments exposes us to counterparty credit risk, or the risk that a counterparty will be unable to meet its commitments in instances when our derivative instruments are in an asset position. Additionally, counterparties are at risk that we will be unable to meet our commitments in instances where our derivative instruments are in a liability position. We incorporate both our own nonperformance risk and the respective counterparty's nonperformance risk in fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, set-off rights and guarantees.

Interest Rate Derivatives

During the six months ended June 30, 2019, there were no changes to the terms of the CCH Interest Rate Derivatives entered into by CCH to protect against volatility of future cash flows and hedge a portion of the variable interest payments on its credit facility (the "CCH Credit Facility").

In June 2019, we entered into the CCH Interest Rate Forward Start Derivatives to hedge against changes in interest rates that could impact anticipated future issuance of debt by CCH, which is anticipated by the end of 2020.

Cheniere Partners previously had interest rate swaps ("CQP Interest Rate Derivatives" and, collectively with the CCH Interest Rate Derivatives and the CCH Interest Rate Forward Start Derivatives, the "Interest Rate Derivatives") to hedge a portion of the variable interest payments on its credit facilities, which were terminated in October 2018.

As of June 30, 2019, we had the following Interest Rate Derivatives outstanding:

	Initial Notional Amount	Maximum Notional Amount	Effective Date	Maturity Date	Weighted Average Fixed Interest Rate Paid	Variable Interest Rate Received
CCH Interest Rate Derivatives	\$29 million	\$4.7 billion	May 20, 2015	May 31, 2022	2.30%	One-month LIBOR
CCH Interest Rate Forward Start Derivatives	\$1.0 billion	\$1.0 billion	June 30, 2020	September 30, 2030	2.11%	Three-month LIBOR

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

The following table shows the fair value and location of the Interest Rate Derivatives on our Consolidated Balance Sheets (in millions):

	June 30, 2019			December 31, 2018		
	CCH Interest Rate Derivatives	CCH Interest Rate Forward Start Derivatives	Total	CCH Interest Rate Derivatives	CCH Interest Rate Forward Start Derivatives	Total
Consolidated Balance Sheet Location						
Derivative assets	\$ —	\$ —	\$ —	\$ 10	\$ —	\$ 10
Non-current derivative assets	—	—	—	8	—	8
Total derivative assets	—	—	—	18	—	18
Derivative liabilities	(21)	—	(21)	—	—	—
Non-current derivative liabilities	(67)	(7)	(74)	—	—	—
Total derivative liabilities	(88)	(7)	(95)	—	—	—
Derivative asset (liability), net	<u>\$ (88)</u>	<u>\$ (7)</u>	<u>\$ (95)</u>	<u>\$ 18</u>	<u>\$ —</u>	<u>\$ 18</u>

The following table shows the changes in the fair value and settlements of our Interest Rate Derivatives recorded in derivative gain (loss), net on our Consolidated Statements of Operations during the three and six months ended June 30, 2019 and 2018 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
CCH Interest Rate Derivatives gain (loss)	\$ (67)	\$ 29	\$ (102)	\$ 98
CCH Interest Rate Forward Start Derivatives loss	(7)	—	(7)	—
CQP Interest Rate Derivatives gain	—	3	—	11

Commodity Derivatives

SPL, CCL and CCL Stage III have entered into physical natural gas supply contracts and associated economic hedges to purchase natural gas for the commissioning and operation of the SPL Project, the CCL Project and potential future development of Corpus Christi Stage 3, respectively, which are primarily indexed to the natural gas market and international LNG indices. The terms of the index-based physical natural gas supply contracts range up to approximately 15 years, some of which commence upon the satisfaction of certain conditions precedent.

We have entered into, and may from time to time enter into, financial LNG Trading Derivatives in the form of swaps, forwards, options or futures to economically hedge exposure to the commodity markets in which we have contractual arrangements to purchase or sell physical LNG. We have entered into LNG Trading Derivatives to secure a fixed price position to minimize future cash flow variability associated with LNG purchase and sale transactions.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

The following table shows the fair value and location of our Liquefaction Supply Derivatives and LNG Trading Derivatives (collectively, “Commodity Derivatives”) on our Consolidated Balance Sheets (in millions, except notional amount):

Consolidated Balance Sheet Location	June 30, 2019			December 31, 2018		
	Liquefaction Supply Derivatives (1)	LNG Trading Derivatives (2)	Total	Liquefaction Supply Derivatives (1)	LNG Trading Derivatives (2)	Total
Derivative assets	\$ 24	\$ 92	\$ 116	\$ 13	\$ 24	\$ 37
Non-current derivative assets	94	9	103	46	—	46
Total derivative assets	118	101	219	59	24	83
Derivative liabilities	(13)	(50)	(63)	(79)	(48)	(127)
Non-current derivative liabilities	(15)	(4)	(19)	(22)	—	(22)
Total derivative liabilities	(28)	(54)	(82)	(101)	(48)	(149)
Derivative asset (liability), net	\$ 90	\$ 47	\$ 137	\$ (42)	\$ (24)	\$ (66)
Notional amount, net (in TBtu) (3)	6,781	50		5,832	12	

- (1) Does not include collateral calls of \$6 million and \$5 million for such contracts, which are included in other current assets in our Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018, respectively. Includes derivative assets of \$2 million and \$2 million and non-current assets of \$1 million and \$3 million as of June 30, 2019 and December 31, 2018, respectively, for a natural gas supply contract CCL has with a related party.
- (2) Does not include collateral of \$15 million and \$9 million deposited for such contracts, which are included in other current assets in our Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018, respectively.
- (3) SPL had secured up to approximately 3,437 TBtu and 3,464 TBtu as of June 30, 2019 and December 31, 2018, respectively. CCL had secured up to approximately 2,787 TBtu and 2,801 TBtu of natural gas feedstock through natural gas supply contracts as of June 30, 2019 and December 31, 2018, respectively, of which 57 TBtu and 55 TBtu, respectively, were for a natural gas supply contract CCL has with a related party. Corpus Christi Stage 3 had secured up to approximately 754 TBtu of natural gas feedstock through natural gas supply contracts as of June 30, 2019.

The following table shows the changes in the fair value, settlements and location of our Commodity Derivatives recorded on our Consolidated Statements of Operations during the three and six months ended June 30, 2019 and 2018 (in millions):

Consolidated Statements of Operations Location (1)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
LNG Trading Derivatives gain (loss)	\$ 94	\$ (76)	\$ 158	\$ (70)
LNG Trading Derivatives loss	(51)	—	(51)	—
Liquefaction Supply Derivatives gain (loss) (2)	(1)	—	1	—
Liquefaction Supply Derivatives gain (loss) (2)(3)	57	(3)	139	(53)

- (1) Fair value fluctuations associated with commodity derivative activities are classified and presented consistently with the item economically hedged and the nature and intent of the derivative instrument.
- (2) Does not include the realized value associated with derivative instruments that settle through physical delivery.
- (3) Includes \$24 million and \$36 million that CCL recorded in cost of sales under a natural gas supply contract with a related party during the three and six months ended June 30, 2019, respectively. Of this amount, \$4 million was included in accrued liabilities as of June 30, 2019. CCL did not have any transactions during the three and six months ended June 30, 2018 under this contract.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

FX Derivatives

The following table shows the fair value and location of our FX Derivatives on our Consolidated Balance Sheets (in millions):

	Consolidated Balance Sheet Location	Fair Value Measurements as of	
		June 30, 2019	December 31, 2018
FX Derivatives	Derivative assets	\$ 11	\$ 16
FX Derivatives	Derivative liabilities	—	(1)
FX Derivatives	Non-current derivative liabilities	(1)	—

The total notional amount of our FX Derivatives was \$942 million and \$379 million as of June 30, 2019 and December 31, 2018, respectively.

The following table shows the changes in the fair value, settlements and location of our FX Derivatives recorded on our Consolidated Statements of Operations during the three and six months ended June 30, 2019 and 2018 (in millions):

	Consolidated Statements of Operations Location	Three Months Ended June 30,		Six Months Ended June 30,	
		2019	2018	2019	2018
FX Derivatives gain	LNG revenues	\$ —	\$ 12	\$ 9	\$ 10

Consolidated Balance Sheet Presentation

Our derivative instruments are presented on a net basis on our Consolidated Balance Sheets as described above. The following table shows the fair value of our derivatives outstanding on a gross and net basis (in millions):

Offsetting Derivative Assets (Liabilities)	Gross Amounts Recognized	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets
As of June 30, 2019			
CCH Interest Rate Derivatives	\$ (88)	\$ —	\$ (88)
CCH Interest Rate Forward Start Derivatives	(7)	—	(7)
Liquefaction Supply Derivatives	121	(3)	118
Liquefaction Supply Derivatives	(35)	7	(28)
LNG Trading Derivatives	109	(8)	101
LNG Trading Derivatives	(62)	8	(54)
FX Derivatives	21	(10)	11
FX Derivatives	(11)	10	(1)
As of December 31, 2018			
CCH Interest Rate Derivatives	\$ 19	\$ (1)	\$ 18
Liquefaction Supply Derivatives	95	(36)	59
Liquefaction Supply Derivatives	(121)	20	(101)
LNG Trading Derivatives	112	(88)	24
LNG Trading Derivatives	(92)	44	(48)
FX Derivatives	30	(14)	16
FX Derivatives	(2)	1	(1)

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

NOTE 7—OTHER NON-CURRENT ASSETS

As of June 30, 2019 and December 31, 2018, other non-current assets, net consisted of the following (in millions):

	June 30, 2019	December 31, 2018
Advances made to municipalities for water system enhancements	\$ 89	\$ 90
Advances and other asset conveyances to third parties to support LNG terminals	55	54
Tax-related payments and receivables	21	21
Equity method investments	124	94
Advances made under EPC and non-EPC contracts	11	14
Other	37	32
Total other non-current assets, net	<u>\$ 337</u>	<u>\$ 305</u>

Equity Method Investments

Our equity method investments consist of interests in privately-held companies. In 2017, we acquired an equity interest in Midship Holdings, LLC (“Midship Holdings”), which manages the business and affairs of Midship Pipeline Company, LLC (“Midship Pipeline”). Midship Pipeline is currently constructing an approximately 200-mile natural gas pipeline project (the “Midship Project”) that connects production in the Anadarko Basin to Gulf Coast markets. Construction of the Midship Project commenced in the first quarter of 2019.

Subsequent to Midship Project obtaining its financing in the form of credit facilities, in conjunction with existing equity, Midship Holdings is able to finance its current activities without additional subordinated financial support. As a result of the total equity investment at risk being sufficient to finance its activities, Midship Holdings is no longer a variable interest entity. We continue to report Midship Holdings as an equity method investment due to our ability to exercise significant influence over the operating and financial policies of Midship Holdings through our non-controlling voting rights on its board of managers. Our investment in Midship Holdings was \$117 million and \$85 million at June 30, 2019 and December 31, 2018, respectively.

Cheniere LNG O&M Services, LLC (“O&M Services”), our wholly owned subsidiary, provides the development, construction, operation and maintenance services associated with the Midship Project pursuant to agreements in which O&M Services receives an agreed upon fee and reimbursement of costs incurred. O&M Services recorded \$3 million in each of the three months ended June 30, 2019 and 2018 and \$7 million and \$4 million in the six months ended June 30, 2019 and 2018, respectively, of other revenues and \$2 million and \$4 million of accounts receivable as of June 30, 2019 and December 31, 2018, respectively, for services provided to Midship Pipeline under these agreements. CCL has entered into a transportation precedent agreement and a negotiated rate agreement with Midship Pipeline to secure firm pipeline transportation capacity for a period of 10 years following commencement of the Midship Project. In May 2018, CCL issued a letter of credit to Midship Pipeline for drawings up to an aggregate maximum amount of \$16 million. Midship Pipeline had not made any drawings on this letter of credit as of June 30, 2019.

NOTE 8—NON-CONTROLLING INTEREST

We own a 48.6% limited partner interest in Cheniere Partners in the form of 104.5 million common units and 135.4 million subordinated units, with the remaining non-controlling interest held by Blackstone CQP Holdco LP and the public. We also own 100% of the general partner interest and the incentive distribution rights in Cheniere Partners. Cheniere Partners is accounted for as a variable interest entity. See [Note 10—Variable Interest Entities](#) of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2018 for further information.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

NOTE 9—ACCRUED LIABILITIES

As of June 30, 2019 and December 31, 2018, accrued liabilities consisted of the following (in millions):

	June 30, 2019	December 31, 2018
Interest costs and related debt fees	\$ 405	\$ 233
Accrued natural gas purchases	402	610
LNG terminals and related pipeline costs	630	125
Compensation and benefits	58	117
Accrued LNG inventory	3	14
Other accrued liabilities	74	70
Total accrued liabilities	<u>\$ 1,572</u>	<u>\$ 1,169</u>

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

NOTE 10—DEBT

As of June 30, 2019 and December 31, 2018, our debt consisted of the following (in millions):

	June 30, 2019	December 31, 2018
Long-term debt:		
<i>SPL</i>		
5.625% Senior Secured Notes due 2021 (“2021 SPL Senior Notes”)	\$ 2,000	\$ 2,000
6.25% Senior Secured Notes due 2022 (“2022 SPL Senior Notes”)	1,000	1,000
5.625% Senior Secured Notes due 2023 (“2023 SPL Senior Notes”)	1,500	1,500
5.75% Senior Secured Notes due 2024 (“2024 SPL Senior Notes”)	2,000	2,000
5.625% Senior Secured Notes due 2025 (“2025 SPL Senior Notes”)	2,000	2,000
5.875% Senior Secured Notes due 2026 (“2026 SPL Senior Notes”)	1,500	1,500
5.00% Senior Secured Notes due 2027 (“2027 SPL Senior Notes”)	1,500	1,500
4.200% Senior Secured Notes due 2028 (“2028 SPL Senior Notes”)	1,350	1,350
5.00% Senior Secured Notes due 2037 (“2037 SPL Senior Notes”)	800	800
<i>Cheniere Partners</i>		
5.250% Senior Notes due 2025 (“2025 CQP Senior Notes”)	1,500	1,500
5.625% Senior Notes due 2026 (“2026 CQP Senior Notes”)	1,100	1,100
2016 CQP Credit Facilities	—	—
2019 CQP Credit Facilities	649	—
<i>CCH</i>		
7.000% Senior Secured Notes due 2024 (“2024 CCH Senior Notes”)	1,250	1,250
5.875% Senior Secured Notes due 2025 (“2025 CCH Senior Notes”)	1,500	1,500
5.125% Senior Secured Notes due 2027 (“2027 CCH Senior Notes”)	1,500	1,500
CCH Credit Facility	6,138	5,156
<i>CCH HoldCo II</i>		
11.0% Convertible Senior Secured Notes due 2025 (“2025 CCH HoldCo II Convertible Senior Notes”)	1,536	1,455
<i>Cheniere</i>		
4.875% Convertible Unsecured Notes due 2021 (“2021 Cheniere Convertible Unsecured Notes”)	1,248	1,218
4.25% Convertible Senior Notes due 2045 (“2045 Cheniere Convertible Senior Notes”)	625	625
\$1.25 billion Cheniere Revolving Credit Facility (“Cheniere Revolving Credit Facility”)	—	—
Unamortized premium, discount and debt issuance costs, net	(752)	(775)
Total long-term debt, net	29,944	28,179
Current debt:		
\$1.2 billion SPL Working Capital Facility (“SPL Working Capital Facility”)	—	—
\$1.2 billion CCH Working Capital Facility (“CCH Working Capital Facility”)	—	168
Cheniere Marketing trade finance facilities	—	71
Total current debt	—	239
Total debt, net	\$ 29,944	\$ 28,418

2019 Debt Issuances and Terminations

2016 CQP Credit Facilities

In May 2019, the remaining commitments under the 2016 CQP Credit Facilities were terminated. There were no write-offs of debt issuance costs associated with the termination of the 2016 CQP Credit Facilities.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

2019 CQP Credit Facilities

In May 2019, Cheniere Partners entered into the \$1.5 billion 2019 CQP Credit Facilities, which consist of a \$750 million term loan (“CQP Term Facility”) and a \$750 million revolving credit facility (“CQP Revolving Facility”). Borrowings under the 2019 CQP Credit Facilities will be used to fund the development and construction of Train 6 of the SPL Project and subject to a sublimit, for general corporate purposes. The CQP Revolving Facility is also available for the issuance of letters of credit.

Loans under the 2019 CQP Credit Facilities will accrue interest at a variable rate per annum equal to LIBOR or the base rate (equal to the highest of the prime rate, the federal funds effective rate, as published by the Federal Reserve Bank of New York, plus 0.50%, and the adjusted one-month LIBOR plus 1.0%), plus the applicable margin. Under the CQP Term Facility, the applicable margin for LIBOR loans is 1.50% per annum, and the applicable margin for base rate loans is 0.50% per annum, in each case with a 0.25% step-up beginning on May 29, 2022. Under the CQP Revolving Facility, the applicable margin for LIBOR loans is 1.25% to 2.125% per annum, and the applicable margin for base rate loans is 0.25% to 1.125% per annum, in each case depending on the then-current rating of Cheniere Partners. Interest on LIBOR loans is due and payable at the end of each applicable LIBOR period (and at the end of every three-month period within the LIBOR period, if any), and interest on base rate loans is due and payable at the end of each calendar quarter.

Cheniere Partners incurred \$20 million of discounts and debt issuance costs in conjunction with the entry into the 2019 CQP Credit Facilities. Cheniere Partners pays a commitment fee equal to an annual rate of 30% of the margin for LIBOR loans multiplied by the average daily amount of the undrawn commitment, payable quarterly in arrears.

The 2019 CQP Credit Facilities mature on May 29, 2024. The principal of any loans under the 2019 CQP Credit Facilities must be repaid in quarterly installments commencing on May 29, 2023 based on an amortization schedule. Any outstanding balance may be repaid, in whole or in part, at any time without premium or penalty, except for interest hedging and interest rate breakage costs. The 2019 CQP Credit Facilities contain conditions precedent for extensions of credit, as well as customary affirmative and negative covenants, and limit Cheniere Partners’ ability to make restricted payments, including distributions, to once per fiscal quarter and one true-up per fiscal quarter as long as certain conditions are satisfied.

The 2019 CQP Credit Facilities are unconditionally guaranteed by each subsidiary of Cheniere Partners other than SPL, Sabine Pass LNG-LP, LLC and certain subsidiaries of Cheniere Partners owning other development projects, as well as certain other specified subsidiaries and members of the foregoing entities.

Credit Facilities

Below is a summary of our credit facilities outstanding as of June 30, 2019 (in millions):

	SPL Working Capital Facility (1)	2019 CQP Credit Facilities	CCH Credit Facility	CCH Working Capital Facility	Cheniere Revolving Credit Facility
Original facility size	\$ 1,200	\$ 1,500	\$ 8,404	\$ 350	\$ 750
Incremental commitments	—	—	1,566	850	500
Less:					
Outstanding balance	—	649	6,138	—	—
Commitments prepaid or terminated	—	—	3,832	—	—
Letters of credit issued	415	—	—	338	—
Available commitment	\$ 785	\$ 851	\$ —	\$ 862	\$ 1,250
Interest rate on outstanding balance	LIBOR plus 1.75% or base rate plus 0.75%	(2)	LIBOR plus 1.75% or base rate plus 0.75%	LIBOR plus 1.25% - 1.75% or base rate plus 0.25% - 0.75%	LIBOR plus 1.75% - 2.50% or base rate plus 0.75% - 1.50%
Weighted average interest rate of outstanding balance	n/a	3.92%	4.15%	n/a	n/a
Maturity date	December 31, 2020	May 29, 2024	June 30, 2024	June 29, 2023	December 23, 2022

(1) The SPL Working Capital Facility was amended in May 2019 in connection with commercialization and financing of Train 6 of the SPL Project. All terms of the SPL Working Capital Facility substantially remained unchanged.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

- (2) LIBOR plus 1.50% or base rate plus 0.50%, with a 0.25% step-up beginning on May 29, 2022 for the CQP Term Facility. LIBOR plus 1.25% to 2.125% or base rate plus 0.25% to 1.125%, depending on the then-current rating of Cheniere Partners for the CQP Revolving Facility.

Convertible Notes

Below is a summary of our convertible notes outstanding as of June 30, 2019 (in millions):

	2021 Cheniere Convertible Unsecured Notes	2025 CCH HoldCo II Convertible Senior Notes	2045 Cheniere Convertible Senior Notes
Aggregate original principal	\$ 1,000	\$ 1,000	\$ 625
Debt component, net of discount and debt issuance costs	\$ 1,172	\$ 1,519	\$ 311
Equity component	\$ 210	\$ —	\$ 194
Interest payment method	Paid-in-kind	Paid-in-kind (1)	Cash
Conversion by us (2)	—	(3)	(4)
Conversion by holders (2)	(5)	(6)	(7)
Conversion basis	Cash and/or stock	Stock	Cash and/or stock
Conversion value in excess of principal	\$ —	\$ —	\$ —
Maturity date	May 28, 2021	May 13, 2025	March 15, 2045
Contractual interest rate	4.875 %	11.0 %	4.25 %
Effective interest rate (8)	8.4 %	11.9 %	9.4 %
Remaining debt discount and debt issuance costs amortization period (9)	1.9 years	1.3 years	25.7 years

- (1) Prior to the substantial completion of Train 2 of the CCL Project, interest will be paid entirely in kind. Following this date, the interest generally must be paid in cash; however, a portion of the interest may be paid in kind under certain specified circumstances.
- (2) Conversion is subject to various limitations and conditions.
- (3) Convertible on or after the later of March 1, 2020 and the substantial completion of Train 2 of the CCL Project, provided that our market capitalization is not less than \$10.0 billion ("Eligible Conversion Date"). The conversion price is the lower of (1) a 10% discount to the average of the daily volume-weighted average price ("VWAP") of our common stock for the 90 trading day period prior to the date notice is provided, and (2) a 10% discount to the closing price of our common stock on the trading day preceding the date notice is provided.
- (4) Redeemable at any time after March 15, 2020 at a redemption price payable in cash equal to the accreted amount of the 2045 Cheniere Convertible Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to such redemption date.
- (5) Initially convertible at \$93.64 (subject to adjustment upon the occurrence of certain specified events), provided that the closing price of our common stock is greater than or equal to the conversion price on the conversion date.
- (6) Convertible on or after the six-month anniversary of the Eligible Conversion Date, provided that our total market capitalization is not less than \$10.0 billion, at a price equal to the average of the daily VWAP of our common stock for the 90 trading day period prior to the date on which notice of conversion is provided.
- (7) Prior to December 15, 2044, convertible only under certain circumstances as specified in the indenture; thereafter, holders may convert their notes regardless of these circumstances. The conversion rate will initially equal 7.2265 shares of our common stock per \$1,000 principal amount of the 2045 Cheniere Convertible Senior Notes, which corresponds to an initial conversion price of approximately \$138.38 per share of our common stock (subject to adjustment upon the occurrence of certain specified events).
- (8) Rate to accrete the discounted carrying value of the convertible notes to the face value over the remaining amortization period.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

- (9) We amortize any debt discount and debt issuance costs using the effective interest over the period through contractual maturity except for the 2025 CCH HoldCo II Convertible Senior Notes, which are amortized through the date they are first convertible by holders into our common stock.

Restrictive Debt Covenants

As of June 30, 2019, each of our issuers was in compliance with all covenants related to their respective debt agreements.

Interest Expense

Total interest expense, including interest expense related to our convertible notes, consisted of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Interest cost on convertible notes:				
Interest per contractual rate	\$ 64	\$ 58	\$ 126	\$ 116
Amortization of debt discount	9	8	19	16
Amortization of debt issuance costs	3	2	6	4
Total interest cost related to convertible notes	76	68	151	136
Interest cost on debt and finance leases excluding convertible notes	382	344	755	680
Total interest cost	458	412	906	816
Capitalized interest	(86)	(196)	(287)	(384)
Total interest expense, net	\$ 372	\$ 216	\$ 619	\$ 432

Fair Value Disclosures

The following table shows the carrying amount, which is net of unamortized premium, discount and debt issuance costs, and estimated fair value of our debt (in millions):

	June 30, 2019		December 31, 2018	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Senior notes (1)	\$ 19,483	\$ 21,499	\$ 19,466	\$ 19,901
2037 SPL Senior Notes (2)	791	912	791	817
Credit facilities (3)	6,668	6,668	5,294	5,294
2021 Cheniere Convertible Unsecured Notes (2)	1,172	1,302	1,126	1,236
2025 CCH HoldCo II Convertible Senior Notes (2)	1,519	1,771	1,432	1,612
2045 Cheniere Convertible Senior Notes (4)	311	489	310	431

- (1) Includes 2021 SPL Senior Notes, 2022 SPL Senior Notes, 2023 SPL Senior Notes, 2024 SPL Senior Notes, 2025 SPL Senior Notes, 2026 SPL Senior Notes, 2027 SPL Senior Notes, 2028 SPL Senior Notes, 2025 CQP Senior Notes, 2026 CQP Senior Notes, 2024 CCH Senior Notes, 2025 CCH Senior Notes and 2027 CCH Senior Notes. The Level 2 estimated fair value was based on quotes obtained from broker-dealers or market makers of these senior notes and other similar instruments.
- (2) The Level 3 estimated fair value was calculated based on inputs that are observable in the market or that could be derived from, or corroborated with, observable market data, including our stock price and interest rates based on debt issued by parties with comparable credit ratings to us and inputs that are not observable in the market.
- (3) Includes SPL Working Capital Facility, 2016 CQP Credit Facilities, 2019 CQP Credit Facilities, CCH Credit Facility, CCH Working Capital Facility, Cheniere Revolving Credit Facility and Cheniere Marketing trade finance facilities. The Level 3 estimated fair value approximates the principal amount because the interest rates are variable and reflective of market rates and the debt may be repaid, in full or in part, at any time without penalty.
- (4) The Level 1 estimated fair value was based on unadjusted quoted prices in active markets for identical liabilities that we had the ability to access at the measurement date.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

NOTE 11—LEASES

Our leased assets consist primarily of (1) LNG vessel time charters (“vessel charters”), (2) tug vessels, (3) office space and facilities and (4) land sites, all of which are classified as operating leases except for our tug vessels at the Corpus Christi LNG terminal, which are classified as finance leases.

ASC 842 requires a lessee to recognize leases on its balance sheet by recording a lease liability representing the obligation to make future lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. As our leases generally do not provide an implicit rate, in order to calculate the lease liability, we discounted our expected future lease payments using our relevant subsidiary’s incremental borrowing rate at the later of January 1, 2019 or the commencement date of the lease. The incremental borrowing rate is an estimate of the rate of interest that a given subsidiary would have to pay to borrow on a collateralized basis over a similar term to that of the lease term.

Many of our leases contain renewal options exercisable at our sole discretion. Options to renew a lease are included in the lease term and recognized as part of the right-of-use asset and lease liability only to the extent they are reasonably certain to be exercised, such as when necessary to satisfy obligations that existed at the execution of the lease or when the non-renewal would otherwise result in an economic penalty.

We have elected the practical expedient to omit leases with an initial term of 12 months or less (“short-term lease”) from recognition on the balance sheet. We recognize short-term lease payments on a straight-line basis over the lease term and variable payments under short-term leases in the period in which the obligation is incurred.

Certain of our leases contain non-lease components which are not separated from the lease components when calculating the right-of-use asset and lease liability per our use of the practical expedient to combine both components of an arrangement for all classes of leased assets.

Certain of our leases also contain variable payments, such as inflation, that are not included when calculating the right-of-use asset and lease liability unless the payments are in-substance fixed.

We recognize lease expense for operating leases on a straight-line basis over the lease term. We recognize lease expense for finance leases as the sum of the amortization of the right-of-use assets on a straight-line basis and the interest on lease liabilities using the effective interest method over the lease term.

The following table shows the classification and location of our right-of-use assets and lease liabilities on our Consolidated Balance Sheets (in millions):

	Consolidated Balance Sheet Location	June 30, 2019
Right-of-use assets—Operating	Operating lease assets, net	\$ 502
Right-of-use assets—Financing	Property, plant and equipment, net	58
Total right-of-use assets		<u>\$ 560</u>
Current operating lease liabilities	Current operating lease liabilities	\$ 292
Current finance lease liabilities	Other current liabilities	1
Non-current operating lease liabilities	Non-current operating lease liabilities	202
Non-current finance lease liabilities	Non-current finance lease liabilities	58
Total lease liabilities		<u>\$ 553</u>

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

The following table shows the classification and location of our lease cost on our Consolidated Statements of Operations (in millions):

	Consolidated Statement of Operations Location	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease cost (1)	Operating costs and expenses (2)	\$ 140	\$ 277
Finance lease cost:			
Amortization of right-of-use assets	Depreciation and amortization expense	1	2
Interest on lease liabilities	Interest expense, net of capitalized interest	3	5
Total lease cost		<u>\$ 144</u>	<u>\$ 284</u>

- (1) Includes \$46 million and \$93 million of short-term lease costs and \$8 million and \$13 million of variable lease costs incurred during the three and six months ended June 30, 2019, respectively.
- (2) Presented in cost of sales, operating and maintenance expense or selling, general and administrative expense consistent with the nature of the asset under lease.

Future annual minimum lease payments for operating and finance leases as of June 30, 2019 are as follows (in millions):

Years Ending December 31,	Operating Leases (1)	Finance Leases
2019	\$ 192	\$ 5
2020	167	10
2021	39	10
2022	19	10
2023	19	10
Thereafter	166	146
Total lease payments	602	191
Less: Interest	(108)	(132)
Present value of lease liabilities	<u>\$ 494</u>	<u>\$ 59</u>

- (1) Does not include \$1.6 billion of legally binding minimum lease payments for vessel charters which were executed as of June 30, 2019 but will commence primarily between 2020 and 2021 and have lease terms of up to seven years.

Future annual minimum lease payments for operating and capital leases as of December 31, 2018, prepared in accordance with accounting standards prior to the adoption of ASC 842, were as follows (in millions):

Years Ending December 31,	Operating Leases (1)	Capital Leases (2)
2019 (3)	\$ 380	\$ 5
2020	184	5
2021	238	5
2022	264	5
2023	264	5
Thereafter	999	73
Total lease payments	2,329	98
Less: Interest	—	(39)
Present value of lease liabilities	<u>\$ 2,329</u>	<u>\$ 59</u>

- (1) Includes certain lease option renewals that are reasonably assured and payments for certain non-lease components. Also includes \$79 million in payments for short-term leases and \$1.6 billion in payments for LNG vessel charters which were previously executed but will commence primarily between 2020 and 2021.
- (2) Does not include payments for non-lease components of \$98 million.
- (3) Does not include \$43 million in aggregate payments we will receive from our LNG vessel subcharters.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

The following table shows the weighted-average remaining lease term (in years) and the weighted-average discount rate for our operating leases and finance leases:

	June 30, 2019	
	Operating Leases	Finance Leases
Weighted-average remaining lease term (in years)	7.2	19.3
Weighted-average discount rate (1)	5.4%	16.2%

- (1) The finance leases commenced prior to the adoption of ASC 842. In accordance with previous accounting guidance, the implied rate is based on the fair value of the underlying assets.

The following table includes other quantitative information for our operating and finance leases (in millions):

	Six Months Ended June 30, 2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 174
Operating cash flows from finance leases	5
Financing cash flows from finance leases	—
Right-of-use assets obtained in exchange for new operating lease liabilities	106

LNG Vessel Subcharters

From time to time, we sublease certain LNG vessels under charter to third parties while retaining our existing obligation to the original lessor. We have elected the practical expedient for lessors to combine lease and non-lease components and since the lease component is the predominant component of each arrangement, these subleases are accounted for as operating leases. The subleases have lease terms of up to one year and many contain short-term renewal options exercisable at the discretion of the third party. As of June 30, 2019, we had \$13 million in future minimum sublease payments to be received from LNG vessel subcharters, which will be recognized entirely within 2019. We recognize fixed sublease income on a straight-line basis over the lease term of the sublease while variable sublease income is recognized when earned. We recognized \$31 million and \$68 million of sublease income, including \$5 million and \$10 million of variable lease payments, during the three and six months ended June 30, 2019, respectively, in other revenues on our Consolidated Statements of Operations.

NOTE 12—REVENUES FROM CONTRACTS WITH CUSTOMERS

The following table represents a disaggregation of revenue earned from contracts with customers during the three and six months ended June 30, 2019 and 2018 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
LNG revenues	\$ 2,080	\$ 1,516	\$ 4,147	\$ 3,668
Regasification revenues	67	65	133	130
Other revenues	21	13	36	23
Total revenues from customers	2,168	1,594	4,316	3,821
Net derivative gains (losses) (1)	93	(64)	169	(60)
Other revenues (2)	31	13	68	24
Total revenues	\$ 2,292	\$ 1,543	\$ 4,553	\$ 3,785

- (1) See [Note 6—Derivative Instruments](#) for additional information about our derivatives.
- (2) Includes revenues from LNG vessel subcharters. See [Note 11—Leases](#) for additional information about our subleases.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

Contract Assets and Liabilities

The following table shows our contract assets, which we classify as other non-current assets, net on our Consolidated Balance Sheets (in millions):

	June 30, 2019	December 31, 2018
Contract assets	\$ 8	\$ —

Contract assets represent our right to consideration for transferring goods or services to the customer under the terms of a sales contract when the associated consideration is not yet due. Changes in contract assets during the six months ended June 30, 2019 were primarily attributable to revenue recognized due to the delivery of LNG under certain SPAs for which the associated consideration was not yet due.

The following table reflects the changes in our contract liabilities, which we classify as deferred revenue on our Consolidated Balance Sheets (in millions):

	Six Months Ended June 30, 2019
Deferred revenues, beginning of period	\$ 139
Cash received but not yet recognized	136
Revenue recognized from prior period deferral	(139)
Deferred revenues, end of period	\$ 136

Transaction Price Allocated to Future Performance Obligations

Because many of our sales contracts have long-term durations, we are contractually entitled to significant future consideration which we have not yet recognized as revenue. The following table discloses the aggregate amount of the transaction price that is allocated to performance obligations that have not yet been satisfied as of June 30, 2019 and December 31, 2018:

	June 30, 2019		December 31, 2018	
	Unsatisfied Transaction Price (in billions)	Weighted Average Recognition Timing (years) (1)	Unsatisfied Transaction Price (in billions)	Weighted Average Recognition Timing (years) (1)
LNG revenues	\$ 108.4	11	\$ 106.6	11
Regasification revenues	2.5	5	2.6	6
Total revenues	\$ 110.9		\$ 109.2	

- (1) The weighted average recognition timing represents an estimate of the number of years during which we shall have recognized half of the unsatisfied transaction price.

We have elected the following exemptions which omit certain potential future sources of revenue from the table above:

- (1) We omit from the table above all performance obligations that are part of a contract that has an original expected duration of one year or less.
- (2) We omit from the table above all variable consideration that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation when that performance obligation qualifies as a series. The table above excludes substantially all variable consideration under our SPAs and TUAs. The amount of revenue from variable fees that is not included in the transaction price will vary based on the future prices of Henry Hub throughout the contract terms, to the extent customers elect to take delivery of their LNG, and adjustments to the consumer price index. Certain of our contracts contain additional variable consideration based on the outcome of contingent events and the movement of various indexes. We have not included such variable consideration in the transaction price to the extent the consideration is considered constrained due to the uncertainty of ultimate pricing and receipt. Approximately 52% and 55% of our LNG revenues from contracts with a duration of over one year during the three months ended June 30, 2019 and 2018, respectively, and approximately 55% of our LNG revenues from contracts with a duration of over one year during

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

each of the six months ended June 30, 2019 and 2018 were related to variable consideration received from customers. During each of the three and six months ended June 30, 2019 and 2018, approximately 3% of our regasification revenues were related to variable consideration received from customers.

We have entered into contracts to sell LNG that are conditioned upon one or both of the parties achieving certain milestones such as reaching FID on a certain liquefaction Train, obtaining financing or achieving substantial completion of a Train and any related facilities. These contracts are considered completed contracts for revenue recognition purposes and are included in the transaction price above when the conditions are considered probable of being met.

NOTE 13—INCOME TAXES

We recorded an income tax benefit of zero and \$3 million during the three months ended June 30, 2019 and 2018, respectively, and an income tax provision of \$3 million and \$12 million during the six months ended June 30, 2019 and 2018, respectively. Changes in the income tax recorded between comparative periods are primarily attributable to changes in the income earned and tax transfer pricing applied to our U.K. integrated marketing function.

The effective tax rates during the three and six months ended June 30, 2019 and 2018 were lower than the 21% federal statutory rate during the 2019 and 2018 interim periods primarily as a result of maintaining a valuation allowance against our federal and state net deferred tax assets. Due to historical losses and other available evidence related to our ability to generate taxable income, we continue to maintain a valuation allowance against our federal and state net deferred tax assets at June 30, 2019.

NOTE 14—SHARE-BASED COMPENSATION

We have granted restricted stock shares, restricted stock units, performance stock units and phantom units to employees and non-employee directors under the 2011 Incentive Plan, as amended (the “2011 Plan”) and the 2015 Employee Inducement Incentive Plan.

For the six months ended June 30, 2019, we granted 1.3 million restricted stock units and 0.2 million performance stock units at target performance under the 2011 Plan to certain employees. Restricted stock units are stock awards that vest over a service period of three years and entitle the holder to receive shares of our common stock upon vesting, subject to restrictions on transfer and to a risk of forfeiture if the recipient terminates employment with us prior to the lapse of the restrictions. Performance stock units provide for cliff vesting after a period of three years with payouts based on metrics dependent upon market and performance achieved over the period from January 1, 2019 through December 31, 2021 compared to pre-established performance targets. The settlement amounts of the awards are based on market and performance metrics which include cumulative distributable cash flow per share, and in certain circumstances, total shareholder return (“TSR”) of our common stock. Where applicable, the compensation for performance stock units is based on fair value assigned to the market metric of TSR using a Monte Carlo model upon grant, which remains constant through the vesting period, and a performance metric, which will vary due to changing estimates regarding the expected achievement of the performance metric of cumulative distributable cash flow per share. The number of shares that may be earned at the end of the vesting period ranges from 25% up to 300% of the target award amount if the threshold performance is met. Both restricted stock units and performance stock units will be settled in Cheniere common stock (on a one-for-one basis) and are classified as equity awards.

Total share-based compensation consisted of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Share-based compensation costs, pre-tax:				
Equity awards	\$ 32	\$ 22	\$ 61	\$ 39
Liability awards	2	15	5	32
Total share-based compensation	34	37	66	71
Capitalized share-based compensation	(1)	(7)	(5)	(13)
Total share-based compensation expense	\$ 33	\$ 30	\$ 61	\$ 58
Tax benefit associated with share-based compensation expense	—	—	1	2

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

NOTE 15—NET INCOME (LOSS) PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

Basic net income (loss) per share attributable to common stockholders (“EPS”) excludes dilution and is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted EPS reflects potential dilution and is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding during the period increased by the number of additional common shares that would have been outstanding if the potential common shares had been issued. The dilutive effect of unvested stock is calculated using the treasury-stock method and the dilutive effect of convertible securities is calculated using the if-converted method.

The following table reconciles basic and diluted weighted average common shares outstanding for the three and six months ended June 30, 2019 and 2018 (in millions, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Weighted average common shares outstanding:				
Basic	257.4	242.8	257.3	239.2
Dilutive unvested stock	—	—	1.3	2.5
Diluted	257.4	242.8	258.6	241.7
Basic net income (loss) per share attributable to common stockholders	\$ (0.44)	\$ (0.07)	\$ 0.11	\$ 1.42
Diluted net income (loss) per share attributable to common stockholders	\$ (0.44)	\$ (0.07)	\$ 0.11	\$ 1.40

Potentially dilutive securities that were not included in the diluted net income (loss) per share computations because their effects would have been anti-dilutive were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Unvested stock (1)	3.8	5.2	3.8	2.6
Convertible notes (2)	17.8	17.2	17.8	17.2
Total potentially dilutive common shares	21.6	22.4	21.6	19.8

- (1) Does not include 0.6 million shares for each of the three and six months ended June 30, 2019 and 0.4 million shares for each of the three and six months ended June 30, 2018 of unvested stock because the performance conditions had not yet been satisfied as of June 30, 2019 and 2018, respectively.
- (2) Includes number of shares in aggregate issuable upon conversion of the 2021 Cheniere Convertible Unsecured Notes and the 2045 Cheniere Convertible Senior Notes. There were no shares included in the computation of diluted net income (loss) per share for the 2025 CCH HoldCo II Convertible Senior Notes because substantive non-market-based contingencies underlying the eligible conversion date have not been met as of June 30, 2019.

NOTE 16—COMMITMENTS AND CONTINGENCIES

We have various contractual obligations which are recorded as liabilities in our Consolidated Financial Statements. Other items, such as certain purchase commitments and other executed contracts which do not meet the definition of a liability as of June 30, 2019, are not recognized as liabilities but require disclosures in our Consolidated Financial Statements.

Legal Proceedings

We may in the future be involved as a party to various legal proceedings, which are incidental to the ordinary course of business. We regularly analyze current information and, as necessary, provide accruals for probable liabilities on the eventual disposition of these matters.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

Parallax Litigation

In 2015, our wholly owned subsidiary, Cheniere LNG Terminals, LLC (“CLNGT”), entered into discussions with Parallax Enterprises, LLC (“Parallax Enterprises”) regarding the potential joint development of two liquefaction plants in Louisiana (the “Potential Liquefaction Transactions”). While the parties negotiated regarding the Potential Liquefaction Transactions, CLNGT loaned Parallax Enterprises approximately \$46 million, as reflected in a secured note dated April 23, 2015, as amended on June 30, 2015, September 30, 2015 and November 4, 2015 (the “Secured Note”). The Secured Note was secured by all assets of Parallax Enterprises and its subsidiary entities. On June 30, 2015, Parallax Enterprises’ parent entity, Parallax Energy LLC (“Parallax Energy”), executed a Pledge and Guarantee Agreement further securing repayment of the Secured Note by providing a parent guaranty and a pledge of all of the equity of Parallax Enterprises in satisfaction of the Secured Note (the “Pledge Agreement”). CLNGT and Parallax Enterprises never executed a definitive agreement to pursue the Potential Liquefaction Transactions. The Secured Note matured on December 11, 2015, and Parallax Enterprises failed to make payment. On February 3, 2016, CLNGT filed an action against Parallax Energy, Parallax Enterprises and certain of Parallax Enterprises’ subsidiary entities, styled Cause No. 4:16-cv-00286, Cheniere LNG Terminals, LLC v. Parallax Energy LLC, et al., in the United States District Court for the Southern District of Texas (the “Texas Federal Suit”). CLNGT asserted claims in the Texas Federal Suit for (1) recovery of all amounts due under the Secured Note and (2) declaratory relief establishing that CLNGT is entitled to enforce its rights under the Secured Note and Pledge Agreement in accordance with each instrument’s terms and that CLNGT has no obligations of any sort to Parallax Enterprises concerning the Potential Liquefaction Transactions. On March 11, 2016, Parallax Enterprises and the other defendants in the Texas Federal Suit moved to dismiss the suit for lack of subject matter jurisdiction. On August 2, 2016, the court denied the defendants’ motion to dismiss without prejudice and permitted the parties to pursue jurisdictional discovery.

On March 11, 2016, Parallax Enterprises filed a suit against us and CLNGT styled Civil Action No. 62-810, Parallax Enterprises LLP v. Cheniere Energy, Inc. and Cheniere LNG Terminals, LLC, in the 25th Judicial District Court of Plaquemines Parish, Louisiana (the “Louisiana Suit”), wherein Parallax Enterprises asserted claims for breach of contract, fraudulent inducement, negligent misrepresentation, detrimental reliance, unjust enrichment and violation of the Louisiana Unfair Trade Practices Act. Parallax Enterprises predicated its claims in the Louisiana Suit on an allegation that we and CLNGT breached a purported agreement to jointly develop the Potential Liquefaction Transactions. Parallax Enterprises sought \$400 million in alleged economic damages and rescission of the Secured Note. On April 15, 2016, we and CLNGT removed the Louisiana Suit to the United States District Court for the Eastern District of Louisiana, which subsequently transferred the Louisiana Suit to the United States District Court for the Southern District of Texas, where it was assigned Civil Action No. 4:16-cv-01628 and transferred to the same judge presiding over the Texas Federal Suit for coordinated handling. On August 22, 2016, Parallax Enterprises voluntarily dismissed all claims asserted against CLNGT and us in the Louisiana Suit without prejudice to refile.

On July 27, 2017, the Parallax entities named as defendants in the Texas Federal Suit reurged their motion to dismiss and simultaneously filed counterclaims against CLNGT and third party claims against us for breach of contract, breach of fiduciary duty, promissory estoppel, quantum meruit and fraudulent inducement of the Secured Note and Pledge Agreement, based on substantially the same factual allegations Parallax Enterprises made in the Louisiana Suit. These Parallax entities also simultaneously filed an action styled Cause No. 2017-49685, Parallax Enterprises, LLC, et al. v. Cheniere Energy, Inc., et al., in the 61st District Court of Harris County, Texas (the “Texas State Suit”), which asserts substantially the same claims these entities asserted in the Texas Federal Suit. On July 31, 2017, CLNGT withdrew its opposition to the dismissal of the Texas Federal Suit without prejudice on jurisdictional grounds and the federal court subsequently dismissed the Texas Federal Suit without prejudice. We and CLNGT simultaneously filed an answer and counterclaims in the Texas State Suit, asserting the same claims CLNGT had previously asserted in the Texas Federal Suit. Additionally, CLNGT filed third party claims against Parallax principals Martin Houston, Christopher Bowen Daniels, Howard Candelet and Mark Evans, as well as Tellurian Investments, Inc., Driftwood LNG, LLC, Driftwood LNG Pipeline LLC and Tellurian Services LLC, formerly known as Parallax Services LLC, including claims for tortious interference with CLNGT’s collateral rights under the Secured Note and Pledge Agreement, fraudulent transfer, conspiracy/aiding and abetting. Discovery in the Texas State Suit is ongoing. Trial is currently set for February 2020.

On February 15, 2019, we filed an action with CLNGT against Charif Souki, our former Chairman of the Board and Chief Executive Officer, styled, Cause No. 2019-11529, *Cheniere Energy, Inc. and Cheniere LNG Terminals, LLC v. Charif Souki*, in the 55th District Court of Harris County, Texas, which asserts claims of breach of fiduciary duties, fraudulent transfer, tortious interference with CLNGT’s collateral rights under the Secured Note and Pledge Agreement and conspiracy/aiding and abetting. On April 29, 2019, the court consolidated the Souki matter with the earlier filed pending case against Parallax, Tellurian and the individual defendants in the Texas State Suit.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

We do not expect that the resolution of any of the foregoing litigation will have a material adverse impact on our financial results.

NOTE 17—CUSTOMER CONCENTRATION

The following table shows customers with revenues of 10% or greater of total revenues from external customers and customers with accounts receivable balances of 10% or greater of total accounts receivable from external customers:

	Percentage of Total Revenues from External Customers				Percentage of Accounts Receivable from External Customers	
	Three Months Ended June 30,		Six Months Ended June 30,		June 30,	December 31,
	2019	2018	2019	2018	2019	2018
Customer A	17%	21%	18%	19%	11%	21%
Customer B	11%	17%	11%	14%	15%	14%
Customer C	11%	18%	12%	22%	15%	18%
Customer D	12%	16%	13%	11%	14%	*
Customer E	*	*	*	*	13%	*
Customer F	*	*	*	*	*	10%

* Less than 10%

NOTE 18—SUPPLEMENTAL CASH FLOW INFORMATION

The following table provides supplemental disclosure of cash flow information (in millions):

	Six Months Ended June 30,	
	2019	2018
Cash paid during the period for interest on debt and finance leases, net of amounts capitalized	\$ 271	\$ 282
Cash paid for income taxes	20	4

The balance in property, plant and equipment, net funded with accounts payable and accrued liabilities was \$958 million and \$935 million as of June 30, 2019 and 2018, respectively.

See [Note 11—Leases](#) for our supplemental cash flow information related to our leases.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information Regarding Forward-Looking Statements

This quarterly report contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical or present facts or conditions, included herein or incorporated herein by reference are "forward-looking statements." Included among "forward-looking statements" are, among other things:

- statements that we expect to commence or complete construction of our proposed LNG terminals, liquefaction facilities, pipeline facilities or other projects, or any expansions or portions thereof, by certain dates, or at all;
- statements regarding future levels of domestic and international natural gas production, supply or consumption or future levels of LNG imports into or exports from North America and other countries worldwide or purchases of natural gas, regardless of the source of such information, or the transportation or other infrastructure or demand for and prices related to natural gas, LNG or other hydrocarbon products;
- statements regarding any financing transactions or arrangements, or our ability to enter into such transactions;
- statements relating to the construction of our Trains and pipelines, including statements concerning the engagement of any EPC contractor or other contractor and the anticipated terms and provisions of any agreement with any EPC or other contractor, and anticipated costs related thereto;
- statements regarding any SPA or other agreement to be entered into or performed substantially in the future, including any revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification, natural gas liquefaction or storage capacities that are, or may become, subject to contracts;
- statements regarding counterparties to our commercial contracts, construction contracts, and other contracts;
- statements regarding our planned development and construction of additional Trains and pipelines, including the financing of such Trains or pipelines;
- statements that our Trains, when completed, will have certain characteristics, including amounts of liquefaction capacities;
- statements regarding our business strategy, our strengths, our business and operation plans or any other plans, forecasts, projections, or objectives, including anticipated revenues, capital expenditures, maintenance and operating costs and cash flows, any or all of which are subject to change;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, approvals, requirements, permits, applications, filings, investigations, proceedings or decisions;
- statements regarding marketing of volumes expected to be made available to our integrated marketing function; and
- any other statements that relate to non-historical or future information.

All of these types of statements, other than statements of historical or present facts or conditions, are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "should," "achieve," "anticipate," "believe," "contemplate," "continue," "estimate," "expect," "intend," "plan," "potential," "predict," "project," "pursue," "target," the negative of such terms or other comparable terminology. The forward-looking statements contained in this quarterly report are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe that such estimates are reasonable, they are inherently uncertain and involve a number of risks and uncertainties beyond our control. In addition, assumptions may prove to be inaccurate. We caution that the forward-looking statements contained in this quarterly report are not guarantees of future performance and that such statements may not be realized or the forward-looking statements or events may not occur. Actual results may differ materially from those anticipated or implied in forward-looking statements as a result of a variety of factors described in this quarterly report and in the other reports and other information that we file with the SEC, including those discussed under "Risk Factors" in our [annual report on Form 10-K for the year ended December 31, 2018](#). All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these risk factors. These forward-looking statements speak only as of the date made, and other than

as required by law, we undertake no obligation to update or revise any forward-looking statement or provide reasons why actual results may differ, whether as a result of new information, future events or otherwise.

Introduction

The following discussion and analysis presents management's view of our business, financial condition and overall performance and should be read in conjunction with our Consolidated Financial Statements and the accompanying notes. This information is intended to provide investors with an understanding of our past performance, current financial condition and outlook for the future. Our discussion and analysis includes the following subjects:

- Overview of Business
- Overview of Significant Events
- Liquidity and Capital Resources
- Results of Operations
- Off-Balance Sheet Arrangements
- Summary of Critical Accounting Estimates
- Recent Accounting Standards

Overview of Business

Cheniere, a Delaware corporation, is a Houston-based energy company primarily engaged in LNG-related businesses. Our vision is to provide clean, secure and affordable energy to the world, while responsibly delivering a reliable, competitive and integrated source of LNG, in a safe and rewarding work environment. We own and operate the Sabine Pass LNG terminal in Louisiana through our ownership interest in and management agreements with Cheniere Partners, which is a publicly traded limited partnership that we created in 2007. As of June 30, 2019, we owned 100% of the general partner interest and 48.6% of the limited partner interest in Cheniere Partners. We also own and operate the Corpus Christi LNG terminal in Texas, which is wholly owned by us. The liquefaction of natural gas into LNG allows it to be shipped economically from the United States where natural gas is abundant and inexpensive to produce to our international customers in areas where natural gas demand and infrastructure exist.

The Sabine Pass LNG terminal is located in Cameron Parish, Louisiana, on the Sabine-Neches Waterway less than four miles from the Gulf Coast. Cheniere Partners is in various stages of constructing and operating six natural gas liquefaction facilities (the "SPL Project") at the Sabine Pass LNG terminal adjacent to the existing regasification facilities through a wholly owned subsidiary, SPL. Trains 1 through 5 are operational and Train 6 is under construction. Each Train is expected to have a nominal production capacity, which is prior to adjusting for planned maintenance, production reliability, potential overdesign and debottlenecking opportunities, of approximately 4.5 mtpa of LNG per Train. The Sabine Pass LNG terminal has operational regasification facilities owned by Cheniere Partners' wholly owned subsidiary, SPLNG, that include pre-existing infrastructure of five LNG storage tanks with aggregate capacity of approximately 16.9 Bcfe, two marine berths that can each accommodate vessels with nominal capacity of up to 266,000 cubic meters and vaporizers with regasification capacity of approximately 4.0 Bcf/d. Cheniere Partners also owns a 94-mile pipeline that interconnects the Sabine Pass LNG terminal with a number of large interstate pipelines through a wholly owned subsidiary, CTPL.

We also own and operate a second natural gas liquefaction and export facility at the Corpus Christi LNG terminal near Corpus Christi, Texas, and operate a 23-mile natural gas supply pipeline that interconnects the Corpus Christi LNG terminal with several interstate and intrastate natural gas pipelines (the "Corpus Christi Pipeline" and together with the liquefaction facilities, the "CCL Project") through our wholly owned subsidiaries CCL and CCP, respectively. The CCL Project is being developed in stages with the first phase being three Trains ("Phase 1"), three LNG storage tanks with aggregate capacity of approximately 10.1 Bcfe and two marine berths that can each accommodate vessels with nominal capacity of up to 266,000 cubic meters. The first stage ("Stage 1") includes Trains 1 and 2, two LNG storage tanks, one complete marine berth and a second partial berth and all of the CCL Project's necessary infrastructure facilities. The second stage ("Stage 2") includes Train 3, one LNG storage tank and the completion of the second partial berth. Train 1 is operational, Train 2 is undergoing commissioning and Train 3 is under construction. Each Train is expected to have a nominal production capacity, which is prior to adjusting for planned maintenance, production reliability, potential overdesign and debottlenecking opportunities, of approximately 4.5 mtpa of LNG per Train.

We have contracted approximately 85% of the expected aggregate nominal production capacity from the SPL Project and the CCL Project (collectively, the “Liquefaction Projects”) on a long-term basis.

Additionally, separate from the CCH Group, we are developing an expansion of the Corpus Christi LNG terminal adjacent to the CCL Project (“Corpus Christi Stage 3”) and filed an application with FERC in June 2018 for seven midscale Trains with an expected aggregate nominal production capacity of approximately 9.5 mtpa and one LNG storage tank.

We have made an equity investment in Midship Holdings, LLC (“Midship Holdings”), which manages the business and affairs of Midship Pipeline Company, LLC (“Midship Pipeline”). Midship Pipeline is constructing a pipeline (the “Midship Project”) with expected capacity of up to 1.44 million Dekatherms per day that will connect new gas production in the Anadarko Basin to Gulf Coast markets, including markets serving the Liquefaction Projects. Construction of the Midship Project commenced in the first quarter of 2019.

We remain focused on expansion of our existing sites by leveraging existing infrastructure. We continue to consider development of other projects, including infrastructure projects in support of natural gas supply and LNG demand, which, among other things, will require acceptable commercial and financing arrangements before we can make a final investment decision (“FID”).

Overview of Significant Events

Our significant accomplishments since January 1, 2019 and through the filing date of this Form 10-Q include the following:

Strategic

- In June 2019, our board of directors (the “Board”) appointed Michele A. Evans to serve as a member of the Board. Ms. Evans was also appointed to the Audit Committee and the Governance and Nominating Committee of the Board.
- In May 2019, our wholly owned subsidiary CCL Stage III entered into an integrated production marketing transaction with Apache Corporation to purchase 140,000 MMBtu per day of natural gas, for a term of approximately 15 years, at a price based on international LNG indices, net of a fixed liquefaction fee and certain costs incurred by Cheniere.
- In May 2019, the board of directors of the general partner of Cheniere Partners made a positive FID with respect to Train 6 of the SPL Project and issued a full notice to proceed with construction to Bechtel Oil, Gas and Chemicals, Inc. (“Bechtel”) in June 2019.
- In March 2019, we received a positive Environmental Assessment from the FERC relating to Corpus Christi Stage 3 and anticipate receiving all remaining necessary regulatory approvals for the project by the end of 2019.
- In February 2019, Midship Pipeline, in which we hold an indirect equity interest, issued full notice to proceed to construct the Midship natural gas pipeline and related compression and interconnect facilities following receipt of final Notice to Proceed from the FERC and obtaining financing to construct the Midship Project.

Operational

- As of July 31, 2019, over 750 cumulative LNG cargoes have been produced, loaded and exported from the Liquefaction Projects.
- In June 2019, first LNG production from Train 2 of the CCL Project occurred, and the first commissioning cargo from Train 2 was exported.
- In February 2019 and March 2019, CCL and SPL achieved substantial completion of Train 1 of the CCL Project and Train 5 of the SPL Project, respectively, and commenced operating activities.

Financial

- In June 2019, we announced a capital allocation framework which prioritizes investments in the growth of our liquefaction platform, improvement of consolidated leverage metrics, and a return of excess capital to shareholders under a three-year, \$1.0 billion share repurchase program.
- In June 2019, the date of first commercial delivery was reached under the 20-year SPAs with Endesa S.A. and PT Pertamina (Persero) relating to Train 1 of the CCL Project.

- In June 2019, CCH and its subsidiaries, as guarantors, entered into a note purchase agreement (“CCH Note Purchase Agreement”) with Allianz Global Investors GmbH to issue an aggregate principal amount of \$727 million of 4.80% Senior Secured Notes due 2039 (the “2039 CCH Senior Notes”), with closing and funding of the 2039 CCH Senior Notes conditional in part on the 2039 CCH Senior Notes receiving at least two investment grade ratings within 18 months of the date of the CCH Note Purchase Agreement.
- In May 2019, Cheniere Partners entered into five-year, \$1.5 billion credit facilities (the “2019 CQP Credit Facilities”), which consist of a \$750 million delayed draw term loan (“CQP Term Facility”) and a \$750 million revolving credit facility (“CQP Revolving Facility”), to fund a portion of the development and construction of Train 6, a third LNG berth and supporting infrastructure at the SPL Project.
- In March 2019, the date of first commercial delivery was reached under the 20-year SPA with BG Gulf Coast LNG, LLC relating to Train 4 of the SPL Project.

Liquidity and Capital Resources

Although results are consolidated for financial reporting, Cheniere, Cheniere Partners, SPL and the CCH Group operate with independent capital structures. We expect the cash needs for at least the next twelve months will be met for each of these independent capital structures as follows:

- SPL through project debt and borrowings, operating cash flows and equity contributions from Cheniere Partners;
- Cheniere Partners through operating cash flows from SPLNG, SPL and CTPL and debt or equity offerings;
- CCH Group through operating cash flows from CCL and CCP, project debt and borrowings and equity contributions from Cheniere; and
- Cheniere through project financing, existing unrestricted cash, debt and equity offerings by us or our subsidiaries, operating cash flows, services fees from our subsidiaries and distributions from our investment in Cheniere Partners.

The following table provides a summary of our liquidity position at June 30, 2019 and December 31, 2018 (in millions):

	June 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 2,279	\$ 981
Restricted cash designated for the following purposes:		
SPL Project	596	756
Cheniere Partners and cash held by guarantor subsidiaries	—	785
CCL Project	279	289
Other	286	345
Available commitments under the following credit facilities:		
\$1.2 billion SPL Working Capital Facility (“SPL Working Capital Facility”)	785	775
\$1.5 billion 2019 CQP Credit Facilities	851	—
\$2.8 billion Cheniere Partners’ Credit Facilities (“2016 CQP Credit Facilities”)	—	115
Amended and restated CCH Credit Facility (“CCH Credit Facility”)	—	982
\$1.2 billion CCH Working Capital Facility (“CCH Working Capital Facility”)	862	716
\$1.25 billion Cheniere Revolving Credit Facility (“Cheniere Revolving Credit Facility”)	1,250	1,250

For additional information regarding our debt agreements, see [Note 10—Debt](#) of our Notes to Consolidated Financial Statements in this quarterly report and [Note 12—Debt](#) of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2018.

Cheniere

Convertible Notes

In November 2014, we issued an aggregate principal amount of \$1.0 billion of Convertible Unsecured Notes due 2021 (the “2021 Cheniere Convertible Unsecured Notes”). The 2021 Cheniere Convertible Unsecured Notes are convertible at the option of the holder into our common stock at the then applicable conversion rate, provided that the closing price of our common stock is greater than or equal to the conversion price on the date of conversion. In March 2015, we issued \$625 million aggregate

principal amount of 4.25% Convertible Senior Notes due 2045 (the “2045 Cheniere Convertible Senior Notes”). We have the right, at our option, at any time after March 15, 2020, to redeem all or any part of the 2045 Cheniere Convertible Senior Notes at a redemption price equal to the accreted amount of the 2045 Cheniere Convertible Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to such redemption date. We have the option to satisfy the conversion obligation for the 2021 Cheniere Convertible Unsecured Notes and the 2045 Cheniere Convertible Senior Notes with cash, common stock or a combination thereof.

Cheniere Revolving Credit Facility

In December 2018, we amended and restated the Cheniere Revolving Credit Facility to increase total commitments under the Cheniere Revolving Credit Facility from \$750 million to \$1.25 billion. The Cheniere Revolving Credit Facility is intended to fund, through loans and letters of credit, equity capital contributions to CCH HoldCo II and its subsidiaries for the development of the CCL Project and, provided that certain conditions are met, for general corporate purposes.

The Cheniere Revolving Credit Facility matures on December 13, 2022 and contains representations, warranties and affirmative and negative covenants customary for companies like us with lenders of the type participating in the Cheniere Revolving Credit Facility that limit our ability to make restricted payments, including distributions, unless certain conditions are satisfied, as well as limitations on indebtedness, guarantees, hedging, liens, investments and affiliate transactions. Under the Cheniere Revolving Credit Facility, we are required to ensure that the sum of our unrestricted cash and the amount of undrawn commitments under the Cheniere Revolving Credit Facility is at least equal to the lesser of (1) 20% of the commitments under the Cheniere Revolving Credit Facility and (2) \$200 million (the “Liquidity Covenant”).

From and after the time at which certain specified conditions are met (the “Trigger Point”), we will have increased flexibility under the Cheniere Revolving Credit Facility to, among other things, (1) make restricted payments and (2) raise incremental commitments. The Trigger Point will occur once (1) completion has occurred for each of Train 1 of the CCL Project (as defined in the CCH Indenture) and Train 5 of the SPL Project (as defined in SPL’s common terms agreement), which has occurred in February 2019 and March 2019, respectively; (2) the aggregate principal amount of outstanding loans plus drawn and unreimbursed letters of credit under the Cheniere Revolving Credit Facility is less than or equal to 10% of aggregate commitments under the Cheniere Revolving Credit Facility and (3) we elect on a go-forward basis to be governed by a non-consolidated leverage ratio covenant not to exceed 5.75:1.00 (the “Springing Leverage Covenant”), which following such election will apply at any time that the aggregate principal amount of outstanding loans plus drawn and unreimbursed letters of credit under the Cheniere Revolving Credit Facility is greater than 30% of aggregate commitments under the Cheniere Revolving Credit Facility. Following the Trigger Point, at any time that the Springing Leverage Covenant is in effect, the Liquidity Covenant will not apply.

The Cheniere Revolving Credit Facility is secured by a first priority security interest (subject to permitted liens and other customary exceptions) in substantially all of our assets, including our interests in our direct subsidiaries (excluding CCH HoldCo II and certain other subsidiaries).

Cash Receipts from Subsidiaries

Our ownership interest in the Sabine Pass LNG terminal is held through Cheniere Partners. As of June 30, 2019, we owned a 48.6% limited partner interest in Cheniere Partners in the form of 104.5 million common units and 135.4 million subordinated units. We also own 100% of the general partner interest and the incentive distribution rights in Cheniere Partners. We are eligible to receive quarterly equity distributions from Cheniere Partners related to our ownership interests and our incentive distribution rights.

We also receive fees for providing management services to some of our subsidiaries. We received \$36 million and \$38 million in total service fees from these subsidiaries during each of the six months ended June 30, 2019 and 2018, respectively.

Share Repurchase Authorization

On June 3, 2019, we announced that our Board authorized a 3-year, \$1.0 billion share repurchase program. During the three months ended June 30, 2019, we repurchased an aggregate of 44,600 shares of our common stock for \$3 million, for a weighted average price per share of \$68.30. As of June 30, 2019, we had \$997 million of the share repurchase authorization available. Under the share repurchase program, repurchases can be made from time to time using a variety of methods, which may include open market purchases, privately negotiated transactions or otherwise, all in accordance with the rules of the SEC and other

applicable legal requirements. The timing and amount of any shares of our common stock that are repurchased under the share repurchase program will be determined by our management based on market conditions and other factors.

Cheniere Partners

CQP Senior Notes

The \$1.5 billion of 5.250% Senior Notes due 2025 (the “2025 CQP Senior Notes”) and \$1.1 billion of 5.625% Senior Notes due 2026 (the “2026 CQP Senior Notes”) (collectively, the “CQP Senior Notes”) are jointly and severally guaranteed by each of Cheniere Partners’ subsidiaries other than SPL (the “CQP Guarantors”) and, subject to certain conditions governing its guarantee, Sabine Pass LP. The CQP Senior Notes are governed by the same base indenture (the “CQP Base Indenture”). The 2025 CQP Senior Notes are further governed by the First Supplemental Indenture (together with the CQP Base Indenture, the “2025 CQP Notes Indenture”) and the 2026 CQP Senior Notes are further governed by the Second Supplemental Indenture (together with the CQP Base Indenture, the “2026 CQP Notes Indenture”). The 2025 CQP Notes Indenture and the 2026 CQP Notes Indenture contain customary terms and events of default and certain covenants that, among other things, limit the ability of Cheniere Partners and the CQP Guarantors to incur liens and sell assets, enter into transactions with affiliates, enter into sale-leaseback transactions and consolidate, merge or sell, lease or otherwise dispose of all or substantially all of the applicable entity’s properties or assets.

At any time prior to October 1, 2020 for the 2025 CQP Senior Notes and October 1, 2021 for the 2026 CQP Senior Notes, Cheniere Partners may redeem all or a part of the applicable CQP Senior Notes at a redemption price equal to 100% of the aggregate principal amount of the CQP Senior Notes redeemed, plus the “applicable premium” set forth in the respective indentures governing the CQP Senior Notes, plus accrued and unpaid interest, if any, to the date of redemption. In addition, at any time prior to October 1, 2020 for the 2025 CQP Senior Notes and October 1, 2021 for the 2026 CQP Senior Notes, Cheniere Partners may redeem up to 35% of the aggregate principal amount of the CQP Senior Notes with an amount of cash not greater than the net cash proceeds from certain equity offerings at a redemption price equal to 105.250% of the aggregate principal amount of the 2025 CQP Senior Notes and 105.625% of the aggregate principal amount of the 2026 CQP Senior Notes redeemed, plus accrued and unpaid interest, if any, to the date of redemption. Cheniere Partners also may at any time on or after October 1, 2020 through the maturity date of October 1, 2025 for the 2025 CQP Senior Notes and October 1, 2021 through the maturity date of October 1, 2026 for the 2026 CQP Senior Notes, redeem the CQP Senior Notes, in whole or in part, at the redemption prices set forth in the respective indentures governing the CQP Senior Notes.

The CQP Senior Notes are Cheniere Partners’ senior obligations, ranking equally in right of payment with Cheniere Partners’ other existing and future unsubordinated debt and senior to any of its future subordinated debt. After applying the proceeds from the 2026 CQP Senior Notes, the CQP Senior Notes became unsecured. In the event that the aggregate amount of Cheniere Partners’ secured indebtedness and the secured indebtedness of the CQP Guarantors (other than the CQP Senior Notes or any other series of notes issued under the CQP Base Indenture) outstanding at any one time exceeds the greater of (1) \$1.5 billion and (2) 10% of net tangible assets, the CQP Senior Notes will be secured to the same extent as such obligations under the 2019 CQP Credit Facilities. The obligations under the 2019 CQP Credit Facilities are secured on a first-priority basis (subject to permitted encumbrances) with liens on substantially all the existing and future tangible and intangible assets and rights of Cheniere Partners and the CQP Guarantors and equity interests in the CQP Guarantors (except, in each case, for certain excluded properties set forth in the 2019 CQP Credit Facilities). The liens securing the CQP Senior Notes, if applicable, will be shared equally and ratably (subject to permitted liens) with the holders of other senior secured obligations, which include the 2019 CQP Credit Facilities obligations and any future additional senior secured debt obligations.

2016 CQP Credit Facilities

In May 2019, the remaining commitments under the 2016 CQP Credit Facilities were terminated.

2019 CQP Credit Facilities

In May 2019, Cheniere Partners entered into the 2019 CQP Credit Facilities, which consist of a \$750 million term loan (“CQP Term Facility”) and a \$750 million revolving credit facility (“CQP Revolving Facility”). Borrowings under the 2019 CQP Credit Facilities will be used to fund the development and construction of Train 6 of the SPL Project and subject to a sublimit, for general corporate purposes. The CQP Revolving Facility is also available for the issuance of letters of credit.

Loans under the 2019 CQP Credit Facilities will accrue interest at a variable rate per annum equal to LIBOR or the base rate (equal to the highest of the prime rate, the federal funds effective rate, as published by the Federal Reserve Bank of New York, plus 0.50%, and the adjusted one-month LIBOR plus 1.0%), plus the applicable margin. Under the CQP Term Facility, the applicable margin for LIBOR loans is 1.50% per annum, and the applicable margin for base rate loans is 0.50% per annum, in each case with a 0.25% step-up beginning on May 29, 2022. Under the CQP Revolving Facility, the applicable margin for LIBOR loans is 1.25% to 2.125% per annum, and the applicable margin for base rate loans is 0.25% to 1.125% per annum, in each case depending on the then-current rating of Cheniere Partners. Interest on LIBOR loans is due and payable at the end of each applicable LIBOR period (and at the end of every three month period within the LIBOR period, if any), and interest on base rate loans is due and payable at the end of each calendar quarter.

Cheniere Partners pays a commitment fee equal to an annual rate of 30% of the margin for LIBOR loans multiplied by the average daily amount of the undrawn commitment, payable quarterly in arrears.

The 2019 CQP Credit Facilities mature on May 29, 2024. The principal of any loans under the 2019 CQP Credit Facilities must be repaid in quarterly installments commencing on May 29, 2023 based on an amortization schedule. Any outstanding balance may be repaid, in whole or in part, at any time without premium or penalty, except for interest hedging and interest rate breakage costs. The 2019 CQP Credit Facilities contain conditions precedent for extensions of credit, as well as customary affirmative and negative covenants, and limit Cheniere Partners' ability to make restricted payments, including distributions, to once per fiscal quarter and one true-up per fiscal quarter as long as certain conditions are satisfied.

The 2019 CQP Credit Facilities are unconditionally guaranteed by each subsidiary of Cheniere Partners other than SPL, Sabine Pass LNG-LP, LLC and certain subsidiaries of Cheniere Partners owning other development projects, as well as certain other specified subsidiaries and members of the foregoing entities.

Sabine Pass LNG Terminal

Liquefaction Facilities

We are in various stages of constructing and operating the SPL Project at the Sabine Pass LNG terminal adjacent to the existing regasification facilities. We have received authorization from the FERC to site, construct and operate Trains 1 through 6. We have achieved substantial completion of Trains 1, 2, 3, 4 and 5 of the SPL Project and commenced operating activities in May 2016, September 2016, March 2017, October 2017 and March 2019, respectively. The following table summarizes the status of Train 6 of the SPL Project as of June 30, 2019:

	SPL Train 6
Overall project completion percentage	32.4%
Completion percentage of:	
Engineering	74.1%
Procurement	48.2%
Subcontract work	30.7%
Construction	2.1%
Date of expected substantial completion	1H 2023

The following orders have been issued by the DOE authorizing the export of domestically produced LNG by vessel from the Sabine Pass LNG terminal:

- Trains 1 through 4—FTA countries for a 30-year term, which commenced on May 15, 2016, and non-FTA countries for a 20-year term, which commenced on June 3, 2016, in an amount up to a combined total of the equivalent of 16 mtpa (approximately 803 Bcf/yr of natural gas).
- Trains 1 through 4—FTA countries for a 25-year term and non-FTA countries for a 20-year term in an amount up to a combined total of the equivalent of approximately 203 Bcf/yr of natural gas (approximately 4 mtpa).
- Trains 5 and 6—FTA countries and non-FTA countries for a 20-year term, in an amount up to a combined total of 503.3 Bcf/yr of natural gas (approximately 10 mtpa).

In each case, the terms of these authorizations begin on the earlier of the date of first export thereunder or the date specified in the particular order, which ranges from five to 10 years from the date the order was issued. In addition, SPL received an order

providing for a three-year makeup period with respect to each of the non-FTA orders for LNG volumes SPL was authorized but unable to export during any portion of the initial 20-year export period of such order.

In January 2018, the DOE issued orders authorizing SPL to export domestically produced LNG by vessel from the Sabine Pass LNG terminal to FTA countries and non-FTA countries over a two-year period commencing January 2018, in an aggregate amount up to the equivalent of 600Bcf of natural gas (however, exports under this order, when combined with exports under the orders above, may not exceed 1,509 Bcf/yr).

Customers

SPL has entered into fixed price SPAs generally with terms of at least 20 years (plus extension rights) with third parties for Trains 1 through 6 of the SPL Project, including an agreement anticipated to be assigned from Cheniere Marketing. Under these SPAs, the customers will purchase LNG from SPL for a price consisting of a fixed fee per MMBtu of LNG (a portion of which is subject to annual adjustment for inflation) plus a variable fee per MMBtu of LNG equal to approximately 115% of Henry Hub. In certain circumstances, the customers may elect to cancel or suspend deliveries of LNG cargoes, in which case the customers would still be required to pay the fixed fee with respect to the contracted volumes that are not delivered as a result of such cancellation or suspension. We refer to the fee component that is applicable regardless of a cancellation or suspension of LNG cargo deliveries under the SPAs as the fixed fee component of the price under SPL's SPAs. We refer to the fee component that is applicable only in connection with LNG cargo deliveries as the variable fee component of the price under SPL's SPAs. The variable fees under SPL's SPAs were sized at the time of entry into each SPA with the intent to cover the costs of gas purchases and transportation related to, and operating and maintenance costs to produce, the LNG to be sold under each such SPA. The SPAs and contracted volumes to be made available under the SPAs are not tied to a specific Train; however, the term of each SPA generally commences upon the date of first commercial delivery of a specified Train.

In aggregate, the annual fixed fee portion to be paid by the third-party SPA customers is approximately \$2.3 billion for Trains 1 through 4 and increasing to \$2.9 billion upon the date of first commercial delivery of Train 5, with the applicable fixed fees starting from the date of first commercial delivery from the applicable Train, as specified in each SPA.

Natural Gas Transportation, Storage and Supply

To ensure SPL is able to transport adequate natural gas feedstock to the Sabine Pass LNG terminal, it has entered into transportation precedent and other agreements to secure firm pipeline transportation capacity with CTPL and third-party pipeline companies. SPL has entered into firm storage services agreements with third parties to assist in managing variability in natural gas needs for the SPL Project. SPL has also entered into enabling agreements and long-term natural gas supply contracts with third parties in order to secure natural gas feedstock for the SPL Project. As of June 30, 2019, SPL had secured up to approximately 3,437 TBtu of natural gas feedstock through long-term and short-term natural gas supply contracts.

Construction

SPL entered into lump sum turnkey contracts with Bechtel for the engineering, procurement and construction of Trains 1 through 6 of the SPL Project, under which Bechtel charges a lump sum for all work performed and generally bears project cost risk unless certain specified events occur, in which case Bechtel may cause SPL to enter into a change order, or SPL agrees with Bechtel to a change order.

The total contract price of the EPC contract for Train 6 of the SPL Project is approximately \$2.5 billion, including estimated costs for an optional third marine berth.

Regasification Facilities

The Sabine Pass LNG terminal has operational regasification capacity of approximately 4.0Bcf/d and aggregate LNG storage capacity of approximately 16.9 Bcfe. Approximately 2.0 Bcf/d of the regasification capacity at the Sabine Pass LNG terminal has been reserved under two long-term third-party TUAs, under which SPLNG's customers are required to pay fixed monthly fees, whether or not they use the LNG terminal. Each of Total Gas & Power North America, Inc. ("Total") and Chevron U.S.A. Inc. ("Chevron") has reserved approximately 1.0Bcf/d of regasification capacity and is obligated to make monthly capacity payments to SPLNG aggregating approximately \$125 million annually, prior to inflation adjustments, for 20 years that commenced

in 2009. Total S.A. has guaranteed Total's obligations under its TUA up to \$2.5 billion, subject to certain exceptions, and Chevron Corporation has guaranteed Chevron's obligations under its TUA up to 80% of the fees payable by Chevron.

The remaining approximately 2.0 Bcf/d of capacity has been reserved under a TUA by SPL. SPL is obligated to make monthly capacity payments to SPLNG aggregating approximately \$250 million annually, prior to inflation adjustments, continuing until at least May 2036. SPL entered into a partial TUA assignment agreement with Total, whereby upon substantial completion of Train 5 of the SPL Project, SPL gained access to substantially all of Total's capacity and other services provided under Total's TUA with SPLNG. This agreement provides SPL with additional berthing and storage capacity at the Sabine Pass LNG terminal that may be used to provide increased flexibility in managing LNG cargo loading and unloading activity, permit SPL to more flexibly manage its LNG storage capacity and accommodate the development of Train 6. Notwithstanding any arrangements between Total and SPL, payments required to be made by Total to SPLNG will continue to be made by Total to SPLNG in accordance with its TUA. During the three months ended June 30, 2019 and 2018, SPL recorded \$32 million and \$7.5 million, respectively, and during the six months ended June 30, 2019 and 2018, SPL recorded \$40 million and \$15 million, respectively, as operating and maintenance expense under this partial TUA assignment agreement.

Under each of these TUAs, SPLNG is entitled to retain 2% of the LNG delivered to the Sabine Pass LNG terminal.

Capital Resources

We currently expect that SPL's capital resources requirements with respect to the SPL Project will be financed through project debt and borrowings, cash flows under the SPAs and equity contributions from Cheniere Partners. We believe that with the net proceeds of borrowings, available commitments under the SPL Working Capital Facility, 2019 CQP Credit Facilities and cash flows from operations, we will have adequate financial resources available to meet our currently anticipated capital, operating and debt service requirements with respect to Trains 1 through 6 of the SPL Project. SPL began generating cash flows from operations from the SPL Project in May 2016, when Train 1 achieved substantial completion and initiated operating activities. Trains 2, 3, 4 and 5 subsequently achieved substantial completion in September 2016, March 2017, October 2017 and March 2019, respectively. We realized offsets to LNG terminal costs of \$74 million in the six months ended June 30, 2019, respectively, that were related to the sale of commissioning cargoes because these amounts were earned or loaded prior to the start of commercial operations of Train 5 of the SPL Project during the testing phase for its construction. We did not realize any offsets to LNG terminal costs in the three months ended June 30, 2019 and the three and six months ended June 30, 2018. Additionally, SPLNG generates cash flows from the TUAs, as discussed above.

The following table provides a summary of our capital resources from borrowings and available commitments for the Sabine Pass LNG Terminal, excluding equity contributions to our subsidiaries and cash flows from operations (as described in *Sources and Uses of Cash*), at June 30, 2019 and December 31, 2018 (in millions):

	June 30, 2019	December 31, 2018
Senior notes (1)	\$ 16,250	\$ 16,250
Credit facilities outstanding balance (2)	649	—
Letters of credit issued (3)	415	425
Available commitments under credit facilities (3)	1,636	775
Total capital resources from borrowings and available commitments (4)	\$ 18,950	\$ 17,450

(1) Includes SPL's 5.625% Senior Secured Notes due 2021, 6.25% Senior Secured Notes due 2022, 5.625% Senior Secured Notes due 2023, 5.75% Senior Secured Notes due 2024, 5.625% Senior Secured Notes due 2025, 5.875% Senior Secured Notes due 2026 (the "2026 SPL Senior Notes"), 5.00% Senior Secured Notes due 2027 (the "2027 SPL Senior Notes"), 4.200% Senior Secured Notes due 2028 (the "2028 SPL Senior Notes") and 5.00% Senior Secured Notes due 2037 (the "2037 SPL Senior Notes") (collectively, the "SPL Senior Notes") and Cheniere Partners' 2025 CQP Senior Notes and 2026 CQP Senior Notes.

(2) Includes outstanding balances under the SPL Working Capital Facility and 2019 CQP Credit Facilities, inclusive of any portion of the 2019 CQP Credit Facilities that may be used for general corporate purposes.

(3) Consists of SPL Working Capital Facility and 2019 CQP Credit Facilities. Balance at December 31, 2018 did not include the letters of credit issued or available commitments under the terminated 2016 CQP Credit Facilities, which were not specifically for the Sabine Pass LNG Terminal.

- (4) Does not include Cheniere's additional borrowings from the 2021 Cheniere Convertible Unsecured Notes and the 2045 Cheniere Convertible Senior Notes, which may be used for the Sabine Pass LNG Terminal.

For additional information regarding our debt agreements related to the Sabine Pass LNG Terminal, see [Note 10—Debt](#) of our Notes to Consolidated Financial Statements in this quarterly report and [Note 12—Debt](#) of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2018.

SPL Senior Notes

The SPL Senior Notes are secured on a *pari passu* first-priority basis by a security interest in all of the membership interests in SPL and substantially all of SPL's assets.

At any time prior to three months before the respective dates of maturity for each series of the SPL Senior Notes (except for the 2026 SPL Senior Notes, 2027 SPL Senior Notes, 2028 SPL Senior Notes and 2037 SPL Senior Notes, in which case the time period is six months before the respective dates of maturity), SPL may redeem all or part of such series of the SPL Senior Notes at a redemption price equal to the "make-whole" price (except for the 2037 SPL Senior Notes, in which case the redemption price is equal to the "optional redemption" price) set forth in the respective indentures governing the SPL Senior Notes, plus accrued and unpaid interest, if any, to the date of redemption. SPL may also, at any time within three months of the respective maturity dates for each series of the SPL Senior Notes (except for the 2026 SPL Senior Notes, 2027 SPL Senior Notes, 2028 SPL Senior Notes and 2037 SPL Senior Notes, in which case the time period is within six months of the respective dates of maturity), redeem all or part of such series of the SPL Senior Notes at a redemption price equal to 100% of the principal amount of such series of the SPL Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

Both the indenture governing the 2037 SPL Senior Notes (the "2037 SPL Senior Notes Indenture") and the common indenture governing the remainder of the SPL Senior Notes (the "SPL Indenture") include restrictive covenants. SPL may incur additional indebtedness in the future, including by issuing additional notes, and such indebtedness could be at higher interest rates and have different maturity dates and more restrictive covenants than the current outstanding indebtedness of SPL, including the SPL Senior Notes and the SPL Working Capital Facility. Under the 2037 SPL Senior Notes Indenture and the SPL Indenture, SPL may not make any distributions until, among other requirements, deposits are made into debt service reserve accounts as required and a debt service coverage ratio test of 1.25:1.00 is satisfied. Semi-annual principal payments for the 2037 SPL Senior Notes are due on March 15 and September 15 of each year beginning September 15, 2025.

SPL Working Capital Facility

In September 2015, SPL entered into the SPL Working Capital Facility, which is intended to be used for loans to SPL ("SPL Working Capital Loans"), the issuance of letters of credit on behalf of SPL, as well as for swing line loans to SPL ("SPL Swing Line Loans"), primarily for certain working capital requirements related to developing and placing into operation the SPL Project. SPL may, from time to time, request increases in the commitments under the SPL Working Capital Facility of up to \$760 million and, upon the completion of the debt financing of Train 6 of the SPL Project, request an incremental increase in commitments of up to an additional \$390 million. As of June 30, 2019 and December 31, 2018, SPL had \$785 million and \$775 million of available commitments and \$415 million and \$425 million aggregate amount of issued letters of credit under the SPL Working Capital Facility, respectively. SPL did not have any amounts outstanding under the SPL Working Capital Facility as of both June 30, 2019 and December 31, 2018.

The SPL Working Capital Facility matures on December 31, 2020, and the outstanding balance may be repaid, in whole or in part, at any time without premium or penalty upon three business days' notice. Loans deemed made in connection with a draw upon a letter of credit have a term of up to one year. SPL Swing Line Loans terminate upon the earliest of (1) the maturity date or earlier termination of the SPL Working Capital Facility, (2) the date 15 days after such SPL Swing Line Loan is made and (3) the first borrowing date for a SPL Working Capital Loan or SPL Swing Line Loan occurring at least three business days following the date the SPL Swing Line Loan is made. SPL is required to reduce the aggregate outstanding principal amount of all SPL Working Capital Loans to zero for a period of five consecutive business days at least once each year.

The SPL Working Capital Facility contains conditions precedent for extensions of credit, as well as customary affirmative and negative covenants. The obligations of SPL under the SPL Working Capital Facility are secured by substantially all of the assets of SPL as well as all of the membership interests in SPL on *pari passu* basis with the SPL Senior Notes.

Corpus Christi LNG Terminal

Liquefaction Facilities

We are in various stages of constructing and operating the CCL Project at the Corpus Christi LNG terminal. We have received authorization from the FERC to site, construct and operate Stages 1 and 2 of the CCL Project. We achieved substantial completion of Train 1 of the CCL Project and commenced operating activities in February 2019. The following table summarizes the overall project status of the CCL Project as of June 30, 2019:

	CCL Stage 1		CCL Stage 2	
Overall project completion percentage	99.5%		62.4%	
Completion percentage of:				
Engineering	100%		94.3%	
Procurement	100%		92.5%	
Subcontract work	96.4%		12.2%	
Construction	99.2%		29.2%	
Expected date of substantial completion	Train 2	3Q 2019	Train 3	2H 2021

Separate from the CCH Group, we are also developing Corpus Christi Stage 3, adjacent to the CCL Project. We filed an application with the FERC in June 2018 for seven midscale Trains with an expected aggregate nominal production capacity of approximately 9.5 mtpa and one LNG storage tank.

The following orders have been issued by the DOE authorizing the export of domestically produced LNG by vessel from the Corpus Christi LNG terminal:

- CCL Project—FTA countries for a 25-year term and to non-FTA countries for a 20-year term up to a combined total of the equivalent of 767 Bcf/yr (approximately 15 mtpa) of natural gas.
- Corpus Christi Stage 3—FTA countries for a 20-year term in an amount equivalent to 514 Bcf/yr (approximately 10 mtpa) of natural gas (the “Stage 3 FTA”). The application for authorization to export that same 514 Bcf/yr of domestically produced LNG by vessel to non-FTA countries is currently pending before the DOE (the “Stage 3 Non-FTA”).

In each case, the terms of these authorizations begin on the earlier of the date of first export thereunder or the date specified in the particular order, which ranges from seven to 10 years from the date the order was issued.

In June 2018, we requested that DOE vacate the Stage 3 FTA and permit us to withdraw the pending Stage 3 Non-FTA. These requests were made due to certain changes to Corpus Christi Stage 3.

In conjunction with the submission in June 2018 of our FERC application for Corpus Christi Stage 3, we submitted a new application for long-term multi-contract authorization to export up to a combined total of 582.14 Bcf/yr (approximately 11.45 mtpa) of natural gas to FTA countries for a 25-year term and to non-FTA countries for a 20-year term. The term of each authorization is expected to begin on the earlier of the date of first commercial export of LNG produced by Corpus Christi Stage 3 or the date which is seven years from the issuance of such authorizations.

Customers

CCL has entered into fixed price SPAs generally with terms of 20 years (plus extension rights) with nine third parties for Trains 1 through 3 of the CCL Project. Under these SPAs, the customers will purchase LNG from CCL for a price consisting of a fixed fee per MMBtu of LNG (a portion of which is subject to annual adjustment for inflation) plus a variable fee per MMBtu of LNG equal to approximately 115% of Henry Hub. In certain circumstances, the customers may elect to cancel or suspend deliveries of LNG cargoes, in which case the customers would still be required to pay the fixed fee with respect to the contracted volumes that are not delivered as a result of such cancellation or suspension. We refer to the fee component that is applicable regardless of a cancellation or suspension of LNG cargo deliveries under the SPAs as the fixed fee component of the price under our SPAs. We refer to the fee component that is applicable only in connection with LNG cargo deliveries as the variable fee component of the price under our SPAs. The variable fee under CCL’s SPAs entered into in connection with the development of the CCL Project was sized at the time of entry into each SPA with the intent to cover the costs of gas purchases and transportation related to, and operating and maintenance costs to produce, the LNG to be sold under each such SPA. The SPAs and contracted

volumes to be made available under the SPAs are not tied to a specific Train; however, the term of each SPA generally commences upon the date of first commercial delivery for the applicable Train, as specified in each SPA.

In aggregate, the minimum fixed fee portion to be paid by the third-party SPA customers is approximately \$550 million for Train 1, increasing to approximately \$1.4 billion upon the date of first commercial delivery for Train 2 and further increasing to approximately \$1.8 billion following the substantial completion of Train 3 of the CCL Project.

In addition, Cheniere Marketing has entered into SPAs with CCL to purchase 15 TBtu per annum of LNG and any LNG produced by CCL in excess of that required for other customers at Cheniere Marketing's option.

Natural Gas Transportation, Storage and Supply

To ensure CCL is able to transport adequate natural gas feedstock to the Corpus Christi LNG terminal, it has entered into transportation precedent agreements to secure firm pipeline transportation capacity with CCP and certain third-party pipeline companies. CCL has entered into a firm storage services agreement with a third party to assist in managing variability in natural gas needs for the CCL Project. CCL has also entered into enabling agreements and long-term natural gas supply contracts with third parties, and will continue to enter into such agreements, in order to secure natural gas feedstock for the CCL Project. As of June 30, 2019, CCL had secured up to approximately 2,787 TBtu of natural gas feedstock through long-term natural gas supply contracts, a portion of which is subject to the achievement of certain project milestones and other conditions precedent.

Construction

CCL entered into separate lump sum turnkey contracts with Bechtel for the engineering, procurement and construction of Stages 1 and 2 of the CCL Project under which Bechtel charges a lump sum for all work performed and generally bears project cost risk unless certain specified events occur, in which case Bechtel may cause CCL to enter into a change order, or CCL agrees with Bechtel to a change order.

The total contract prices of the EPC contract for Stage 1 and the EPC contract for Stage 2, which do not include the Corpus Christi Pipeline, are approximately \$7.8 billion and \$2.4 billion, respectively, reflecting amounts incurred under change orders through June 30, 2019. Total expected capital costs for Trains 1 through 3 are estimated to be between \$11.0 billion and \$12.0 billion before financing costs and between \$15.0 billion and \$16.0 billion after financing costs including, in each case, estimated owner's costs and contingencies.

Pipeline Facilities

In December 2014, the FERC issued a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act of 1938, as amended, authorizing CCP to construct and operate the Corpus Christi Pipeline. The Corpus Christi Pipeline is designed to transport 2.25 Bcf/d of natural gas feedstock required by the CCL Project from the existing regional natural gas pipeline grid. The construction of the Corpus Christi Pipeline was completed in the second quarter of 2018.

Capital Resources

The CCH Group expects to finance the construction costs of the CCL Project from one or more of the following: project financing, operating cash flows from CCL and CCP and equity contributions from Cheniere. We realized offsets to LNG terminal costs of \$128 million in the six months ended June 30, 2019 that were related to the sale of commissioning cargoes because these amounts were earned or loaded prior to the start of commercial operations of Train 1 during the testing phase for its construction. We did not realize any offsets to LNG terminal costs in the three months ended June 30, 2019. The following table provides a summary of the capital resources of the CCH Group from borrowings and available commitments for the CCL Project, excluding equity contributions from Cheniere, at June 30, 2019 and December 31, 2018 (in millions):

	June 30, 2019	December 31, 2018
Senior notes (1)	\$ 4,250	\$ 4,250
11.0% Convertible Senior Secured Notes due 2025 (2)	1,000	1,000
Credit facilities outstanding balance (3)	6,138	5,324
Letters of credit issued (3)	338	316
Available commitments under credit facilities (3)	862	1,698
Total capital resources from borrowings and available commitments (4)	\$ 12,588	\$ 12,588

- (1) Includes CCH's 7.000% Senior Secured Notes due 2024 (the "2024 CCH Senior Notes"), 5.875% Senior Secured Notes due 2025 (the "2025 CCH Senior Notes") and 5.125% Senior Secured Notes due 2027 (the "2027 CCH Senior Notes") (collectively, the "CCH Senior Notes").
- (2) Aggregate original principal amount before debt discount and debt issuance costs.
- (3) Includes CCH Credit Facility and CCH Working Capital Facility.
- (4) Does not include Cheniere's additional borrowings from 2021 Cheniere Convertible Unsecured Notes, 2045 Cheniere Convertible Senior Notes and Cheniere Revolving Credit Facility, which may be used for the CCL Project.

For additional information regarding our debt agreements related to the CCL Project, see [Note 10—Debt](#) of our Notes to Consolidated Financial Statements in this quarterly report and [Note 12—Debt](#) of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2018.

2025 CCH HoldCo II Convertible Senior Notes

In May 2015, CCH HoldCo II issued \$1.0 billion aggregate principal amount of 11.0% Convertible Senior Secured Notes due 2025 (the "2025 CCH HoldCo II Convertible Senior Notes") on a private placement basis. The 2025 CCH HoldCo II Convertible Senior Notes are convertible at the option of CCH HoldCo II or the holders, provided that various conditions are met. CCH HoldCo II is restricted from making distributions to Cheniere under agreements governing its indebtedness generally until, among other requirements, Trains 1 and 2 of the CCL Project are in commercial operation and a historical debt service coverage ratio and a projected fixed debt service coverage ratio of 1.20:1.00 are achieved.

In May 2018, the amended and restated note purchase agreement under which the 2025 CCH HoldCo II Convertible Senior Notes were issued was subsequently amended in connection with commercialization and financing of Train 3 of the CCL Project and to provide the note holders with certain prepayment rights related thereto consistent with those under the CCH Credit Facility. All terms of the 2025 CCH HoldCo II Convertible Senior Notes substantially remained unchanged.

CCH Senior Notes

The CCH Senior Notes are jointly and severally guaranteed by CCH's subsidiaries, CCL, CCP and Corpus Christi Pipeline GP, LLC (the "CCH Guarantors"). The indenture governing the CCH Senior Notes (the "CCH Indenture") contains customary terms and events of default and certain covenants that, among other things, limit CCH's ability and the ability of CCH's restricted subsidiaries to: incur additional indebtedness or issue preferred stock; make certain investments or pay dividends or distributions on membership interests or subordinated indebtedness or purchase, redeem or retire membership interests; sell or transfer assets, including membership or partnership interests of CCH's restricted subsidiaries; restrict dividends or other payments by restricted subsidiaries to CCH or any of CCH's restricted subsidiaries; incur liens; enter into transactions with affiliates; dissolve, liquidate, consolidate, merge, sell or lease all or substantially all of the properties or assets of CCH and its restricted subsidiaries taken as a

whole; or permit any CCH Guarantor to dissolve, liquidate, consolidate, merge, sell or lease all or substantially all of its properties and assets.

At any time prior to six months before the respective dates of maturity for each series of the CCH Senior Notes, CCH may redeem all or part of such series of the CCH Senior Notes at a redemption price equal to the “make-whole” price set forth in the CCH Indenture, plus accrued and unpaid interest, if any, to the date of redemption. CCH also may at any time within six months of the respective dates of maturity for each series of the CCH Senior Notes, redeem all or part of such series of the CCH Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the CCH Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

CCH Credit Facility

In May 2018, CCH amended and restated the CCH Credit Facility to increase total commitments under the CCH Credit Facility from \$4.6 billion to \$6.1 billion. The obligations of CCH under the CCH Credit Facility are secured by a first priority lien on substantially all of the assets of CCH and its subsidiaries and by a pledge by CCH HoldCo I of its limited liability company interests in CCH. As of June 30, 2019 and December 31, 2018, CCH had zero and \$1.0 billion of available commitments and \$6.1 billion and \$5.2 billion of loans outstanding under the CCH Credit Facility, respectively.

The CCH Credit Facility matures on June 30, 2024, with principal payments due quarterly commencing on the earlier of (1) the first quarterly payment date occurring more than three calendar months following the completion of the CCL Project as defined in the common terms agreement and (2) a set date determined by reference to the date under which a certain LNG buyer linked to the last Train of the CCL Project to become operational is entitled to terminate its SPA for failure to achieve the date of first commercial delivery for that agreement. Scheduled repayments will be based upon a 19-year tailored amortization, commencing the first full quarter after the completion of Trains 1 through 3 and designed to achieve a minimum projected fixed debt service coverage ratio of 1.50:1.

Under the CCH Credit Facility, CCH is required to hedge not less than 65% of the variable interest rate exposure of its senior secured debt. CCH is restricted from making certain distributions under agreements governing its indebtedness generally until, among other requirements, the completion of the construction of Trains 1 through 3 of the CCL Project, funding of a debt service reserve account equal to six months of debt service and achieving a historical debt service coverage ratio and fixed projected debt service coverage ratio of at least 1.25:1.00.

CCH Working Capital Facility

In June 2018, CCH amended and restated the CCH Working Capital Facility to increase total commitments under the CCH Working Capital Facility from \$350 million to \$1.2 billion. The CCH Working Capital Facility is intended to be used for loans to CCH (“CCH Working Capital Loans”) and the issuance of letters of credit on behalf of CCH for certain working capital requirements related to developing and placing into operations the CCL Project and for related business purposes. Loans under the CCH Working Capital Facility are guaranteed by the CCH Guarantors. CCH may, from time to time, request increases in the commitments under the CCH Working Capital Facility of up to the maximum allowed for working capital under the Common Terms Agreement that was entered into concurrently with the CCH Credit Facility. As of June 30, 2019 and December 31, 2018, CCH had \$862 million and \$716 million of available commitments, \$338 million and \$316 million aggregate amount of issued letters of credit and zero and \$168 million of loans outstanding under the CCH Working Capital Facility, respectively.

The CCH Working Capital Facility matures on June 29, 2023, and CCH may prepay the CCH Working Capital Loans and loans made in connection with a draw upon any letter of credit (“CCH LC Loans”) at any time without premium or penalty upon three business days’ notice and may re-borrow at any time. CCH LC Loans have a term of up to one year. CCH is required to reduce the aggregate outstanding principal amount of all CCH Working Capital Loans to zero for a period of five consecutive business days at least once each year.

The CCH Working Capital Facility contains conditions precedent for extensions of credit, as well as customary affirmative and negative covenants. The obligations of CCH under the CCH Working Capital Facility are secured by substantially all of the assets of CCH and the CCH Guarantors as well as all of the membership interests in CCH and each of the CCH Guarantors on a *pari passu* basis with the CCH Senior Notes and the CCH Credit Facility.

In June 2019, CCH entered into the CCH Note Purchase Agreement with Allianz Global Investors GmbH to issue an aggregate principal amount of \$727 million of the 2039 CCH Senior Notes, which will be jointly and severally guaranteed by the CCH Guarantors. The conditions to closing and issuance of the 2039 CCH Senior Notes include the receipt of at least two investment grade ratings for the 2039 CCH Senior Notes, in addition to other customary conditions to closing. Pursuant to the CCH Note Purchase Agreement, CCH has up to 12 months, subject to a six-month extension at CCH's option, to satisfy the conditions to closing and issuance. The net proceeds from the 2039 CCH Senior Notes will be used by CCH to repay a portion of its outstanding term loans and pay fees, costs and expenses incurred in connection with the repayment of such outstanding term loans and/or the transactions contemplated in the CCH Note Purchase Agreement.

Restrictive Debt Covenants

As of June 30, 2019, each of our issuers was in compliance with all covenants related to their respective debt agreements.

Marketing

We market and sell LNG produced by the Liquefaction Projects that is not required for other customers through our integrated marketing function. We are developing a portfolio of long-, medium- and short-term SPAs to transport and unload commercial LNG cargoes to locations worldwide, which is primarily sourced by LNG produced by the Liquefaction Projects but supplemented by volume procured from other locations worldwide, as needed. As of June 30, 2019, we have sold or have options to sell approximately 5,066 TBtu of LNG to be delivered to customers between 2019 and 2045, excluding volume for an agreement anticipated to be assigned to SPL in the future. The cargoes have been sold either on a free on board ("FOB") basis (delivered to the customer at the Sabine Pass LNG terminal or the Corpus Christi LNG terminal) or a delivered at terminal ("DAT") basis (delivered to the customer at their LNG receiving terminal). We have chartered LNG vessels to be utilized in DAT transactions. In addition, we have entered into a long-term agreement to sell LNG cargoes on a DAT basis that is conditioned upon the buyer achieving certain milestones.

Cheniere Marketing entered into uncommitted trade finance facilities with available commitments of \$420 million as of June 30, 2019, primarily to be used for the purchase and sale of LNG for ultimate resale in the course of its operations. The finance facilities are intended to be used for advances, guarantees or the issuance of letters of credit or standby letters of credit on behalf of Cheniere Marketing. As of June 30, 2019 and December 31, 2018, Cheniere Marketing had \$10 million and \$31 million, respectively, in standby letters of credit and guarantees outstanding under the finance facilities. As of June 30, 2019 and December 31, 2018, Cheniere Marketing had zero and \$71 million, respectively, in loans outstanding under the finance facilities. Cheniere Marketing pays interest or fees on utilized commitments.

Corporate and Other Activities

We are required to maintain corporate and general and administrative functions to serve our business activities described above. We are also in various stages of developing other projects, including infrastructure projects in support of natural gas supply and LNG demand, which, among other things, will require acceptable commercial and financing arrangements before we make an FID. We have made an equity investment in Midship Pipeline, which is constructing a pipeline with expected capacity of up to 1.44 million Dekatherms per day that will connect new gas production in the Anadarko Basin to Gulf Coast markets, including markets serving the Liquefaction Projects.

Sources and Uses of Cash

The following table summarizes the sources and uses of our cash, cash equivalents and restricted cash for the six months ended June 30, 2019 and 2018 (in millions). The table presents capital expenditures on a cash basis; therefore, these amounts differ from the amounts of capital expenditures, including accruals, which are referred to elsewhere in this report. Additional discussion of these items follows the table.

	Six Months Ended June 30,	
	2019	2018
Operating cash flows	\$ 760	\$ 982
Investing cash flows	(1,542)	(1,492)
Financing cash flows	1,066	1,168
Net increase in cash, cash equivalents and restricted cash	284	658
Cash, cash equivalents and restricted cash—beginning of period	3,156	2,613
Cash, cash equivalents and restricted cash—end of period	\$ 3,440	\$ 3,271

Operating Cash Flows

Our operating cash net inflows during the six months ended June 30, 2019 and 2018 were \$760 million and \$982 million, respectively. The \$222 million decrease in operating cash inflows in 2019 compared to 2018 was primarily related to increased operating costs and expenses, partially offset by increased cash receipts from the sale of LNG cargoes, as a result of the additional Trains that were operating at the Liquefaction Projects in 2019. In addition to Trains 1 through 4 of the SPL Project that were operational during both the six months ended June 30, 2019 and 2018, Train 5 of the SPL Project and Train 1 of the CCL Project were operational for approximately four months during the six months ended June 30, 2019.

Investing Cash Flows

Investing cash net outflows during the six months ended June 30, 2019 and 2018 were \$1,542 million and \$1,492 million, respectively, and were primarily used to fund the construction costs for the Liquefaction Projects. These costs are capitalized as construction-in-process until achievement of substantial completion. Additionally, we invested \$34 million in Midship Holdings, our equity method investment, during the six months ended June 30, 2019.

Financing Cash Flows

Financing cash net inflows during the six months ended June 30, 2019 were \$1,066 million, primarily as a result of:

- \$982 million of borrowings under the CCH Credit Facility;
- \$649 million of borrowings under the 2019 CQP Credit Facilities;
- \$390 million of borrowings and \$558 million in repayments under the CCH Working Capital Facility;
- \$290 million of distributions to non-controlling interest by Cheniere Partners;
- \$72 million of net repayments related to our Cheniere Marketing trade financing facilities;
- \$20 million of debt issuance costs primarily related to up-front fees paid upon the closing of the 2019 CQP Credit Facilities; and
- \$14 million paid for tax withholdings for share-based compensation.

Financing cash net inflows during the six months ended June 30, 2018 were \$1.2 billion, primarily as a result of:

- \$1.7 billion of borrowings and \$281 million in repayments under the CCH Credit Facility;
- \$14 million of borrowings under the CCH Working Capital Facility;
- \$123 million of net borrowings related to our Cheniere Marketing trade financing facilities;
- \$46 million of debt issuance costs related to up-front fees paid for the amendment and restatement of the CCH Credit Facility and the CCH Working Capital Facility;

- \$8 million in debt extinguishment costs;
- \$288 million of distributions and dividends to non-controlling interest by Cheniere Partners and Cheniere Holdings; and
- \$8 million paid for tax withholdings for share-based compensation.

Results of Operations

The following table summarizes the volumes of operational and commissioning LNG cargoes that were loaded from the Liquefaction Projects, which were recognized on our Consolidated Financial Statements during the three and six months ended June 30, 2019:

(in TBtu)	Three Months Ended June 30, 2019		Six Months Ended June 30, 2019	
	Operational	Commissioning	Operational	Commissioning
Volumes loaded during the current period	361	3	645	28
Volumes loaded during the prior period but recognized during the current period	27	—	25	3
Less: volumes loaded during the current period and in transit at the end of the period	(36)	(3)	(36)	(3)
Total volumes recognized in the current period	352	—	634	28

Our consolidated net loss attributable to common stockholders was \$114 million, or \$0.44 per share (basic and diluted), in the three months ended June 30, 2019, compared to net loss attributable to common stockholders of \$18 million, or \$0.07 per share (basic and diluted), in the three months ended June 30, 2018. This \$96 million increase in net loss attributable to common stockholders in 2019 was primarily attributable to decreased margins per MMBtu due to decreased pricing on LNG, increased interest expense, net of amounts capitalized, increased operating and maintenance expense, increased derivative loss, net, and increased depreciation and amortization expense, which were partially offset by decreased net income attributable to non-controlling interest.

Our consolidated net income attributable to common stockholders was \$27 million, or \$0.11 per share (basic and diluted), in the six months ended June 30, 2019, compared to net income attributable to common stockholders of \$339 million, or \$1.42 per share—basic and \$1.40 per share—diluted, in the six months ended June 30, 2018. This \$312 million decrease in net income attributable to common stockholders in 2019 was primarily attributable to decreased margins per MMBtu due to decreased pricing on LNG, increased operating and maintenance expense, increased derivative loss, net, increased interest expense, net of amounts capitalized and increased depreciation and amortization expense, which were partially offset by decreased net income attributable to non-controlling interest.

We enter into derivative instruments to manage our exposure to (1) changing interest rates, (2) commodity-related marketing and price risks and (3) foreign exchange volatility. Derivative instruments are reported at fair value on our Consolidated Financial Statements. In some cases, the underlying transactions economically hedged receive accrual accounting treatment, whereby revenues and expenses are recognized only upon delivery, receipt or realization of the underlying transaction. Because the recognition of derivative instruments at fair value has the effect of recognizing gains or losses relating to future period exposure, use of derivative instruments may increase the volatility of our results of operations based on changes in market pricing, counterparty credit risk and other relevant factors.

Revenues

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
LNG revenues	\$ 2,173	\$ 1,442	\$ 731	\$ 4,316	\$ 3,608	\$ 708
Regasification revenues	67	65	2	133	130	3
Other revenues	52	36	16	104	47	57
Total revenues	\$ 2,292	\$ 1,543	\$ 749	\$ 4,553	\$ 3,785	\$ 768

We begin recognizing LNG revenues from the Liquefaction Projects following the substantial completion and the commencement of operating activities of the respective Trains. In addition to Trains 1 through 4 of the SPL Project that were operational during both the six months ended June 30, 2019 and 2018, Train 5 of the SPL Project and Train 1 of the CCL Project

were operational for approximately four months during the six months ended June 30, 2019. The additional revenue from the increased volume of LNG sold following the achievement of substantial completion of these Trains in the three and six months ended June 30, 2019 from the comparable periods in 2018 was offset by decreased revenues per MMBtu, which was primarily affected by sales made at current market prices by our integrated marketing function. We expect our LNG revenues to increase in the future upon Train 6 of the SPL Project and Trains 2 and 3 of the CCL Project becoming operational.

Prior to substantial completion of a Train, amounts received from the sale of commissioning cargoes from that Train are offset against LNG terminal construction-in-process, because these amounts are earned or loaded during the testing phase for the construction of that Train. We realized offsets to LNG terminal costs of \$202 million corresponding to 28 TBtu of LNG in the six months ended June 30, 2019 that related to the sale of commissioning cargoes from the Liquefaction Projects. We did not realize any offsets to LNG terminal costs in the three months ended June 30, 2019 and the three and six months ended June 30, 2018.

Also included in LNG revenues are gains and losses from derivative instruments, which include the realized value associated with a portion of derivative instruments that settle through physical delivery and the sale of natural gas procured for the liquefaction process. During the three months ended June 30, 2019 and 2018, we realized \$183 million of gains and \$34 million of losses, respectively, from these transactions and other revenues. During the six months ended June 30, 2019 and 2018, we realized \$317 million and \$8 million, respectively, of gains from these transactions and other revenues.

The following table presents the components of LNG revenues and the corresponding LNG volumes sold.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
LNG revenues (in millions):				
LNG from the Liquefaction Projects sold under third party long-term agreements (1)	\$ 1,393	\$ 1,118	\$ 2,910	\$ 2,111
LNG from the Liquefaction Projects sold by our integrated marketing function under short-term agreements	566	282	905	1,303
LNG procured from third parties	31	76	184	186
Other revenues and derivative gains (losses)	183	(34)	317	8
Total LNG revenues	<u>\$ 2,173</u>	<u>\$ 1,442</u>	<u>\$ 4,316</u>	<u>\$ 3,608</u>
Volumes sold as LNG revenues (in TBtu):				
LNG from the Liquefaction Projects sold under third party long-term agreements (1)	241	189	477	354
LNG from the Liquefaction Projects sold by our integrated marketing function under short-term agreements	111	41	157	149
LNG procured from third parties	5	10	23	21
Total volumes sold as LNG revenues	<u>357</u>	<u>240</u>	<u>657</u>	<u>524</u>

(1) Long-term agreements include agreements with tenure of 12 months or more.

Operating costs and expenses

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Cost of sales	\$ 1,277	\$ 873	\$ 404	\$ 2,491	\$ 2,051	\$ 440
Operating and maintenance expense	295	147	148	516	287	229
Development expense	3	3	—	4	4	—
Selling, general and administrative expense	77	73	4	150	140	10
Depreciation and amortization expense	204	111	93	348	220	128
Impairment expense and loss on disposal of assets	4	—	4	6	—	6
Total operating costs and expenses	<u>\$ 1,860</u>	<u>\$ 1,207</u>	<u>\$ 653</u>	<u>\$ 3,515</u>	<u>\$ 2,702</u>	<u>\$ 813</u>

Our total operating costs and expenses increased during the three and six months ended June 30, 2019 from the three and six months ended June 30, 2018 primarily as a result of the increase in operating Trains between each of the periods and increased third-party service and maintenance costs from additional maintenance and related activities at the SPL Project.

Cost of sales includes costs incurred directly for the production and delivery of LNG from the Liquefaction Projects, to the extent those costs are not utilized for the commissioning process. Cost of sales increased during the three and six months ended June 30, 2019 from the three and six months ended June 30, 2018 due to increased volumes of natural gas feedstock for our LNG sales as a result of substantial completion of Train 5 of the SPL Project and Train 1 of the CCL Project, partially offset by decreased pricing of natural gas feedstock, and increased vessel charter costs. Partially offsetting the increase in cost of natural gas feedstock was an increase in fair value of the derivatives associated with hedges to secure natural gas feedstock for the Liquefaction Projects due to a favorable shift in the long-term forward prices. Cost of sales also includes port and canal fees, variable transportation and storage costs, costs associated with a portion of derivative instruments that settle through physical delivery and the sale of natural gas procured for the liquefaction process and other costs to convert natural gas into LNG.

Operating and maintenance expense primarily includes costs associated with operating and maintaining the Liquefaction Projects. The increase in operating and maintenance expense during the three and six months ended June 30, 2019 from the three and six months ended June 30, 2018 was primarily related to: (1) increased natural gas transportation and storage capacity demand charges from operating Train 5 of the SPL Project and Train 1 of the CCL Project following the respective substantial completions, (2) increased cost of maintenance and related activities at the SPL Project, (3) increased payroll and benefit costs from increased headcount to operate Train 5 of the SPL Project and Train 1 of the CCL Project and (4) increased TUA reservation charges paid to Total from payments under the partial TUA assignment agreement. Operating and maintenance expense also includes insurance and regulatory costs and other operating costs.

Depreciation and amortization expense increased during the three and six months ended June 30, 2019 from the three and six months ended June 30, 2018 as a result of commencing operations of Train 5 of the SPL Project and Train 1 of the CCL Project in March 2019 and February 2019, respectively, and completing construction of the Corpus Christi Pipeline in the second quarter of 2018, as the related assets began depreciating upon reaching substantial completion.

We expect our operating costs and expenses to generally increase in the future upon Train 6 of the SPL Project and Trains 2 and 3 of the CCL Project achieving substantial completion, although certain costs will not proportionally increase with the number of operational Trains as cost efficiencies will be realized.

Other expense (income)

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Interest expense, net of capitalized interest	\$ 372	\$ 216	\$ 156	\$ 619	\$ 432	\$ 187
Loss on modification or extinguishment of debt	—	15	(15)	—	15	(15)
Derivative loss (gain), net	74	(32)	106	109	(109)	218
Other income	(16)	(10)	(6)	(32)	(17)	(15)
Total other expense	\$ 430	\$ 189	\$ 241	\$ 696	\$ 321	\$ 375

Interest expense, net of capitalized interest, increased during the three and six months ended June 30, 2019 compared to the three and six months ended June 30, 2018, as a result of increased outstanding debt (before unamortized premium, discount and debt issuance costs, net) from \$27.6 billion as of June 30, 2018 to \$30.7 billion as of June 30, 2019, primarily due to increased borrowings under the CCH Credit Facility, as well as a decrease in the portion of total interest costs that could be capitalized as additional Trains of the Liquefaction Projects completed construction between the periods. For the three months ended June 30, 2019 and 2018, we incurred \$458 million and \$412 million of total interest cost, respectively, of which we capitalized \$86 million and \$196 million, respectively, which was primarily related to the construction of the Liquefaction Projects. For the six months ended June 30, 2019 and 2018, we incurred \$906 million and \$816 million of total interest cost, respectively, of which we capitalized \$287 million and \$384 million, respectively, which was primarily related to the construction of the Liquefaction Projects.

Loss on modification or extinguishment of debt during the three and six months ended June 30, 2019 decreased from the comparable periods in 2018. Loss on modification or extinguishment of debt recognized in 2018 was attributable to \$15 million

of debt modification and extinguishment costs relating to the incurrence of third-party fees and write-off of unamortized debt issuance costs as a result of the amendment and restatement of the CCH Credit Facility.

Derivative loss, net increased during the three and six months ended June 30, 2019 compared to the three and six months ended June 30, 2018, primarily due to an unfavorable shift in the long-term forward LIBOR curve between the periods.

Other income increased during the three and six months ended June 30, 2019 as compared to the three and six months ended June 30, 2018, primarily due to an increase in interest income earned on our cash and cash equivalents.

Income tax benefit (provision)

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Income before income taxes and non-controlling interest	\$ 2	\$ 147	(145)	\$ 342	\$ 762	(420)
Income tax benefit (provision)	—	3	(3)	(3)	(12)	9
Effective tax rate	—%	2.0%		0.9%	1.6%	

Income tax benefit decreased \$3 million during the three months ended June 30, 2019 and income tax provision decreased \$9 million during the six months ended June 30, 2019, respectively, from the comparable periods in 2018 primarily attributable to changes in the income earned and tax transfer pricing applied to our U.K. integrated marketing function. The effective tax rates during each of the three and six months ended June 30, 2019 and 2018 were lower than the 21% federal statutory rate, primarily as a result of maintaining a valuation allowance against our federal and state net deferred tax assets. Given our current and anticipated future earnings, we believe that there is a reasonable possibility that within approximately 6 to 18 months, sufficient positive evidence may become available to allow us to conclude that a significant portion of the valuation allowance will no longer be needed. The release of the valuation allowance would result in the recognition of certain deferred tax assets and an income tax benefit in the period the release is recorded. However, the precise timing and amount of the valuation allowance release are subject to change on the basis of the level of profitability that we are able to achieve.

Net income attributable to non-controlling interest

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Net income attributable to non-controlling interest	\$ 116	\$ 168	\$ (52)	\$ 312	\$ 411	\$ (99)

Net income attributable to non-controlling interest decreased during the three and six months ended June 30, 2019 from the three and six months ended June 30, 2018 due to the decrease of non-controlling interest as a result of our merger with Cheniere Holdings in September 2018, in which all publicly-held shares of Cheniere Holdings were canceled and the non-controlling interest in Cheniere Holdings was reduced to zero. Net income attributable to non-controlling interest also decreased during the three months ended June 30, 2019 from the three months ended June 30, 2018 due to the decrease in consolidated net income recognized by Cheniere Partners in which the non-controlling interests are held. The consolidated net income recognized by Cheniere Partners decreased from \$281 million in the three months ended June 30, 2018 to \$232 million in the three months ended June 30, 2019 due an increase in interest expense, net of capitalized interest, as a result of the decrease in the portion of total interest costs that could be capitalized as an additional Train of the SPL Project completed construction between the periods.

Off-Balance Sheet Arrangements

As of June 30, 2019, we had no transactions that met the definition of off-balance sheet arrangements that may have a current or future material effect on our consolidated financial position or operating results.

Summary of Critical Accounting Estimates

The preparation of our Consolidated Financial Statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and the accompanying notes. There have been no significant changes to our critical accounting estimates from those disclosed in our [annual report on Form 10-K for the year ended December 31, 2018](#)

Recent Accounting Standards

For descriptions of recently issued accounting standards, see [Note 1—Nature of Operations and Basis of Presentation](#) of our Notes to Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Cash Investments

We have cash investments that we manage based on internal investment guidelines that emphasize liquidity and preservation of capital. Such cash investments are stated at historical cost, which approximates fair market value on our Consolidated Balance Sheets.

Marketing and Trading Commodity Price Risk

We have entered into commodity derivatives consisting of natural gas supply contracts for the commissioning and operation of the SPL Project, the CCL Project and potential future development of Corpus Christi Stage 3 (“Liquefaction Supply Derivatives”). We have also entered into financial derivatives to hedge the exposure to the commodity markets in which we have contractual arrangements to purchase or sell physical LNG (“LNG Trading Derivatives”). In order to test the sensitivity of the fair value of the Liquefaction Supply Derivatives and the LNG Trading Derivatives to changes in underlying commodity prices, management modeled a 10% change in the commodity price for natural gas for each delivery location and a 10% change in the commodity price for LNG, respectively, as follows (in millions):

	June 30, 2019		December 31, 2018	
	Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
Liquefaction Supply Derivatives	\$ 90	\$ 127	\$ (42)	\$ 6
LNG Trading Derivatives	47	39	(24)	9

Interest Rate Risk

We are exposed to interest rate risk primarily when we incur debt related to project financing. Interest rate risk is managed in part by replacing outstanding floating-rate debt with fixed-rate debt with varying maturities. CCH has entered into interest rate swaps to hedge the exposure to volatility in a portion of the floating-rate interest payments under the CCH Credit Facility (“CCH Interest Rate Derivatives”) and to hedge against changes in interest rates that could impact anticipated future issuance of debt by CCH (“CCH Interest Rate Forward Start Derivatives”). In order to test the sensitivity of the fair value of the CCH Interest Rate Derivatives to changes in interest rates, management modeled a 10% change in the forward one-month LIBOR curve across the remaining terms of the CCH Interest Rate Derivatives and CCH Interest Rate Forward Start Derivatives as follows (in millions):

	June 30, 2019		December 31, 2018	
	Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
CCH Interest Rate Derivatives	\$ (88)	\$ 25	\$ 18	\$ 37
CCH Interest Rate Forward Start Derivatives	(7)	20	—	—

Foreign Currency Exchange Risk

We have entered into foreign currency exchange (“FX”) contracts to hedge exposure to currency risk associated with operations in countries outside of the United States (“FX Derivatives”). In order to test the sensitivity of the fair value of the FX Derivatives to changes in FX rates, management modeled a 10% change in FX rate between the U.S. dollar and the applicable foreign currencies as follows (in millions):

	June 30, 2019		December 31, 2018	
	Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
FX Derivatives	\$ 10	\$ 1	\$ 15	\$ 1

See [Note 6—Derivative Instruments](#) for additional details about our derivative instruments.

ITEM 4. CONTROLS AND PROCEDURES

We maintain a set of disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports filed by us under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. As of the end of the period covered by this report, we evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures are effective.

During the most recent fiscal quarter, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may in the future be involved as a party to various legal proceedings, which are incidental to the ordinary course of business. We regularly analyze current information and, as necessary, provide accruals for probable liabilities on the eventual disposition of these matters. Other than discussed below, there have been no material changes to the legal proceedings disclosed in our [annual report on Form 10-K for the year ended December 31, 2018](#)

In February 2018, the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) issued a Corrective Action Order (the “CAO”) to SPL in connection with a minor LNG leak from one tank and minor vapor release from a second tank at the Sabine Pass LNG terminal. These two tanks have been taken out of operational service while we conduct analysis, repair and remediation. On April 20, 2018, SPL and PHMSA executed a Consent Agreement and Order (the “Consent Order”) that replaces and supersedes the CAO. On July 9, 2019, PHMSA and FERC issued a joint letter setting out operating conditions required to be met prior to SPL returning the tanks to service. We continue to coordinate with PHMSA and FERC to address the matters relating to the February 2018 leak, including repair approach and related analysis. We do not expect that the Consent Order and related analysis, repair and remediation will have a material adverse impact on our financial results or operations.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in our [annual report on Form 10-K for the year ended December 31, 2018](#)

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes stock repurchases for the three months ended June 30, 2019:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as a Part of Publicly Announced Plans	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans (3)
April 1 - 30, 2019	425	\$64.70	—	—
May 1 - 31, 2019	13,973	\$67.87	—	—
June 1 - 30, 2019	45,266	\$68.24	44,600	\$996,954,020

- (1) Includes shares surrendered to us by participants in our share-based compensation plans to settle the participants’ personal tax liabilities that resulted from the lapsing of restrictions on shares awarded to the participants under these plans.
- (2) The price paid per share was based on the closing trading price of our common stock on the dates on which we repurchased the shares.
- (3) On June 3, 2019, we announced that our Board authorized a 3-year, \$1 billion share repurchase program.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	<u>Credit and Guaranty Agreement, dated May 29, 2019, among Cheniere Partners, as Borrower, certain subsidiaries of Cheniere Partners, as Subsidiary Guarantors, the lenders from time to time party thereto, Natixis, Société Générale, The Bank of Nova Scotia, Wells Fargo Bank, as Issuing Banks, MUFG Bank, LTD as Administrative Agent and Sole Coordinating Lead Arranger, and certain arrangers and other participants (Incorporated by reference to Exhibit 10.1 to Cheniere Partners' Current Report on Form 8-K (SEC File No. 001-33366), filed on June 3, 2019)</u>
10.2*	<u>Amended and Restated Senior Working Capital Revolving Credit and Letter of Credit Reimbursement Agreement, dated September 4, 2015, as amended by (a) Third Omnibus Amendment, dated as of May 23, 2018; (b) Fourth Omnibus Amendment, dated as of September 17, 2018; and (c) Fifth Omnibus Amendment, Consent and Waiver, dated as of May 29, 2019, among SPL, as Borrower, The Bank of Nova Scotia, as Senior Issuing Bank and Senior Facility Agent, ABN Amro Capital USA LLC, HSBC Bank USA, National Association and ING Capital LLC, as Senior Issuing Banks, Société Générale, as Swing Line Lender and Common Security Trustee, and the senior lenders party thereto from time to time</u>
10.3*	<u>Change orders to the Fixed Price Separated Turnkey Agreement for the Engineering, Procurement and Construction of the Corpus Christi Stage 1 Liquefaction Facility, dated as of December 6, 2013, between CCL and Bechtel Oil, Gas and Chemicals, Inc.: (i) the Change Order CO-00051 Fencing Scope Modifications, dated April 19, 2019 and (ii) Change Order CO-00052 West Jetty Manual Gas Sampler, dated April 19, 2019 (Portions of this exhibit have been omitted.)</u>
10.4*	<u>Change orders to the Amended and Restated Fixed Price Separated Turnkey Agreement for the Engineering, Procurement and Construction of the Corpus Christi Stage 2 Liquefaction Facility, dated as of December 12, 2017, between CCL and Bechtel Oil, Gas and Chemicals, Inc.: (i) the Change Order CO-000013 Section 232 Steel and Aluminum Tariffs & Anti-dumping (ADA) and Countervailing Duties (CVD), dated May 2, 2019, (ii) the Change Order CO-00014 Tank B Jump-over Tie-In Interface - Long Lead Items, dated May 2, 2019 and (iii) the Change Order CO-00015 Section 232 Steel and Aluminum Tariffs & Anti-dumping (ADA) and Countervailing Duties (CVD) Q1, 2019, dated June 4, 2019 (Portions of this exhibit have been omitted.)</u>
10.5*	<u>Change order to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Sabine Pass LNG Stage 2 Liquefaction Facility, dated December 20, 2012, by and between SPL and Bechtel Oil Gas and Chemicals, Inc.: the Change Order CO-00045 Letter of Credit Reduction and Extension, dated June 7, 2019</u>
10.6*	<u>Change order to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Sabine Pass LNG Stage 4 Liquefaction Facility, dated November 7, 2018, by and between SPL and Bechtel Oil Gas and Chemicals, Inc.: the Change Order CO-00001 Modifications to Insurance Language Change Order, dated June 3, 2019</u>
31.1*	<u>Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act</u>
31.2*	<u>Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act</u>
32.1**	<u>Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2**	<u>Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHENIERE ENERGY, INC.

Date:	August 7, 2019	By:	<u>/s/ Michael J. Wortley</u> Michael J. Wortley Executive Vice President and Chief Financial Officer (on behalf of the registrant and as principal financial officer)
Date:	August 7, 2019	By:	<u>/s/ Leonard E. Travis</u> Leonard E. Travis Vice President and Chief Accounting Officer (on behalf of the registrant and as principal accounting officer)

\$1,200,000,000

**AMENDED AND RESTATED SENIOR WORKING CAPITAL REVOLVING CREDIT AND LETTER OF CREDIT REIMBURSEMENT
AGREEMENT**

Dated as of September 4, 2015,

AS AMENDED BY

**Third Omnibus Amendment, dated as of May 23, 2018;
Fourth Omnibus Amendment, dated as of September 17, 2018; and
Fifth Omnibus Amendment, Consent and Waiver, dated as of May 29, 2019**

among

SABINE PASS LIQUEFACTION, LLC
as Borrower,

THE BANK OF NOVA SCOTIA
as Senior Issuing Bank and Senior Facility Agent,

**ABN AMRO CAPITAL USA LLC,
HSBC BANK USA, NATIONAL ASSOCIATION and
ING CAPITAL LLC**
as Senior Issuing Banks,

SOCIÉTÉ GÉNÉRALE
as Swing Line Lender,

SOCIÉTÉ GÉNÉRALE
as Common Security Trustee,

and

THE SENIOR LENDERS NAMED HEREIN
as Senior Lenders,

and for the benefit of

**HSBC BANK USA, NATIONAL ASSOCIATION,
ING CAPITAL LLC, MORGAN STANLEY BANK, N.A., and
SUMITOMO MITSUI BANKING CORPORATION**
as Joint Lead Arrangers, Joint Lead Bookrunners, and Co-Documentation Agents

**ABN AMRO CAPITAL USA LLC, THE BANK OF NOVA SCOTIA, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and SOCIÉTÉ
GÉNÉRALE**
as Joint Lead Arrangers, Joint Lead Bookrunners, and Co-Syndication Agents

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED,
NEW YORK BRANCH**

and

LLOYDS BANK PLC
as Mandated Lead Arrangers and

LANDESBANK BADEN-WÜRTTEMBERG, NEW YORK BRANCH
as Manager

TABLE OF CONTENTS

Section	Page
ARTICLE I DEFINITIONS AND INTERPRETATION	3
SECTION 1.01. Defined Terms	3
SECTION 1.02. Principles of Interpretation	22
SECTION 1.03. UCC Terms	22
SECTION 1.04. Accounting and Financial Determinations	22
ARTICLE II WORKING CAPITAL LOANS, SWING LINE LOANS AND COMMITMENTS	22
SECTION 2.01. Working Capital Loans	22
SECTION 2.02. Notice of Working Capital Loan Borrowings	23
SECTION 2.03. Borrowing of Working Capital Loans	24
SECTION 2.04. Swing Line Loans	26
SECTION 2.05. Incremental Commitments	30
SECTION 2.06. Termination or Reduction of Commitments	31
ARTICLE III LETTERS OF CREDIT	32
SECTION 3.01. Existing Letters of Credit	32
SECTION 3.02. Letters of Credit	32
SECTION 3.03. Reimbursement to Senior Issuing Banks	34
SECTION 3.04. Obligations Absolute	36
SECTION 3.05. Liability of Senior Issuing Banks and the Senior Lenders	37
SECTION 3.06. Resignation as Senior Issuing Bank	37
ARTICLE IV REPAYMENTS, INTEREST AND FEES	38
SECTION 4.01. Repayment of LC Loans	38
SECTION 4.02. Repayment of Working Capital Loans	38
SECTION 4.03. Repayment of Swing Line Loans	38
SECTION 4.04. Optional Prepayment of Loans	38
SECTION 4.05. Interest Payments	39
SECTION 4.06. Interest Rates	40
SECTION 4.07. Conversion Options	40
SECTION 4.08. Post-Maturity Interest Rates; Default Interest Rates	41
SECTION 4.09. Interest Rate Determination	41
SECTION 4.10. Computations of Interest and Fees	41
SECTION 4.11. Time and Place of Payments	41
SECTION 4.12. Borrowings and Payments Generally	42
SECTION 4.13. Fees	42
SECTION 4.14. Pro Rata Treatment	43
SECTION 4.15. Sharing of Payments	43

ARTICLE V LIBOR AND TAX PROVISIONS	44
SECTION 5.01. LIBOR Lending Unlawful	44
SECTION 5.02. Inability to Determine LIBOR	45
SECTION 5.03. Increased Costs	45
SECTION 5.04. Obligation to Mitigate	47
SECTION 5.05. Funding Losses	48
SECTION 5.06. Taxes	49
ARTICLE VI REPRESENTATIONS AND WARRANTIES	53
SECTION 6.01. Incorporation of Common Terms Agreement	53
ARTICLE VII CONDITIONS PRECEDENT	53
SECTION 7.01. Conditions to Closing Date	53
SECTION 7.02. Conditions Precedent to Certain Extensions of Credit	56
ARTICLE VIII COVENANTS OF THE BORROWER	58
SECTION 8.01. Covenants Applicable Prior to Other Obligations Discharge Date	58
SECTION 8.02. Covenants Applicable After the Other Obligations Discharge Date	58
SECTION 8.03. Restricted Payments	58
SECTION 8.04. Reporting Covenants	62
ARTICLE IX DEFAULTS	62
SECTION 9.01. Events of Default	62
SECTION 9.02. Acceleration Upon Bankruptcy	67
SECTION 9.03. Acceleration Upon Other Event of Default	68
SECTION 9.04. Action Upon Event of Default	68
SECTION 9.05. Cash Collateralization of Letters of Credit	69
SECTION 9.06. Application of Proceeds	69
ARTICLE X THE SENIOR FACILITY AGENT	70
SECTION 10.01. Appointment and Authority	70
SECTION 10.02. Rights as a Lender or Secured Hedging Party	70
SECTION 10.03. Exculpatory Provisions	71
SECTION 10.04. Reliance by Senior Facility Agent	72
SECTION 10.05. Delegation of Duties	72
SECTION 10.06. Resignation or Removal of Senior Facility Agent	72
SECTION 10.07. No Amendment to Duties of Senior Facility Agent Without Consent	73
SECTION 10.08. Non-Reliance on Senior Facility Agent	73

SECTION 10.09.	No Joint Lead Arranger, No Joint Lead Bookrunner, No Co-Documentation Agent, No Co-Syndication Agent Duties	74
SECTION 10.10.	Certain Obligations	74
ARTICLE XI MISCELLANEOUS PROVISIONS		75
SECTION 11.01.	Amendments, Etc.	75
SECTION 11.02.	Entire Agreement	77
SECTION 11.03.	Applicable Government Rule; Jurisdiction; Etc.	77
SECTION 11.04.	Assignments	78
SECTION 11.05.	Benefits of Agreement	82
SECTION 11.06.	Costs and Expenses	82
SECTION 11.07.	Counterparts; Effectiveness	83
SECTION 11.08.	Indemnification by the Borrower	83
SECTION 11.09.	Interest Rate Limitation	85
SECTION 11.10.	No Waiver; Cumulative Remedies	85
SECTION 11.11.	Notices and Other Communications	85
SECTION 11.12.	Patriot Act Notice	88
SECTION 11.13.	Payments Set Aside	88
SECTION 11.14.	Right of Setoff	88
SECTION 11.15.	Severability	89
SECTION 11.16.	Survival	89
SECTION 11.17.	Treatment of Certain Information; Confidentiality	89
SECTION 11.18.	Waiver of Consequential Damages, Etc.	91
SECTION 11.19.	Waiver of Litigation Payments	91
SECTION 11.20.	Reinstatement	91
SECTION 11.21.	No Recourse	91
SECTION 11.22.	Intercreditor Agreement	92
SECTION 11.23.	Amendment and Restatement	92
SECTION 11.24.	Termination	92
SECTION 11.25.	No Fiduciary Duty	92

Exhibits

Exhibit A1	-	Form of Borrowing Notice (Working Capital Loans)
Exhibit A2	-	Form of Borrowing Notice (Swing Line Loans)
Exhibit B	-	Form of Interest Period Notice
Exhibit C	-	Form of Accession Agreement
Exhibit D1	-	Form of Transco Irrevocable Standby Letter of Credit
Exhibit D2	-	Form of Texas Gas Irrevocable Standby Letter of Credit
Exhibit D3	-	Form of NGPL Irrevocable Standby Letter of Credit
Exhibit E	-	Form of Lender Assignment (Commitment, Participations and Loans)
Exhibit F-1	-	Form of U.S. Tax Compliance Certificate (For Non-U.S. Lenders that are Not Partnerships for U.S. Federal Income Tax Purposes)
Exhibit F-2	-	Form of U.S. Tax Compliance Certificate (For Non-U.S. Participants that are Not Partnerships for U.S. Federal Income Tax Purposes)
Exhibit F-3	-	Form of U.S. Tax Compliance Certificate (For Non-U.S. Participants that are Partnerships for U.S. Federal Income Tax Purposes)
Exhibit F-4	-	Form of U.S. Tax Compliance Certificate (For Non-U.S. Lenders that are Partnerships for U.S. Federal Income Tax Purposes)
Exhibit G	-	Form of Solvency Certificate

Schedules

Schedule 1.01	-	Existing Letters of Credit
Schedule 2.01	-	Commitments and Proportionate Share
Schedule 8.01	-	Covenants
Schedule 11.11	-	Notice Information

This AMENDED AND RESTATED SENIOR WORKING CAPITAL REVOLVING CREDIT AND LETTER OF CREDIT REIMBURSEMENT AGREEMENT dated as of September 4, 2015, as amended by the Third Omnibus Amendment, dated as of May 23, 2018, the Fourth Omnibus Amendment, dated as of September 17, 2018 and the Fifth Omnibus Amendment, Consent and Waiver, dated as of May 29, 2019, is made among SABINE PASS LIQUEFACTION, LLC, a limited liability company organized and existing under the laws of the State of Delaware (the “**Borrower**”), THE BANK OF NOVA SCOTIA, as Senior Issuing Bank and Senior Facility Agent, ABN AMRO CAPITAL USA LLC, HSBC BANK USA, NATIONAL ASSOCIATION and ING CAPITAL LLC, as Senior Issuing Banks, SOCIÉTÉ GÉNÉRALE, as Swing Line Lender, SOCIÉTÉ GÉNÉRALE, as the Common Security Trustee, and the SENIOR LENDERS party hereto from time to time and for the benefit of HSBC BANK USA, NATIONAL ASSOCIATION, ING CAPITAL LLC, MORGAN STANLEY BANK, N.A., and SUMITOMO MITSUI BANKING CORPORATION, as Joint Lead Arrangers, Joint Lead Bookrunners, and Co-Documentation Agents, ABN AMRO CAPITAL USA LLC, THE BANK OF NOVA SCOTIA, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and SOCIÉTÉ GÉNÉRALE, as Joint Lead Arrangers, Joint Lead Bookrunners, and Co-Syndication Agents, INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK BRANCH and LLOYDS BANK PLC, as Mandated Lead Arrangers, and LANDESBANK BADEN-WÜRTTEMBERG, NEW YORK BRANCH, as Manager.

WHEREAS, Sabine Pass LNG, L.P. (“**SPLNG**”), an indirect wholly owned subsidiary of Cheniere Energy Partners, L.P. (the “**Sponsor**”), owns and operates the Sabine Pass LNG Terminal (“**Sabine Pass Terminal**”) located in Cameron Parish, Louisiana. The Sabine Pass Terminal has LNG regasification and send-out capacity of approximately 4.3 Bcf/d, storage capacity of approximately 16.9 Bcfe and two marine berths;

WHEREAS, the Borrower intends to design, engineer, develop, procure, construct, install, complete, own, operate and maintain up to six liquefaction trains, each with a nominal production capacity of at least 182,500,000 MMBtu per annum, that will add liquefaction services at the Sabine Pass Terminal and convert the Sabine Pass Terminal into a facility capable of liquefying and exporting domestic U.S. natural gas in addition to importing and regasifying foreign-sourced LNG;

WHEREAS, the Borrower and the Secured Debt Holder Group Representatives party thereto, the Secured Hedge Representatives party thereto, the Secured Gas Hedge Representatives party thereto, the Common Security Trustee and the Intercreditor Agent entered into that certain Common Terms Agreement, dated as of July 31, 2012, as amended by that certain First Amendment to Common Terms Agreement, dated as of November 6, 2012, as further amended by that certain Omnibus Amendment, dated as of January 9, 2013, as further amended by the Second Omnibus Agreement, and as amended and restated by the Amended and Restated Common Terms Agreement, dated as of May 28, 2013, as amended by that certain Amendment to the Common Terms Agreement, dated as of November 20, 2013, as further amended by that certain Amendment to Common Terms Agreement, dated as of April 10, 2014, as further amended by that certain Amendment to Common Terms Agreement, dated as of June 10, 2014, as further amended by that certain Amendment to Common Terms Agreement, dated as of May 12, 2015, and as further amended and restated by the Second Amended and Restated Common Terms Agreement, dated as of June 30, 2015 (as so amended and restated and as further amended, restated, supplemented or otherwise modified from

time to time, the “**Common Terms Agreement**”), that sets out certain provisions regarding, among other things, common representations and warranties of the Borrower, common covenants of the Borrower, and common Events of Default under the Secured Debt Instruments (as defined in the Common Terms Agreement);

WHEREAS, the Borrower, the Secured Debt Holder Group Representatives party thereto, the Secured Hedge Representatives party thereto, the Secured Gas Hedge Representatives party thereto, the Common Security Trustee and the Intercreditor Agent entered into that certain Intercreditor Agreement, dated as of July 31, 2012, as amended by the Second Omnibus Amendment, as amended and restated by the Amended and Restated Intercreditor Agreement, dated as of May 28, 2013, and as further amended and restated by the Second Amended and Restated Intercreditor Agreement dated as of June 30, 2015 (as so amended and restated, and as further amended, restated, supplemented or otherwise modified from time to time, the “**Intercreditor Agreement**”), that, among other things, governs the relationship among the Secured Parties and regulates the claims of the Secured Parties under the Common Terms Agreement against the Borrower and the enforcement by the Secured Parties under the Common Terms Agreement of the Security (as defined in the Common Terms Agreement), including the method of voting and decision making, and the appointment of the Intercreditor Agent for the purposes set forth therein;

WHEREAS, the Borrower and the Commercial Banks Facility Agent, the Common Security Trustee, and the Commercial Bank Lenders party thereto (in their capacity as construction/term loan lenders thereunder) entered into that certain Second Amended and Restated Credit Agreement (Term Loan A), dated as of June 30, 2015, pursuant to which such Commercial Bank Lenders party thereto (in such capacity) agreed to provide, upon the terms and conditions set forth therein, the loans described therein to finance the construction of the relevant trains of the Project;

WHEREAS, the Borrower, the KSURE Covered Facility Agent, the Common Security Trustee and the KSURE Covered Facility Lenders party thereto entered into that certain Amended and Restated KSURE Covered Facility Agreement, dated as of June 30, 2015, pursuant to which the KSURE Covered Facility Lenders agreed to provide, upon the terms and conditions set forth therein, the loans described therein to finance the construction of the relevant trains of the Project and, in connection therewith and as a condition thereto, KSURE agreed to issue the KSURE Insurance to provide, upon the terms and conditions set forth therein, credit support to the KSURE Covered Facility Lenders;

WHEREAS, the Borrower, the KEXIM Facility Agent, the Common Security Trustee and KEXIM entered into that certain KEXIM Direct Facility Agreement, dated as of June 30, 2015, pursuant to which KEXIM agreed to provide, upon the terms and conditions set forth therein, the loans described therein to finance the construction of the relevant trains of the Project;

WHEREAS, the Borrower, the KEXIM Facility Agent, the Common Security Trustee, KEXIM and the KEXIM Covered Facility Lenders entered into that certain KEXIM Covered Facility Agreement, dated as of June 30, 2015, pursuant to which the KEXIM Covered Facility Lenders agreed to provide, upon the terms and conditions set forth therein, the loans described therein to finance the construction of the relevant trains of the Project and, in connection therewith and as a

condition thereto, KEXIM agreed to issue the KEXIM Guarantee to provide, upon the terms and conditions set forth therein, credit support to the KEXIM Covered Facility Lenders;

WHEREAS, as of the date hereof, pursuant to (i) that certain Indenture, dated as of February 24, 2017 (the “**4(a)(2) Indenture**”) and (ii) that certain Indenture, dated as of February 1, 2013, as supplemented by a first supplemental indenture, dated as of April 16, 2013, a second supplemental indenture, dated as of April 16, 2013, a third supplemental indenture, dated as of November 25, 2013, a fourth supplemental indenture, dated as of May 20, 2014, a fifth supplemental indenture, dated as of May 20, 2014, a sixth supplemental indenture, dated as of March 3, 2015, a seventh supplemental indenture, dated as of June 14, 2016, an eighth supplemental indenture, dated as of September 19, 2016, a ninth supplemental indenture, dated as of September 23, 2016 and a tenth supplemental indenture, dated as of March 6, 2017 (the “**144A Indenture**” and, together with the 4(a)(2) Indenture, the “**Initial Senior Bond Indentures**”) the Borrower has issued Senior Bonds in one or more series in the aggregate principal amount of thirteen billion six hundred fifty million Dollars (\$13,650,000,000);

WHEREAS, the Borrower has granted certain Security in the Collateral for the benefit of the Secured Parties pursuant to the Security Documents;

WHEREAS, the Borrower, the Senior Facility Agent, the Common Security Trustee, The Bank of Nova Scotia as the Senior Issuing Bank and the Senior Lenders party thereto entered into that certain Senior Letter of Credit and Reimbursement Agreement, dated as of April 21, 2014 (the “**Original Working Capital Facility**”), pursuant to which such Senior Issuing Bank and Senior Lenders party thereto (in such capacity) agreed to make available, upon the terms and conditions set forth therein, the letters of credit described therein to finance certain working capital requirements of the Project;

WHEREAS, the Borrower, the Senior Facility Agent, the Common Security Trustee, the Senior Issuing Banks, the Swing Line Lender and the Senior Lenders are entering into this Agreement in order to amend and restate the Original Working Capital Facility and, upon the terms and conditions set forth herein, provide the loans and issue the letters of credit described herein to finance the finance certain working capital requirements of the Project;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.01. Defined Terms. Unless the context shall otherwise require, or unless otherwise defined in this Section 1.01, capitalized terms used herein shall have the meanings provided in the Common Terms Agreement.

“**Acceptable Rating Agency**” means S&P, Fitch, Moody’s, or any other “nationally recognized statistical rating organization” registered with the U.S. Securities and Exchange Commission, including any successor to S&P, Fitch or Moody’s.

“**Agent Parties**” has the meaning provided in Section 11.11(j) (*Notices and Other Communications*).

“**Agreement**” means this Amended and Restated Senior Working Capital Revolving Credit and Letter of Credit Reimbursement Agreement.

“**Applicable Facility LNG Sale and Purchase Agreement**” means any Facility LNG Sale and Purchase Agreement (other than (A) any terminated Facility LNG Sale and Purchase Agreement, (B) any Facility LNG Sale and Purchase Agreement in relation to which a Bankruptcy has occurred in respect of the counterparty thereof, (C) any Facility LNG Sale and Purchase Agreement not then in effect and (D) any Facility LNG Sale and Purchase Agreement in material payment default or a breach that has resulted in a material non-payment by the counterparty to such Facility LNG Sale and Purchase Agreement) with respect to any Train (a) for which the Borrower shall have delivered to the Senior Facility Agent a certificate of an Authorized Officer of the Borrower certifying that the In-Service Date has occurred or (b) (i) for which the Borrower shall have delivered to the Senior Facility Agent a certificate of an Authorized Officer of the Borrower certifying that such Train is under construction pursuant to a validly issued full notice to proceed under an EPC Contract not in material default and (ii) for which the Borrower shall have delivered to the Senior Facility Agent a certificate from the Independent Engineer certifying that the Indebtedness incurred in respect thereof, together with any equity contribution amount required by such Indebtedness and all Contracted Cash Flows, are sufficient to fund the entirety of the Project Costs of such Train through the Guaranteed Substantial Completion Date thereof, plus reasonable contingencies.

“**Applicable Margin**” means, with respect to Loans that are LIBO Loans, one and three-quarter percent (1.75%) and, with respect to Loans that are Base Rate Loans, three-quarters of one percent (0.75%).

“**Approved Fund**” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Asset Sale**” has the meaning assigned to such term in the Initial Senior Bonds Indenture as in effect on the date hereof (with all terms referenced in such term also as in effect on the date hereof).

“**Base Case Restricted Payments**” means any Restricted Payment made from Cash Flows from Base Case LNG Sales.

“**Base Rate**” means, for any day, a fluctuating rate *per annum* equal to the highest of (a) the Federal Funds Effective Rate plus one-half of one percent (0.50%), (b) the average rate of interest in effect for such day as publicly announced from time to time by the Senior Facility Agent as its “prime rate” and (c) LIBOR for an interest period of one month plus one-half of one percent (0.50%). The “prime rate” is the rate set by the Senior Facility Agent based upon various factors, including its costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be

priced at, above, or below such announced rate. Any change in such rate announced by the Senior Facility Agent shall take effect at the opening of business on the day specified in the public announcement of such change. For purposes of this definition, if LIBOR for any interest period is less than zero percent (0%), it shall be deemed zero percent (0%) for such interest period.

“Base Rate Loan” means any Loan bearing interest at a rate determined by reference to the Base Rate and the provisions of Article II (*Working Capital Loans, Swing Line Loans and Commitments*) and Article IV (*Repayments, Interest and Fees*).

“Borrower” has the meaning provided in the preamble.

“Borrowing Date” means any Business Day specified by the Borrower in a Borrowing Notice as a date on which the Borrower requests the Senior Lenders to make Working Capital Loans or Swing Line Loans under this Agreement.

“Borrowing Notice” means (a) with respect to any Working Capital Loan, each request substantially in the form set forth in Exhibit A1, and (b) with respect to any Swing Line Loan, each request substantially in the form set forth in Exhibit A2.

“Business Day” means (i) for purposes of the making of LIBO Loans, any day (a) other than a Saturday, Sunday or any other day which is a legal holiday or a day on which banking institutions are permitted to be closed in New York, New York and (b) that is also a day on which dealings in Dollar deposits are carried out in the London interbank market, and (ii) for all other purposes, any day other than a Saturday, Sunday or any other day which is a legal holiday or a day on which banking institutions are permitted to be closed in New York, New York.

“Cash Flows from Base Case LNG Sales” means (a) the amount of all Cash Flows from LNG sales permitted or required to be sold to each of the Material Project Parties under the FOB Sale and Purchase Agreements as in effect on the date hereof, minus (b) the costs relating to the purchase and transportation and related costs of natural gas associated with the production of such sold LNG.

“Change in Law” means (a) the adoption or introduction of any law, rule, directive, guideline, decision or regulation after the Closing Date, (b) any change in law, rule, directive, guideline, decision or regulation or in the interpretation or application thereof by any Government Authority charged with its interpretation or administration after the Closing Date or (c) compliance by any Senior Lender, by any lending office of such Senior Lender, or by such Senior Lender’s holding company, if any, with any written request, guideline, decision or directive (whether or not having the force of law but if not having the force of law, then being one with which the relevant party would customarily comply) of any Government Authority charged with its interpretation or administration made or issued after the Closing Date; provided, however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (ii) all requests, rules, guidelines, requirements and directives

promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

“**Closing Date**” means the date upon which each of the conditions precedent enumerated in Section 7.01 (*Conditions to Closing Date*) have been satisfied or waived in accordance with this Agreement.

“**Co-Documentation Agents**” means HSBC Bank USA, National Association, ING Capital LLC, Morgan Stanley Bank, N.A., and Sumitomo Mitsui Banking Corporation, in each case, not in its individual capacity, but as co-documentation agent hereunder.

“**Co-Syndication Agents**” means ABN AMRO Capital USA LLC, The Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi UFJ, LTD. and Société Générale, in each case, not in its individual capacity, but as co-syndication agent hereunder.

“**Commitment**” means, with respect to each Senior Lender, the commitment of such Senior Lender to make Working Capital Loans, acquire participations in Swing Line Loans, make LC Loans with respect to Letters of Credit and acquire participations in Letters of Credit in connection therewith in an aggregate amount not to exceed one billion two hundred million Dollars (\$1,200,000,000), as set forth opposite the name of such Senior Lender in the column entitled “Working Capital Commitment” in Schedule 2.01, or if such Senior Lender has entered into one or more Lender Assignment Agreements, set forth opposite the name of such Senior Lender in the Register maintained by the Senior Facility Agent as such Senior Lender’s Commitment, as the same may be (a) reduced from time to time in accordance with Section 2.06 (*Termination or Reduction of Commitments*), (b) increased from time to time in accordance with Section 2.05 (*Incremental Commitments*), (c) reduced or increased from time to time pursuant to assignments by or to such Senior Lender pursuant to Section 11.04 (*Assignments*) and (d) utilized, as of the applicable date of determination, in the amount of such Senior Lender’s Proportionate Share of the sum of (i) the outstanding principal amount of all Loans, (ii) without duplication, the Working Capital LC Exposure and (iii) without duplication, the DSR LC Exposure.

“**Commitment Fee**” has the meaning provided in Section 4.13(a) (*Fees*).

“**Commitment Increase Notice**” has the meaning provided in Section 2.05(a) (*Commitment Increase*).

“**Common Terms Agreement**” has the meaning provided in the recitals.

“**Communications**” has the meaning provided in Section 11.11(h) (*Notices and Other Communications*).

“**Contest**” has the meaning assigned to such term in the Initial Senior Bonds Indenture as in effect on the date hereof (with all terms referenced in such term also as in effect on the date hereof).

“Contracted Cash Flow” means the sum of (a) the projected cash to be received by the Borrower with respect to (A) Monthly Sales Charges, (B) the fixed price component under each of the KoGas FOB Sale and Purchase Agreement, the Centrica FOB Sale and Purchase Agreement, the Total FOB Sale and Purchase Agreement, the Petronas FOB Sale and Purchase Agreement, the Vitol FOB Sale and Purchase Agreement and any Approved Train 6 Sale and Purchase Agreement and (C) all Cash Flows (other than Cash Flows comprising the pass-through component of the cost of purchase and transportation of natural gas consumed for LNG production to the extent not already deducted as an operating expense (as contemplated by the definition of Cash Flow Available for Debt Service)) under the GAIL FOB Sale and Purchase Agreement, plus (b) the projected cash to be received by the Borrower with respect to Monthly Sales Charges (or the fixed price component) based on LNG sales contracts that, at the time of such incurrence, are in effect and not in material payment default or a breach that has resulted in a material non-payment by the counterparty to such agreement and are with counterparties that (1) have an Investment Grade Rating from at least two Acceptable Rating Agencies, or who provide a guaranty from an affiliate that has at least two of such ratings or (2) have a direct or indirect parent with an Investment Grade Rating from at least one Acceptable Rating Agency and either the counterparty or an affiliate of such counterparty who is providing a guaranty has a tangible net worth in excess of \$15,000,000,000, minus (c) the fixed expenses that could reasonably be expected to be incurred if the counterparties to the FOB Sale and Purchase Agreements and such other LNG sales agreements were not lifting any cargoes from the Borrower; provided that for the purposes of Section 2.5(b) (*Restrictions on Indebtedness*) of Schedule 8.01, it shall not be a material default, material payment default or a breach that has resulted in a material non-payment under clause (a) or clause (b) of this definition, as applicable, if (A) a Bankruptcy has occurred in respect of the applicable counterparty to such FOB Sale and Purchase Agreement or such LNG sales contract, as applicable, and the bankruptcy court enters an order permitting the assumption of the applicable FOB Sale and Purchase Agreement or LNG sales contract or (B) such counterparty continues to meet its contractual obligations thereunder.

“Debt Service Reserve Account” means any Debt Service Reserve Account so designated, established and created by the Accounts Bank pursuant to the Accounts Agreement.

“Default” means an Event of Default or an event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would become an Event of Default.

“Default LNG Sale and Purchase Agreements” has the meaning assigned to such term in the Initial Senior Bonds Indenture as in effect on the date hereof (with all terms referenced in such term also as in effect on the date hereof).

“Default Rate” has the meaning provided in Section 4.08 (*Post-Maturity Interest Rates; Default Interest Rates*).

“Defaulting Lender” means a Senior Lender which (a) has defaulted in its obligations to fund any Loan or otherwise failed to comply with its obligations under Section 3.03(c)

(*Reimbursement to Senior Issuing Banks*) or Section 2.04(g) (*Reimbursement of Swing Line Loans*), unless such default or failure is no longer continuing or has been cured within three (3) Business Days after such default or failure, (b) has notified the Borrower and/or the Senior Facility Agent that it does not intend to comply with its obligations under Section 3.03(c) (*Reimbursement to Senior Issuing Banks*) or Section 2.04(g) (*Reimbursement of Swing Line Loans*) or has made a public statement to that effect or (c) has, or has a direct or indirect parent company that has, (x) become the subject of a proceeding under any Bankruptcy Code or any applicable foreign, federal, state or other statute or law relating to bankruptcy, insolvency, reorganization or other relief for debtors or (y) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that, for the avoidance of doubt, a Senior Lender shall not be a Defaulting Lender solely by virtue of (i) the ownership or acquisition of any equity interest in that Senior Lender or any direct or indirect parent company thereof by a Government Authority or (ii) in the case of a solvent Person, the precautionary appointment of an administrator, guardian, custodian or other similar official by a Government Authority under or based on the law of the country where such Person is subject to home jurisdiction supervision if Government Rule requires that such appointment not be publicly disclosed, in any case, where such action does not result in or provide such Senior Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Senior Lender (or such Government Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Senior Lender.

“**Distributable Cash**” means cash on deposit in the Equity Proceeds Account that is not subject to any distribution restrictions (other than under this Agreement or the other Financing Documents) and that is available for distribution by the Borrower in accordance with Section 8.03 of the Working Capital Facility Agreement and Section 5.01(c) of the Accounts Agreement, but instead of being distributed is retained by the Borrower and applied towards the payment of Project Costs, Operation and Maintenance Expenses or other purposes not prohibited by the terms of the Financing Documents.

“**DSR LC Exposure**” means, as of any time of determination, the sum of (a) the aggregate undrawn amount of the outstanding DSR Letters of Credit at such time plus (b) the aggregate amount of all LC Loans with respect to the DSR Letters of Credit that have not yet been repaid at such time.

“**DSR Letter of Credit**” means a Letter of Credit used for DSR Purposes.

“**DSR Purposes**” means funding the Senior Debt Facilities Debt Service Reserve Account or any Additional Debt Service Reserve Account (as such terms are defined in the Accounts Agreement).

“DSR Sublimit” means six hundred million Dollars (\$600,000,000), as the same may be increased in accordance with Section 2.05 (*Incremental Commitments*), to be used for DSR Purposes.

“Eligible Assignee” means (a) any Senior Lender and (b) any other Person (other than a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person)) approved by the Senior Facility Agent (such approval not to be unreasonably withheld), each Senior Issuing Bank (such approval not to be unreasonably withheld), the Swing Line Lender (such approval not to be unreasonably withheld) and, unless an Event of Default shall then be continuing or the assignment is to an Affiliate of a Senior Lender, with the consent of the Borrower (such consent not to be unreasonably withheld); provided that, the Borrower shall be deemed to have consented unless it shall object thereto by written notice to the Senior Facility Agent within five (5) Business Days after having received notice of the proposed assignment; provided, further, that, notwithstanding the foregoing, Eligible Assignee shall not include any Defaulting Lender (as defined herein or in any other Facility Agreement), Loan Party, the Sponsor, Blackstone, any Material Project Party or any Affiliate or Subsidiary of any of the foregoing.

“Eligible Transferee” means any bank or other financial institution which has, or whose credit support provider has, a credit rating of A- or higher from S&P or A3 or higher from Moody’s.

“Event of Default” means any of the events described in Section 9 (a) or (b) (*Events of Default*), whichever is applicable at the time.

“Excluded Taxes” means, with respect to the Senior Facility Agent, the Swing Line Lender, any Senior Issuing Bank, any Senior Lender or any other recipient of any payment to be made by or on account of any Obligation of the Borrower, (a) (i) income or franchise Taxes, in each case, imposed on (or measured by) its net income (however denominated) by the United States or by the jurisdiction (or any subdivision thereof) under the laws of which such Person is organized or in which its principal office is located or, in the case of a Senior Lender, in which its applicable lending office is located or (ii) any branch profits Taxes or any similar Taxes on retained earnings imposed by any jurisdiction described in clause (a)(i) that relates to such Person or any jurisdiction in which the Borrower is located, (b) in the case of a Senior Lender, any U.S. federal withholding Tax that is imposed on amounts payable to such Senior Lender with respect to an applicable interest in a Loan pursuant to a law in effect at the time such Senior Lender becomes a party to this Agreement (other than pursuant to an assignment request by the Borrower under Section 5.04 (*Obligation to Mitigate*)) or changes its lending office (except to the extent that amounts with respect to such Taxes were payable either to such Senior Lender’s assignor immediately before such Senior Lender became a party hereto or to such Senior Lender immediately before it changed its lending office), (c) Taxes attributable to such Senior Lender’s failure to comply with Section 5.06(e) (*Taxes - Status of Senior Lenders*), (d) any United States federal withholding Tax imposed under FATCA and (e) Other Connection Taxes.

“Existing Letters of Credit” means, collectively, the Letters of Credit issued by The Bank of Nova Scotia and listed on Schedule 1.01.

“Extension of Credit” means (a) the making of a Loan, (b) the issuance of a Letter of Credit, or (c) the amendment of any Letter of Credit having the effect of extending the stated termination date thereof or increasing the LC Available Amount thereunder.

“Facility LNG Sale and Purchase Agreements” means, collectively, the FOB Sale and Purchase Agreements and any additional LNG sales agreements entered into by the Borrower.

“Fair Market Value” has the meaning assigned to such term in the Initial Senior Bonds Indenture as in effect on the date hereof (with all terms referenced in such term also as in effect on the date hereof).

“FATCA” means Sections 1471 through 1474 of the Code, as in effect on the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any United States Department of Treasury regulation promulgated thereunder and published administrative guidance implementing such Sections and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Effective Rate” means, for any day, the rate *per annum* (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published on the next succeeding Business Day by the Federal Reserve Bank of New York; provided that, (a) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if such rate is not so published for any day that is a Business Day, the Federal Funds Effective Rate for such day shall be the average of the quotations for such day for such transactions received by the Senior Facility Agent from three (3) federal funds brokers of recognized standing selected by the Senior Facility Agent.

“Fee Letter” means each fee letter, dated as of the date hereof, between or among the Borrower and each Senior Lender, Senior Issuing Bank and Swing Line Lender.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

“Gas Working Capital Purposes” means to support the working capital requirements of the Project relating to the purchase, transportation and storage of natural gas (including credit enhancement or payment of the Borrower’s obligations in relation to construction by other Persons of natural gas pipelines to be used by the Borrower as and to the extent required under any Project Document).

“General Working Capital Purposes” means to support the general working capital requirements of the Project.

“In-Service Date” means (a) with respect to Train 1 and Train 2, the date when the Independent Engineer shall have certified in writing to the Senior Facility Agent that “Ready for Startup” and “Substantial Completion” (as defined in the Train 1 and Train 2 EPC Contract) of such Train has occurred and (b) with respect to the EPC Contract with respect to any other Train, the date when the Independent Engineer shall have certified in writing to the Senior Facility Agent that “substantial completion” (based on the corresponding defined term in such EPC Contract) of such Train has occurred.

“Incremental Amendment” has the meaning provided in Section 2.05(c) (*Incremental Commitments*).

“Incremental Lender” has the meaning provided in Section 2.05(b) (*Incremental Commitments*).

“Indemnified Taxes” means (a) Taxes imposed on or with respect to any payment made on account of any Obligation of the Borrower hereunder to the Senior Facility Agent, any Senior Issuing Bank, the Swing Line Lender or any other recipient of any payment to be made by or on account of any Obligation of the Borrower hereunder other than Excluded Taxes and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitee” has the meaning provided in Section 11.08(a) (*Indemnification by the Borrower*).

“Information” has the meaning provided in Section 11.17 (*Treatment of Certain Information; Confidentiality*).

“Intercreditor Agreement” has the meaning provided in the recitals.

“Interest Payment Date” has the meaning provided in Section 4.05(a) (*Interest Payments*).

“Interest Period” means, with respect to any LIBO Loan, the period beginning on the date on which such LIBO Loan is made pursuant to Section 2.03 (*Borrowing of Working Capital Loans*) or on the last day of the immediately preceding Interest Period therefor, as applicable, and ending on the numerically corresponding day in the calendar month that is one (1), two (2), three (3) or six (6) months thereafter, in either case as the Borrower may select in the relevant Borrowing Notice or Interest Period Notice; provided, however, that (i) if such Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall end on the next following Business Day (unless such next following Business Day is in a different calendar month, in which case such Interest Period shall end on the next preceding Business Day), (ii) any Interest Period that begins on the last Business Day of a month (or on a day for which there is no numerically corresponding day in the month at the end of such Interest Period) shall end on the last Business Day of the month at the end of such Interest Period, (iii) no Interest Period may end later than the Maturity Date, and (iv)

any Interest Period for a LIBO Loan which would otherwise end after the Maturity Date shall end on the Maturity Date.

“**Interest Period Notice**” means a notice in substantially the form attached hereto as Exhibit B, executed by an Authorized Officer of the Borrower.

“**Investment Grade Rating**” means Baa3 or better by Moody’s, BBB- or better by Fitch, BBB- or better by S&P or the equivalent investment grade rating from any other Acceptable Rating Agency.

“**ISP98**” has the meaning provided in Section 3.02(g)(iii) (*Letters of Credit*).

“**Joint Lead Arranger**” means ABN AMRO Capital USA LLC, The Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi UFJ, LTD., HSBC Bank USA, National Association, ING Capital LLC, Morgan Stanley Bank, N.A., Société Générale and Sumitomo Mitsui Banking Corporation, in each case, not in its individual capacity, but as joint lead arranger hereunder and any successors and permitted assigns.

“**Joint Lead Bookrunner**” means ABN AMRO Capital USA LLC, The Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi UFJ, LTD., HSBC Bank USA, National Association, ING Capital LLC, Morgan Stanley Bank, N.A., Société Générale and Sumitomo Mitsui Banking Corporation, in each case, not in its individual capacity, but as joint lead bookrunner hereunder and any successors and permitted assigns.

“**LC Available Amount**” means, for any Letter of Credit on any date of determination, the maximum amount available to be drawn under such Letter of Credit at any time on or after such date (assuming the satisfaction of all conditions for drawing enumerated therein).

“**LC Cash Collateral Account**” means an interest bearing cash collateral account established upon the occurrence of an Event of Default by the Senior Facility Agent in its name for the benefit of the Senior Lenders, subject to the terms of this Agreement.

“**LC Exposure**” means, as of any time of determination, the sum of the DSR LC Exposure at such time and the Working Capital LC Exposure at such time.

“**LC Fee**” has the meaning provided in Section 4.13(b) (*Fees*).

“**LC Loan**” means a loan by a Senior Lender to the Borrower deemed made pursuant to Section 3.03(c) and 3.03(f) (*Reimbursement to Senior Issuing Banks*) in connection with a draw upon any Letter of Credit.

“**LC Loan Termination Date**” means, with respect to an LC Loan, the earlier to occur of (a) the Termination Date and (b) the one year anniversary of the date of drawing of the Letter of Credit with respect to such LC Loan.

“**LC Payment Notice**” has the meaning provided in Section 3.03(a) (*Reimbursement to Senior Issuing Banks*).

“**LC Reimbursement Payment**” has the meaning provided in Section 3.03(b) (*Reimbursement to Senior Issuing Banks*).

“**Lender Assignment Agreement**” means an assignment and agreement entered into by a Senior Lender and an Eligible Assignee, and accepted by the Senior Facility Agent and, so long as no Event of Default has occurred and is continuing, the Borrower, in substantially the form of Exhibit E.

“**Letter of Credit**” means a letter of credit (a) in the case of a letter of credit to be issued to Transcontinental Gas Pipeline Company, LLC, substantially in the form of Exhibit D1, (b) in the case of a letter of credit to be issued to Texas Gas Transmission, LLC, substantially in the form of Exhibit D2, (c) in the case of a letter of credit to be issued to Natural Gas Pipeline Company of America LLC substantially in the form of Exhibit D3, and (d) in the case of all other letters of credit, in a form reasonably acceptable to the Senior Issuing Bank issuing such letter of credit, in each case issued pursuant to Section 3.02 (*Letters of Credit*).

“**LIBO Loan**” means any Working Capital Loan or LC Loan bearing interest at a rate determined by reference to LIBOR and the provisions of Article II (*Working Capital Loans, Swing Line Loans and Commitments*) and Article IV (*Repayments, Interest and Fees*).

“**LIBOR**” means, for any Interest Period for any LIBO Loan the rate per annum equal to (a) the rate determined by the Senior Facility Agent to be the offered rate that appears on the page of Reuters Screen LIBOR01 (or any successor thereto) that displays the London interbank offered rates as administered by ICE Benchmark Administration for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, or (b) if the rate referenced in the preceding clause (a) does not appear on such page or service or such page or service is not available, the rate determined by the Senior Facility Agent to be the offered rate on such other page or other service that displays the London interbank offered rates as administered by ICE Benchmark Administration for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, or (c) if the rates referenced in the preceding clauses (a) and (b) are not available, the rate per annum determined by the Senior Facility Agent as the average rate of interest at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBO Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by the Senior Facility Agent (or its Affiliates) to major banks in the London interbank LIBO market at its request at approximately 4:00 p.m. (London time) two (2) Business Days prior to the first day of such Interest Period. Notwithstanding the foregoing, for purposes of this Agreement, LIBOR shall in no event be less than 0% at any time.

“**Loan**” means, as the context requires, any of (i) a Working Capital Loan, (ii) a Swing Line Loan and (iii) an LC Loan.

“Maturity Date” means December 31, 2020.

“Maximum Rate” has the meaning provided in Section 11.09 (*Interest Rate Limitation*).

“Non-Consenting Lender” has the meaning provided in Section 5.04(c) (*Obligation to Mitigate*).

“Non-Recourse Parties” has the meaning provided in Section 11.21(a) (*No Recourse*).

“Non-U.S. Lender” has the meaning provided in Section 5.06(e) (*Taxes - Status of Senior Lenders*).

“Obligations” means, collectively, (a) all Indebtedness, Loans, advances, debts, liabilities (including any indemnification or other obligations that survive the termination of the Financing Documents (excluding each Secured Debt Instrument other than this Agreement)), and all other obligations, howsoever arising (including Guarantee obligations), in each case, owed by the Borrower to the Senior Secured Parties (or any of them) of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, pursuant to the terms of the Financing Documents (excluding each Secured Debt Instrument other than this Agreement), (b) any and all sums reasonably advanced by the Senior Facility Agent in order to preserve the Collateral or preserve the security interest of the Senior Secured Parties in the Collateral (including, but without duplication of the Borrower’s Obligation to repay the same, amounts described in the last sentence of the definition of Operation and Maintenance Expenses) and (c) in the event of any proceeding for the collection or enforcement of the obligations described in clauses (a) and (b) above, after an Event of Default shall have occurred and be continuing and the Loans have been accelerated pursuant to Section 9.02 (*Acceleration Upon Bankruptcy*) or Section 9.03 (*Acceleration Upon Other Event of Default*), the expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Senior Lenders of their rights under the Security Documents, together with any necessary attorneys’ fees and court costs.

“Other Connection Taxes” means, with respect to any Senior Lender, any Senior Issuing Bank, the Swing Line Lender, the Senior Facility Agent or any other recipient of any payment to be made by or on account of any Obligation of the Borrower, Taxes imposed as a result of a former or present connection between such Person and the jurisdiction imposing such Tax (other than connections arising from such Person having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Financing Document, or sold or assigned an interest in any Loan or Financing Document).

“Other Obligations” means the Obligations (as defined in the Common Terms Agreement).

“Other Obligations Discharge Date” means the date that the Other Obligations under the Facility Agreements have been paid in full, and all Senior Debt Commitments thereunder have been reduced to zero Dollars (\$0).

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made under any Financing Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Financing Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 5.04 (*Obligation to Mitigate*)).

“Participant” has the meaning provided in Section 11.04(d) (*Assignments*).

“Participant Register” has the meaning provided in Section 11.04(d) (*Assignments*).

“Permitted Business” means (i) the construction, operation, expansion, reconstruction, debottlenecking, improvement and maintenance of the Project or related to or using by-products of the Project, all activities reasonably necessary or undertaken in connection with the foregoing and any activities incidental or related to any of the foregoing, including, the development, construction, operation, maintenance and financing of any facilities reasonably related to the Project or related to or using by-products of the Project and (ii) the buying, selling, storing and transportation of hydrocarbons for use in connection with the Project or related to or using by-products of the Project.

“Permitted Indebtedness” (i) prior to the Other Obligations Discharge Date, has the meaning assigned to such term in the Common Terms Agreement and (ii) on and after the Other Obligations Discharge Date, means items (a) through (q) set forth in Section 2.5 (*Restrictions on Indebtedness*) of Schedule 8.01.

“Permitted Liens” (i) prior to the Other Obligations Discharge Date, has the meaning assigned to such term in the Common Terms Agreement and (ii) on and after the Other Obligations Discharge Date, means collectively:

- (a) Liens in favor, or for the benefit, of the Secured Parties created or permitted pursuant to the Security Documents;
- (b) Liens securing Indebtedness with respect to Permitted Hedging Agreements and Indebtedness described in item (c) set forth in Section 2.5 (*Restrictions on Indebtedness*) of Schedule 8.01;
- (c) Liens which are scheduled exceptions to the coverage afforded by the Title Policy on the Closing Date;
- (d) statutory liens for a sum not yet delinquent or which are being Contested;
- (e) pledges or deposits of cash or letters of credit to secure the performance of bids, trade contracts (other than for borrowed money) leases, statutory obligations, surety and appeal bonds, performance bonds, letters of credit and other obligations of a like nature incurred in the ordinary course of business and in accordance with the then-effective Operating Budget and cash deposits incurred in connection with natural gas purchases;

- (f) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by Section item (e) set forth in Section 2.5 (*Restrictions on Indebtedness*) of Schedule 8.01 covering only the assets acquired with or financed by such Indebtedness;
- (g) easements and other similar encumbrances affecting real property which are incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, licenses, restrictions on the use of property or encumbrances or imperfections in title which do not materially impair such property for the purpose for which the Company's interest therein was acquired or materially interfere with the operation of the Project as contemplated by the Transaction Documents;
- (h) Mechanics' Liens, Liens of lessors and sublessors and similar Liens incurred in the ordinary course of business for sums which are not overdue for a period of more than 30 days or the payment of which is subject to a Contest;
- (i) legal or equitable encumbrances (other than any attachment prior to judgment, judgment lien or attachment in aid of execution on a judgment) deemed to exist by reason of the existence of any pending litigation or other legal proceeding if the same is effectively stayed or the claims secured thereby are subject to a Contest;
- (j) the Liens created pursuant to the Real Property Documents;
- (k) Liens arising out of judgments or awards so long as an appeal or proceeding for review is being prosecuted in good faith and for the payment of which adequate cash reserves, bonds or other cash equivalent security have been provided or are fully covered by insurance (other than any customary deductible);
- (l) Liens for workers' compensation awards and similar obligations not then delinquent; Mechanics' Liens and similar Liens not then delinquent, and any such Liens, whether or not delinquent, whose validity is at the time being Contested in good faith;
- (m) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred hereunder; provided, however, that:
- (i) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and
- (ii) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness, any amounts deposited in a debt service reserve or similar reserve account in connection with the issuance of such Permitted Refinancing Indebtedness and the amount of all fees and expenses (including Hedge Termination Value with respect to any Interest Rate Protection subject to refinancing with the purposed Permitted Refinancing Indebtedness), including premiums, incurred in connection

therewith) with such Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, discounts, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(n) Liens to the extent of the interests of Sponsor or its Subsidiaries (other than the Borrower) in any corporate or joint property policy collectively insuring the assets of the Sponsor and its Subsidiaries (including the Borrower) and Liens granted in favor of secured creditors of the Sponsor or its subsidiaries over such interests; and

(o) other Liens not otherwise permitted hereunder so long as the aggregate outstanding principal amount of the obligations secured thereby does not exceed \$100,000,000 at any one time.

“Permitted Refinancing Indebtedness” means any Indebtedness of the Borrower issued in exchange for, or the net proceeds of which are used to (i) renew, refund, refinance, replace, defease or discharge other Indebtedness of the Borrower or (ii) replace by cancelling Senior Debt Commitments; provided that:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness, any amounts deposited in a debt service reserve or similar reserve account in connection with the issuance of such Permitted Refinancing Indebtedness and the amount of all fees and expenses (including Hedge Termination Value with respect to any Interest Rate Protection Agreement subject to refinancing with the purposed Permitted Refinancing Indebtedness), including premiums and discounts incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has (a) a final maturity date later than the final maturity date of, and has a weighted average life to maturity that is equal to or greater than the weighted average life to maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (b) a final maturity date more than 90 days after the final maturity date of the Obligations; provided that this clause (b) shall not apply to Permitted Refinancing Indebtedness incurred pursuant to Section 2.5(b) (*Restrictions on Indebtedness*) of Schedule 8.01;

(c) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Obligations, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the Senior Lenders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(d) such Indebtedness is incurred by the Borrower and is guaranteed only by Persons who were obligors on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

“Permitted Refinancing Indebtedness Incremental Amounts” means the amount of Indebtedness under Permitted Refinancing Indebtedness related to the incurrence of such Permitted Refinancing Indebtedness that are incremental to the Indebtedness that would have arisen under the replaced Indebtedness, including incremental interest payable on such Permitted Refinancing Indebtedness compared to the replaced Indebtedness and the amount of Permitted Refinancing Indebtedness incurred to pay fees, provisions, costs, expenses and premiums associated with the incurrence of such Permitted Refinancing Indebtedness.

“Platform” has the meaning provided in Section 11.11(i) (*Notices and Other Communications*).

“Principal Amount Outstanding” means, on any date of determination, the sum of (i) the aggregate principal amount of all Loans outstanding on such date plus (ii) the aggregate LC Available Amounts of all Letters of Credit outstanding on such date (without giving effect to any draw on any Letter of Credit that has not as of such date been deemed a Loan), in each case after giving effect to all Extensions of Credit to be made on such date.

“Project Phase” means, with respect to any Train, the portion of the Project associated with such Train.

“Proportionate Share” means, with respect to each Senior Lender, (a) prior to the termination of all Commitments, the percentage obtained by dividing (i) such Senior Lender’s Commitment by (ii) the aggregate Commitments of all Lenders and (b) on and after termination of all Commitments, the percentage obtained by dividing (i) such Senior Lender’s outstanding Loans by (ii) all outstanding Loans of all Senior Lenders. The initial Proportionate Share of each Senior Lender is set forth opposite the name of such Senior Lender in the column entitled “Proportionate Share” in Schedule 2.01 or in the Lender Assignment Agreement, pursuant to which such Senior Lender becomes a party hereto.

“Refunded Swing Line Loans” has the meaning provided in Section 2.04(g)(ii) (*Swing Line Loans*).

“Register” has the meaning provided in Section 2.03(d) (*Borrowing of Working Capital Loans*).

“Replacement Assets” has the meaning assigned to such term in the Initial Senior Bonds Indenture as in effect on the date hereof (with all terms referenced in such term also as in effect on the date hereof).

“Request for Issuance” has the meaning provided in Section 3.02(a) (*Letters of Credit*).

“Required Senior LC Lenders” means the Required Senior Lenders.

“Required Senior Lenders” means, as of any date of determination, the Senior Lenders that, collectively, on such date hold in excess of fifty percent (50%) of the sum of (i) the Principal Amount Outstanding and (ii) the unused Commitments (excluding in each such case any Senior Lender that is a Defaulting Lender, a Loan Party, the Sponsor, a Material

Project Party or an Affiliate or Subsidiary thereof, and each Commitment and any Principal Amount Outstanding of any such Senior Lender).

“Secured Bank Debt” means Indebtedness incurred by the Borrower in the aggregate amount of up to \$4,600,000,000 pursuant to the Facility Agreements comprised of the Facility Loans, and any amendments, supplements, modifications, extensions, renewals, restatements, replacements, refundings or refinancings thereof with banks or other institutional lenders or investors that replace, refund or refinance any part of the loans or commitments thereunder; provided that, any such replacements, refundings or refinancings shall be subject to Section 2.5(b) (*Restrictions on Indebtedness*) of Schedule 8.01.

“Secured Bank Debt Available Amount” means the amount of all outstanding Secured Bank Debt plus available and undrawn commitments for any Secured Bank Debt pursuant to the applicable Secured Debt Instruments.

“Secured Bank Debt Committed Amount” means \$4,600,000,000.

“Senior Facility Agent” means The Bank of Nova Scotia, not in its individual capacity, but solely as Senior Facility Agent for the Loans and Letters of Credit hereunder, and each other Person that may, from time to time, be appointed as successor Senior Facility Agent pursuant to Section 10.06 (*Resignation or Removal of Senior Facility Agent*).

“Senior Issuing Bank” means ABN AMRO Capital USA LLC, HSBC Bank USA, National Association, ING Capital LLC, The Bank of Nova Scotia, and any other Senior Lender designated by the Borrower after the date hereof that has, or whose credit support provider has, a credit rating of A3 or higher by Moody’s, A- or higher by S&P or an equivalent rating by another nationally-recognized credit rating agency, and that has agreed in writing to accept such designation as a Senior Issuing Bank and to be bound by all of the terms contained in this Agreement and the other Financing Documents binding on a Senior Issuing Bank in such capacity (provided that, a copy of such agreement has been delivered to the Senior Facility Agent), it being understood that such agreement may contain additional conditions to, or limitations on, such Senior Issuing Bank’s obligation to issue Letters of Credit hereunder (including limits on the aggregate stated amount of Letters of Credit at any one time outstanding that may be issued by such Senior Issuing Bank), and any such conditions or limitations are hereby incorporated by reference into this Agreement to the same extent and with the same force as if fully set forth herein. Each reference to a Senior Issuing Bank contained in this Agreement and the other Financing Documents shall be deemed to refer to the applicable Senior Lender solely in its capacity as the issuer of Letters of Credit hereunder and not in its capacity as a Senior Lender, and each reference to a Senior Lender contained in this Agreement and the other Financing Documents shall be deemed to refer to such Senior Lender in its capacity as such and not in its capacity (if applicable) as a Senior Issuing Bank.

“Senior Issuing Bank Limit” means, at any time, (a) with respect to The Bank of Nova Scotia in its capacity as a Senior Issuing Bank, \$300,000,000, (b) with respect to ING Capital LLC in its capacity as a Senior Issuing Bank, \$460,000,000, (c) with respect to HSBC Bank

USA, National Association in its capacity as a Senior Issuing Bank, \$200,000,000, (d) with respect to ABN AMRO Capital USA LLC in its capacity as a Senior Issuing Bank, \$400,000,000 and (e) with respect to any Senior Lender that becomes a Senior Issuing Bank hereunder as provided in Section 3.06, such amount as set forth in the agreement evidencing the appointment of such Senior Lender as a Senior Issuing Bank.

“Senior Lender Payment Notice” has the meaning provided in Section 3.03(c) (*Reimbursement to Senior Issuing Banks*).

“Senior Lenders” means those commercial bank lenders identified on Schedule 2.01, each Incremental Lender that becomes a party hereto pursuant to Section 2.05 (*Incremental Commitments*), each Eligible Assignee that shall become a party hereto pursuant to Section 11.04 (*Assignments*), to the extent so provided in Section 3.03(e) (*Reimbursement to Senior Issuing Banks*), the Senior Issuing Banks, and, to the extent provided in Section 2.04(g) (*Refinancing of Swing Line Loans*), the Swing Line Lender.

“Senior Secured Parties” means the Senior Issuing Banks, the Swing Line Lender, the Senior Lenders, the Senior Facility Agent, the Common Security Trustee and each of their respective successors and permitted assigns, in each case in connection with this Agreement.

“Supermajority Senior LC Lenders” means the Supermajority Senior Lenders.

“Supermajority Senior Lenders” means, as of any date of determination, the Senior Lenders that, collectively, on such date hold in excess of sixty six and two-thirds percent (66.66%) of the sum of (i) the Principal Amount Outstanding and (ii) the unused Commitments (excluding in each such case any Senior Lender that is a Defaulting Lender, a Loan Party, the Sponsor, a Material Project Party or an Affiliate or Subsidiary thereof, and each Commitment and any Principal Amount Outstanding of any such Senior Lender).

“Swing Line Lender” means Société Générale, in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

“Swing Line Loan” has the meaning provided in Section 2.04(a) (*Swing Line Loans*).

“Swing Line Loan Borrowing” means a borrowing of a Swing Line Loan pursuant to Section 2.04 (*Swing Line Loans*).

“Swing Line Loan Termination Date” means, with respect to a Swing Line Loan, the earliest to occur of (a) the Termination Date, (b) the date fifteen (15) days after such Swing Line Loan is made and (c) the first Borrowing Date occurring at least three (3) Business Days following the date such Swing Line Loan was made.

“Swing Line Sublimit” means an amount equal to the lesser of (i) twenty five million Dollars (\$25,000,000) and (ii) the aggregate unused amount of the Working Capital Sublimit then in effect. The Swing Line Sublimit is part of, and not in addition to, the Working Capital Sublimit.

“Termination Date” means the earlier to occur of (i) the Maturity Date and (ii) the date of termination or reduction in whole of the Commitments or the acceleration of the Loans pursuant to Section 2.06 (*Termination or Reduction of Commitments*), Section 9.02 (*Acceleration Upon Bankruptcy*) and Section 9.03 (*Acceleration Upon Other Event of Default*).

“Third Omnibus Amendment” means the Third Omnibus Amendment, dated May 23, 2018, among the Borrower, the Facility Agent, the Common Security Trustee and the lenders and issuing banks party thereto.

“Total Commitment” means the aggregate amount of the Commitments then in effect of all Senior Lenders.

“Trade Date” has the meaning provided in Section 11.04(b) (*Assignments*).

“Train” means any of Train 1, Train 2, Train 3, Train 4, Train 5 or Train 6.

“Train 1” means the first liquefaction train of the Project.

“Train 2” means the second liquefaction train of the Project.

“Train 3” means the third liquefaction train of the Project.

“Train 4” means the fourth liquefaction train of the Project.

“Train 5” means the fifth liquefaction train of the Project.

“Train 5 Commitment Increase” has the meaning provided in Section 2.05(a) (*Incremental Commitments*).

“Train 6” means the proposed sixth liquefaction train of the Project.

“Train 6 Commitment Increase” has the meaning provided in Section 2.05(a) (*Incremental Commitments*).

“Transco Precedent Agreement” means the Precedent Agreement For Firm Transportation Service Under Gulf Trace Project, dated as of April 15, 2014, between Transcontinental Gas Pipe Line Company, LLC and the Borrower.

“U.S. Tax Compliance Certificate” has the meaning provided in Section 5.06(e)(ii)(B) (*Taxes - Status of Senior Lenders*).

“UCP 600” has the meaning provided in Section 3.02(g)(iii) (*Letters of Credit*).

“United States Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“Withholding Agent” means the Borrower and the Senior Facility Agent.

“Working Capital LC Exposure” means, as of any time of determination, the sum of (a) the aggregate undrawn amount of the outstanding Working Capital Letters of Credit at such time plus (b) the aggregate amount of all LC Loans with respect to the Working Capital Letters of Credit that have not yet been repaid at such time.

“Working Capital Letter of Credit” means a Letter of Credit used for Working Capital Purposes.

“Working Capital Loan” means a loan made by a Senior Lender pursuant to Section 2.03 (*Borrowing of Working Capital Loans*).

“Working Capital Loan Borrowing” means a borrowing of a Working Capital Loan pursuant to Section 2.03 (*Borrowing of Working Capital Loans*).

“Working Capital Purposes” means either (a) Gas Working Capital Purposes or (b) General Working Capital Purposes, as applicable.

“Working Capital Sublimit” means seven hundred forty million Dollars (\$740,000,000), as the same may be increased from time to time in accordance with Section 2.05 (*Incremental Commitments*).

SECTION 1.02. Principles of Interpretation. Unless the context shall otherwise require, or unless otherwise provided herein, this Agreement shall be governed by the principles of interpretation in Section 1.2 (*Interpretation*) of the Common Terms Agreement, *mutatis mutandis*.

SECTION 1.03. UCC Terms. Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the respective meanings given to those terms in the UCC.

SECTION 1.04. Accounting and Financial Determinations. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with Section 1.4 (*Accounting and Financial Determinations*) of the Common Terms Agreement.

ARTICLE II

WORKING CAPITAL LOANS, SWING LINE LOANS AND COMMITMENTS

On the terms, subject to the conditions and relying upon the representations and warranties herein set forth:

SECTION 2.01. Working Capital Loans.

(a) Each Senior Lender, severally and not jointly, shall make Working Capital Loans to the Borrower during the period from the Closing Date to but excluding the Termination Date, in an aggregate principal amount not in excess of such Senior Lender's Commitment. In no event shall the Borrower be entitled to request or receive any Working Capital Loan that would cause (i) the sum of (A) the outstanding principal amount of all Working Capital Loans and Swing Line Loans and (B) the Working Capital LC Exposure to exceed the Working Capital Sublimit or (ii) the sum

of (A) the outstanding principal amount of all Working Capital Loans and Swing Line Loans and (B) without duplication, the LC Exposure to exceed the Total Commitment.

(b) Each Working Capital Loan Borrowing shall be in an amount specified in a Borrowing Notice delivered pursuant to Section 2.02 (Notice of Working Capital Loan Borrowings).

(c) Proceeds of the Working Capital Loans shall be deposited into the Operating Account. Funds so deposited will be disbursed in accordance with the Accounts Agreement.

(d) Working Capital Loans repaid or prepaid may be re-borrowed at any time and from time to time to but excluding the Termination Date. Each Senior Lender's Commitment shall expire on the Termination Date and all Working Capital Loans and all other amounts owed hereunder with respect to Working Capital Loans and the Commitments shall be paid in full no later than such date.

SECTION 2.02. Notice of Working Capital Loan Borrowings.

(a) Subject to the terms of this Agreement and the Common Terms Agreement, the Borrower may request a Working Capital Loan Borrowing by delivering a Borrowing Notice appropriately completed to the Common Security Trustee and the Senior Facility Agent, no later than 12:00 noon, New York City time, on or before the third Business Day prior to the proposed Borrowing Date in the case of Working Capital Loans that are LIBO Loans and on or before the first Business Day prior to the proposed Borrowing Date in the case of Working Capital Loans that are Base Rate Loans.

(b) Each Borrowing Notice delivered pursuant to this Section 2.02 shall be irrevocable and shall refer to this Agreement and specify:

(i) the requested Borrowing Date (which shall be a Business Day);

(ii) the amount of such requested Working Capital Loan Borrowing;

(iii) whether the requested Working Capital Loan Borrowing is of LIBO Loans or Base Rate Loans;

(iv) in the case of a proposed Working Capital Loan Borrowing of LIBO Loans, the Borrower's election with respect to the duration of the initial Interest Period applicable to such LIBO Loans, which Interest Period shall be one (1), two (2), three (3), or six (6) months in length;

(v) the purpose for which the proceeds of the Working Capital Loan will be used, which shall be only Gas Working Capital Purposes or General Working Capital Purposes; and

(vi) that each of the conditions precedent to such Working Capital Loan Borrowing has been satisfied or waived.

(c) The currency specified in a Borrowing Notice must be Dollars.

(d) The aggregate amount of the proposed Working Capital Loan Borrowing must be an amount that is (A) no more than the available Commitment, (B) no more than the available Working Capital Sublimit, (C) not less than five million Dollars (\$5,000,000) and an integral multiple of one million Dollars (\$1,000,000) and (D) if the available Commitment or the available Working Capital Sublimit is less than five million Dollars (\$5,000,000), equal to the lesser of the available Commitment and the available Working Capital Sublimit.

(e) The Senior Facility Agent shall promptly (and in any event on the same Business Day, or, if such Working Capital Loan Borrowing Notice is delivered to the Senior Facility Agent later than 12:00 noon, New York City time, on the following Business Day) advise each Senior Lender of any Borrowing Notice delivered pursuant to this Section 2.02, together with each such Senior Lender's Proportionate Share of the requested Working Capital Loan Borrowing.

(f) If no election as to whether the requested Working Capital Loan Borrowing is of LIBO Loans or Base Rate Loans, then the requested Working Capital Loan Borrowing shall be LIBO Loans; provided that, if the applicable Working Capital Loan Borrowing Notice is delivered to the Senior Facility Agent later than 12:00 noon, New York City time, on the third Business Day prior to the proposed Borrowing Date, the requested Working Capital Loan Borrowing shall be Base Rate Loans. If no initial Interest Period is specified with respect to any requested LIBO Loans, then the requested Working Capital Loan Borrowing shall be made as a LIBO Loan with an initial Interest Period of one month.

SECTION 2.03. Borrowing of Working Capital Loans.

(a) Subject to clause (c) below, on the proposed date of each Working Capital Loan Borrowing, each Senior Lender shall make a Working Capital Loan in the amount of its Proportionate Share of the requested Working Capital Loan Borrowing by wire transfer of immediately available funds to the Senior Facility Agent, not later than 1:00 p.m., New York City time, and the Senior Facility Agent shall transfer and deposit the amounts so received as set forth in Section 2.01(c) (*Working Capital Loans*) to be disbursed in accordance with the Accounts Agreement; provided that, if a Working Capital Loan Borrowing does not occur on the proposed Borrowing Date because any condition precedent to such requested Working Capital Loan Borrowing herein specified has not been met, the Senior Facility Agent shall return the amounts so received to each Senior Lender without interest as soon as possible. The proceeds of Working Capital Loans may only be used for Working Capital Purposes, except that no more than two hundred million Dollars (\$200,000,000) of such proceeds individually or in the aggregate may be used for General Working Capital Purposes at any point in time.

(b) Subject to Section 5.04 (*Obligation to Mitigate*), each Senior Lender may (without relieving the Borrower of its obligation to repay a Loan in accordance with the terms of this Agreement) at its option fulfill its Commitments with respect to any Loan by causing any domestic or foreign branch or Affiliate of such Senior Lender to make such Loan.

(c) Unless the Senior Facility Agent has been notified in writing by any Senior Lender prior to a proposed Borrowing Date that such Senior Lender will not make available to the Senior Facility Agent its portion of the Working Capital Loan Borrowing proposed to be made on such

date, the Senior Facility Agent may assume that such Senior Lender has made such amounts available to the Senior Facility Agent on such date and the Senior Facility Agent in its sole and absolute discretion may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Senior Facility Agent by such Senior Lender and the Senior Facility Agent has made such amount available to the Borrower, the Senior Facility Agent shall be entitled to recover on demand from such Senior Lender such corresponding amount plus interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Senior Facility Agent to the Borrower to the date such corresponding amount is recovered by the Senior Facility Agent at an interest rate *per annum* equal to the Federal Funds Effective Rate. If such Senior Lender pays such corresponding amount (together with such interest), then such corresponding amount so paid shall constitute such Senior Lender's Working Capital Loan included in such Working Capital Loan Borrowing. If such Senior Lender does not pay such corresponding amount forthwith upon the Senior Facility Agent's demand, the Senior Facility Agent shall promptly notify the Borrower and the Borrower shall promptly repay such corresponding amount to the Senior Facility Agent plus interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Senior Facility Agent to the Borrower to the date such corresponding amount is recovered by the Senior Facility Agent at an interest rate *per annum* equal to the Base Rate plus the Applicable Margin. If the Senior Facility Agent receives payment of the corresponding amount from each of the Borrower and such Senior Lender, the Senior Facility Agent shall promptly remit to the Borrower such corresponding amount. If the Senior Facility Agent receives payment of interest on such corresponding amount from each of the Borrower and such Senior Lender for an overlapping period, the Senior Facility Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. Nothing herein shall be deemed to relieve any Senior Lender from its obligation to fulfill its Commitments hereunder and any payment by the Borrower pursuant to this Section 2.03(b) shall be without prejudice to any claim the Borrower may have against a Senior Lender that shall have failed to make such payment to the Senior Facility Agent. The failure of any Senior Lender to make available to the Senior Facility Agent its portion of the Working Capital Loan Borrowing shall not relieve any other Senior Lender of its obligations, if any, hereunder to make available to the Senior Facility Agent its portion of the Working Capital Loan Borrowing on the date of such Working Capital Loan Borrowing, but no Senior Lender shall be responsible for the failure of any other Senior Lender to make available to the Senior Facility Agent such other Senior Lender's portion of the Working Capital Loan Borrowing on the date of any Working Capital Loan Borrowing. A notice of the Senior Facility Agent to any Senior Lender or the Borrower with respect to any amounts owing under this Section 2.03(b) shall be conclusive, absent manifest error.

(d) Each of the Senior Lenders shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Senior Lender resulting from each Loan made by such Senior Lender, including the amounts of principal and interest payable and paid to such Senior Lender from time to time hereunder.

(e) The Senior Facility Agent shall maintain at the Senior Facility Agent's office (i) a copy of any Lender Assignment Agreement delivered to it pursuant to Section 11.04 (*Assignments*), and (ii) a register for the recordation of (A) the names and addresses of the Senior Lenders, (B) all the Commitments of and principal amount of and interest on the Loans owing and paid to, each Senior Lender pursuant to the terms hereof from time to time, (C) the amount, beneficiary and

termination date of all outstanding Letters of Credit (including whether such Letters of Credit are DSR Letters of Credit or Working Capital Letters of Credit), and (D) amounts received by the Senior Facility Agent from the Borrower and whether such amounts constitute principal, interest, fees or other amounts and each Senior Lender's share thereof (the "**Register**"). The Register shall be available for inspection by the Borrower, the Swing Line Lender, any Senior Issuing Bank and any Senior Lender at any reasonable time and from time to time upon reasonable prior notice.

(f) The entries made by the Senior Facility Agent in the Register or the accounts maintained by any Senior Lender shall be conclusive and binding evidence, absent manifest error, of the existence and amounts of the obligations recorded therein; provided that, the failure of any Senior Lender or the Senior Facility Agent to maintain such Register or accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement. In the event of any conflict between the accounts and records maintained by any Senior Lender and the accounts and records of the Senior Facility Agent in respect of such matters, the accounts and records of the Senior Facility Agent shall control in the absence of manifest error.

SECTION 2.04. Swing Line Loans.

(a) Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Senior Lenders set forth in this Section 2.04, shall make loans to the Borrower (each such loan, a "**Swing Line Loan**") from time to time on any Business Day during the period from the Closing Date to but excluding the Termination Date in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the outstanding principal amount of the Working Capital Loans and the Working Capital LC Exposure of the Senior Lender acting as Swing Line Lender, may exceed the amount of such Senior Lender's Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the sum of (A) the outstanding principal amount of all Working Capital Loans and Swing Line Loans and (B) the Working Capital LC Exposure shall not exceed the Working Capital Sublimit and (ii) the sum of (A) the outstanding principal amount of all Working Capital Loans and Swing Line Loans and (B) without duplication, the LC Exposure shall not exceed the Total Commitment; provided, further, that the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, repay under Section 4.03 (*Repayment of Swing Line Loans*) and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Senior Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a participation in such Swing Line Loan in an amount equal to its Proportionate Share of the amount of such Swing Line Loan. Swing Line Loans may only be used for Working Capital Purposes.

(b) The Borrower may request a Swing Line Loan Borrowing by delivering a Borrowing Notice appropriately completed to the Swing Line Lender, the Common Security Trustee and the Senior Facility Agent, no later than 12:00 noon, New York City time, on the Business Day of the proposed Borrowing Date.

(c) Each Borrowing Notice delivered pursuant to this Section 2.04 shall be irrevocable and shall refer to this Agreement and specify:

- (i) the requested Borrowing Date (which shall be a Business Day);
 - (ii) the amount of such requested Swing Line Loan Borrowing;
 - (iii) the purpose for which the proceeds of the Swing Line Loan will be used, which shall be only Gas Working Capital Purposes or General Working Capital Purposes; and
 - (iv) that each of the conditions precedent to such Swing Line Loan Borrowing has been satisfied or waived.
- (d) The currency specified in a Borrowing Notice must be Dollars.

(e) The aggregate amount of the proposed Swing Line Loan Borrowing must be an amount that is (A) no more than the available Commitment, (B) no more than the available Swing Line Sublimit, (C) no more than the available Working Capital Sublimit, (D) not less than one hundred thousand Dollars (\$100,000) and an integral multiple of fifty thousand Dollars (\$50,000) and (E) if the available Commitment, the available Swing Line Sublimit or the available Working Capital Sublimit is less than one hundred thousand Dollars (\$100,000), equal to the least of the available Commitment, the available Swing Line Sublimit and the available Working Capital Sublimit.

(f) Promptly after receipt of any Borrowing Notice under Section 2.04, the Swing Line Lender will confirm with the Senior Facility Agent (by telephone or in writing) that the Senior Facility Agent has received a copy of such Borrowing Notice from the Borrower and, if not, the Swing Line Lender will provide the Senior Facility Agent with a copy thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Senior Facility Agent (including at the request of any Senior Lender) prior to 2:00 p.m., New York City time, on the date of the proposed Swing Line Borrowing (i) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (ii) that one or more of the applicable conditions precedent to such Swing Line Loan is not then satisfied or waived, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m., New York City time, on the date specified in such Borrowing Notice, make the amount of its Swing Line Loan available to the Borrower by depositing the amount into the Operating Account in immediately available funds.

(g) Reimbursement of Swing Line Loans.

(i) The Swing Line Lender shall give the Senior Facility Agent and the Common Security Trustee prompt notice of any Swing Line Loan made by the Swing Line Lender no later than 10:00 a.m., New York City time, on the Business Day immediately succeeding the date of such payment by the Swing Line Lender. The Senior Facility Agent shall promptly provide a copy of such notice to each of the Senior Lenders.

(ii) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Senior Lender make a Working Capital Loan that is a Base Rate Loan in an amount equal to such Senior Lender's Proportionate Share of the amount of Swing Line Loans then outstanding (the "**Refunded Swing Line Loans**"). Such request shall be made in writing (which written request shall be deemed to be a Borrowing Notice for purposes hereof) and in accordance with the requirements of Section 2.02 (*Notice of Working Capital Loan Borrowings*), without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans but subject to the unutilized portion of the Commitments and the conditions precedent set forth in Section 7.02 (*Conditions Precedent to Certain Extension of Credit*). The Swing Line Lender shall furnish the Borrower with a copy of the applicable deemed Borrowing Notice promptly after delivering such notice to the Senior Facility Agent. Each Senior Lender shall make an amount equal to its Proportionate Share of the Refunded Swing Line Loans specified in such deemed Borrowing Notice available to Senior Facility Agent in immediately available funds for the account of the Swing Line Lender not later than 1:00 p.m., New York City time, on the day specified in such deemed Borrowing Notice, whereupon, subject to Section 2.04(g)(iii), each Senior Lender that so makes funds available shall be deemed to have made a Working Capital Loan that is a Base Rate Loan to Borrower in such amount. The Senior Facility Agent shall remit the funds so received to the Swing Line Lender.

(iii) If for any reason any Swing Line Loan cannot be refinanced by such a Working Capital Loan in accordance with Section 2.04(g)(ii), the request for a Working Capital Loan that is a Base Rate Loan by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Senior Lenders fund its participation in the relevant Swing Line Loan and each Senior Lender's payment to the Senior Facility Agent for the account of the Swing Line Lender pursuant to Section 2.04(g)(ii) shall be deemed payment in respect of such participation.

(iv) If any Senior Lender fails to make available to the Senior Facility Agent for the account of the Swing Line Lender any amount required to be paid by such Senior Lender pursuant to the foregoing provisions of this Section 2.04(g) by the time specified in Section 2.04(g)(ii), the Swing Line Lender shall be entitled to recover from such Senior Lender (acting through the Senior Facility Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of (A) the Federal Funds Effective Rate and (B) an overnight rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Senior Lender pays such Refunded Swing Line Loan (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Working Capital Loan included in the Commitment or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Senior Lender (through the Senior Facility Agent) with respect to any amounts owing under this clause (iv) shall be conclusive absent manifest error.

(v) Each Senior Lender's obligation to make Working Capital Loans or to purchase and fund participations in Swing Line Loans pursuant to this Section 2.04(g) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Senior Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or Event of Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Senior Lender's obligation to make Working Capital Loans pursuant to this Section 2.04(g) is subject to the conditions set forth in Section 7.02 (*Conditions to Certain Extensions of Credit*). No such funding of participations shall relieve or otherwise impair the obligation of Borrower to repay Swing Line Loans, together with interest as provided herein.

(h) Repayment of Participations.

(i) At any time after any Senior Lender has purchased and funded a participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Senior Lender its Proportionate Share thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.13 (*Payments Set Aside*), each Senior Lender shall pay to the Swing Line Lender its Proportionate Share thereof on demand of the Senior Facility Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the greater of (A) the Federal Funds Effective Rate and (B) an overnight rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. The Senior Facility Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Senior Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(i) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Senior Lender funds its Refunded Swing Line Loan or participation pursuant to this Section 2.04 to refinance such Lender's Proportionate Share of any Swing Line Loan, interest in respect of such Proportionate Share shall be solely for the account of the Swing Line Lender.

(j) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(k) Resignation as Swing Line Lender. The Swing Line Lender may upon 30 days' notice to the Borrower resign as Swing Line Lender. In the event of any such resignation as Swing Line Lender, the Borrower shall be entitled to appoint from among the Senior Lenders a successor Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of the Swing Line Lender as Swing Line Lender. If the Swing

Line Lender resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Senior Lenders to make Working Capital Loans that are Base Rate Loans or fund participations in outstanding Swing Line Loans pursuant to Section 2.04(g). Upon the appointment of a successor Swing Line Lender, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender.

SECTION 2.05. Incremental Commitments.

(a) Commitment Increase. The Borrower may, by written notice to the Senior Facility Agent (a “Commitment Increase Notice”), request increases in the Commitments as follows:

(i) The Borrower may request from time to time increases in the Commitments of up to seven hundred sixty million Dollars (\$760,000,000) in the aggregate (a “Train 5 Commitment Increase”). Subject to Section 2.05(c), the Working Capital Sublimit will be increased by the amount of the Train 5 Commitment Increase; and

(ii) The Borrower may request from time to time additional increases (in addition to the increases pursuant to Section 2.05(a)(i)) in the Commitments of up to three hundred ninety million Dollars (\$390,000,000) in the aggregate (a “Train 6 Commitment Increase”). Subject to Section 2.05(c), the Working Capital Sublimit and the DSR Sublimit will be increased by the amount of the Train 6 Commitment Increase up to three hundred million Dollars (\$300,000,000) and ninety million Dollars (\$90,000,000), respectively, as elected by the Borrower.

(b) Commitment Increase Notice. The Commitment Increase Notice shall specify (i) the date on which the Borrower proposes that the Train 5 Commitment Increase or Train 6 Commitment Increase, as applicable, shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Senior Facility Agent and (ii) the identity of each Senior Lender or other Person that is an Eligible Assignee (each, an “Incremental Lender”) to whom the Borrower proposes any portion of the Train 5 Commitment Increase or Train 6 Commitment Increase, as applicable, be allocated and the amounts of such allocations; provided that, any Senior Lender approached to provide all or a portion of the Train 5 Commitment Increase or Train 6 Commitment Increase, as applicable, may elect or decline, in its sole and absolute discretion, to participate.

(c) Incremental Amendments. The Train 5 Commitment Increase or Train 6 Commitment Increase, as applicable, shall become Commitments (or, in the case of an increase in the commitment of an existing Senior Lender, an increase in such Senior Lender’s applicable Commitment) under this Agreement pursuant to an amendment (such amendment, an “Incremental Amendment”) to this Agreement executed by the Borrower, the Senior Facility Agent and each Incremental Lender (with the consent of no other Senior Lender or Senior Secured Party being required) which provides solely for (i) the increase in the applicable Commitments, (ii) amendments required to reflect the relative unfunded Commitments of the Incremental Lenders and (iii) the joinder of each Incremental Lender that is not already an existing Senior Lender to this Agreement.

The effectiveness of any Incremental Amendment shall be subject solely to (A) the satisfaction of the condition set forth in Section 7.01(m) (*No Material Adverse Effect*), (B) the condition that no Default or Event of Default shall exist on such date of effectiveness before or after giving effect to such Train 5 Commitment Increase or Train 6 Commitment Increase, as applicable, and (C) the condition that each Incremental Lender that is not already a Senior Lender shall be entitled to receipt of any required reliance letters in respect of the legal opinions provided to the Senior Facility Agent pursuant to Section 7.01(f) (*Opinions from Counsel*), (D) the condition that the Senior Facility Agent has received an updated Base Case Forecast in form and substance reasonably satisfactory to the Senior Facility Agent and (E) such other conditions to which the Borrower and the Incremental Lenders agree.

SECTION 2.06. Termination or Reduction of Commitments.

(a) All Commitments, if any, shall be automatically and permanently terminated on the Termination Date.

(b) If no Default or Event of Default has occurred or is continuing or shall occur as a result thereof, the Borrower may, upon (i) at least three (3) Business Days' notice to the Senior Facility Agent (which shall promptly distribute copies thereof to each of the Senior Issuing Banks, the Swing Line Lender and each of the Senior Lenders) and (ii) certification (to the reasonable satisfaction of the Senior Facility Agent) that the letter of credit capacity under the portion of the Commitments to be cancelled, after taking into account other funding sources irrevocably available to the Borrower, is not required to satisfy any express obligation of the Borrower, terminate in whole or reduce ratably in part such portions of the Commitments; provided that, any such partial reduction shall be in the minimum amount of one million Dollars (\$1,000,000) or an integral multiple of one million Dollars (\$1,000,000) in excess thereof.

(c) Any termination or reduction of the Commitments pursuant to this Section 2.06 shall be permanent. Each reduction of the Commitments shall be made ratably among the Senior Lenders in accordance with their Proportionate Share.

(d) The Borrower shall have the right to permanently terminate the Commitment of any Non-Consenting Lender in accordance with Section 5.04(c) (*Obligation to Mitigate*).

(e) All Commitments, if any, shall be terminated upon the occurrence of an Event of Default if required pursuant to Section 9.02 (*Acceleration upon Bankruptcy*) or Section 9.03 (*Acceleration upon Other Event of Default*) in accordance with the terms thereof.

ARTICLE III

LETTERS OF CREDIT

SECTION 3.01. Existing Letters of Credit. All Existing Letters of Credit will be deemed to have been issued under this Agreement, and from and after the Closing Date will be subject to and governed by the terms and conditions hereof.

SECTION 3.02. Letters of Credit.

(a) Subject to the terms and conditions set forth herein and, as applicable, the terms and conditions set forth in the Common Terms Agreement, the Borrower may (but is not required to), (i) in the case of Working Capital Letters of Credit, on or after the Closing Date and (ii) in the case of DSR Letters of Credit, deliver to the Senior Facility Agent (which shall promptly distribute copies thereof to the Senior Lenders) and any Senior Issuing Bank a letter of credit request in the Senior Issuing Bank's standard form (or such other form as the Senior Issuing Bank approves) (a "**Request for Issuance**") for the issuance, extension, modification or amendment of a Letter of Credit. Each Request for Issuance shall include (i) the date (which shall be a Business Day, but in no event later than the date that occurs five (5) Business Days prior to the Termination Date) of issuance of such Letter of Credit (or the date of effectiveness of such extension, modification or amendment) and the stated expiry date thereof (which will be consistent with Section 3.02(d)), (ii) the proposed stated amount of such Letter of Credit, (iii) the intended beneficiary of such Letter of Credit, and (iv) a description of the intended use of such Letter of Credit and whether the Letter of Credit is a DSR Letter of Credit or a Working Capital Letter of Credit. Each Request for Issuance shall be irrevocable unless modified or rescinded by the Borrower not less than one (1) Business Day prior to the proposed date of issuance (or effectiveness) specified therein.

(b) No Senior Issuing Bank shall issue (i) a Working Capital Letter of Credit or an amendment to increase the face or stated amount of a Working Capital Letter of Credit if, after such issuance or amendment, the sum of (A) the outstanding principal amount of all Working Capital Loans and Swing Line Loans and (B) without duplication, the Working Capital LC Exposure would exceed the Working Capital Sublimit or (ii) a DSR Letter of Credit or an amendment to increase the face or stated amount of a DSR Letter of Credit if, after such issuance, the DSR LC Exposure would exceed the DSR Sublimit, or (iii) any Letter of Credit or an amendment to increase the face or stated amount of any Letter of Credit if, after such issuance, the sum of (A) the outstanding principal amount of all Working Capital Loans and Swing Line Loans and (B) without duplication, the LC Exposure would exceed the Total Commitment. No Senior Issuing Bank shall be required to issue a Letter of Credit if the LC Exposure attributable to Letters of Credit issued by such Senior Issuing Bank will exceed the Senior Issuing Bank Limit of such Senior Issuing Bank.

(c) Promptly after its receipt of a Request for Issuance, the Senior Issuing Bank will confirm with the Senior Facility Agent (by telephone or in writing) that the Senior Facility Agent has received a copy of such Request for Issuance from the Borrower and, if not, the Senior Issuing Bank will provide the Senior Facility Agent with a copy thereof. Unless the Senior Issuing Bank has received notice (by telephone or in writing) from the Senior Facility Agent (including at the request of any Senior Lender) no later than the Business Day prior to the proposed date of issuance

(or effectiveness) (i) directing the Senior Issuing Bank not to issue (or extend, amend or modify) such Letter of Credit as a result of the limitations set forth in Section 3.02(b), or (ii) that one or more of the applicable conditions precedent in Section 7.02 (*Conditions Precedent to Certain Extensions of Credit*) is not then satisfied or waived, then, subject to the terms and conditions hereof, the applicable Senior Issuing Bank shall issue (or extend, modify or amend) (i) each Letter of Credit, other than a Working Capital Letter of Credit for Gas Working Capital Purposes, within three (3) Business Days of receipt of such Request for Issuance (or on the Closing Date with respect to any Letter of Credit for which the Borrower issues a Request for Issuance on the Closing Date) and (ii) each Working Capital Letter of Credit for Gas Working Capital Purposes (on the first Business Day following receipt of such Request for Issuance (if such Request for Issuance was delivered prior to 12:00 noon, New York City time, on the preceding Business Day) and otherwise on the second Business Day following such receipt (but not later than 48 hours after the receipt of such Request for Issuance). Only Letters of Credit that are either a DSR Letter of Credit or a Working Capital Letter of Credit shall be issued. DSR Letters of Credit may only be used for DSR Purposes and Working Capital Letters of Credit may only be used for Working Capital Purposes. Not later than 12:00 noon, New York City time, on the proposed date of issuance (or effectiveness) specified in such Request for Issuance, and upon fulfillment of the applicable conditions precedent and the other requirements set forth herein, such Senior Issuing Bank shall issue (or extend, amend or modify) such Letter of Credit to the Borrower or directly to the intended beneficiary and provide notice and a copy thereof to the Common Security Trustee and the Senior Facility Agent, which shall promptly furnish copies thereof to the Senior Lenders, and to the extent that such Letter of Credit was issued directly to the intended beneficiary, such Senior Issuing Bank shall provide notice and a copy thereof to the Borrower.

(d) Letters of Credit shall expire no later than the earlier of (i) one year from the date of issuance of such Letter of Credit and (ii) five (5) Business Days prior to the Termination Date. Each Letter of Credit may, if requested by the Borrower, provide that it will be automatically renewed or extended for a stated period of time at the end of its then-scheduled expiration date (but in any event shall not be extended for longer than one year from the date of effectiveness of such extension or beyond five (5) Business Days prior to the Termination Date) unless the Senior Issuing Bank that issued the Letter of Credit notifies the beneficiary thereof prior to such expiration date that such Senior Issuing Bank elects not to renew or extend such Letter of Credit. In no event shall the Senior Lenders have any obligation to pay any amount to (or for the account of) any Senior Issuing Bank or any other Person, in respect of a drawing under a Letter of Credit that occurs after the Maturity Date.

(e) Notwithstanding anything in this Agreement to the contrary, no Senior Issuing Bank will have any obligation to issue or renew, or extend the expiry date of, any Letter of Credit if any judgment, order, or decree of any Government Authority or arbitrator shall by its terms purport to enjoin or restrain such Senior Issuing Bank from issuing or renewing or extending the expiry date of such Letter of Credit, or any Government Rule or any directive (whether or not having the force of law) from any Government Authority with jurisdiction over such Senior Issuing Bank shall prohibit, or direct that such Senior Issuing Bank refrain from, the issuance of new letters of credit or the renewal or extension of the expiry date of issued letters of credit generally or the issuance, renewal or extension of the expiry date of a Letter of Credit specifically or shall impose upon such Senior Issuing Bank with respect to such Letter of Credit any restriction, reserve, or capital

requirement, or shall impose upon such Senior Issuing Bank any loss, cost, or expense. Each Senior Issuing Bank shall provide the Borrower with prompt notice of the occurrence of any event described in this Section 3.02(e) not later than two (2) Business Days after obtaining knowledge of the occurrence of any such event.

(f) Each Senior Lender severally agrees with each Senior Issuing Bank to participate in the Extension of Credit resulting from the issuance (or extension, modification or amendment) of a Letter of Credit by such Senior Issuing Bank and each drawing of the LC Available Amounts thereunder, in the manner and the amount provided in Section 3.03 (*Reimbursement to Senior Issuing Banks*), and the issuance of such Letter of Credit shall be deemed to be a confirmation by the Senior Issuing Bank and each Senior Lender of such participation in such amount.

(g) In addition to the date of issuance, stated expiry date, stated amount, beneficiary and intended use specified in the applicable Request for Issuance, each Letter of Credit shall provide (unless the Borrower specifies otherwise in such Request for Issuance) for:

(i) payment in immediately available funds in Dollars on a Business Day;

(ii) multiple drawings and partial drawings;

(iii) applicability of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (1998) (“**ISP98**”), Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (2007) (“**UCP 600**”), or such other rules as the Borrower and the applicable Senior Issuing Bank shall agree, and shall, as to matters not governed by ISP98, UCP or such other rules, be governed and construed in accordance with the laws of the State of New York and applicable U.S. federal law; and

(iv) a drawing by the beneficiary of the full available amount thereof if either (A) the Senior Issuing Bank that issued the Letter of Credit ceases to satisfy the minimum credit ratings for a Senior Issuing Bank hereunder (as set forth in the definition of “Senior Issuing Bank” in Section 1.01 (*Defined Terms*)) and such Letter of Credit has not been replaced by a Senior Issuing Bank satisfying such minimum credit ratings within twenty (20) days or such shorter number of days as required under the Transaction Document with respect to which such Letter of Credit is issued; provided that, the right to draw under this clause (A) shall only be included in the applicable Letter of Credit to the extent required under the Transaction Document with respect to which such Letter of Credit is issued or (B) the Senior Issuing Bank that issued the Letter of Credit notifies the Borrower (which shall promptly notify the beneficiary) prior to the then-scheduled expiration date that such Senior Issuing Bank elects not to renew or extend such Letter of Credit.

SECTION 3.03. Reimbursement to Senior Issuing Banks.

(a) A Senior Issuing Bank shall give the Senior Facility Agent, the Common Security Trustee, the Borrower and each of the Senior Lenders prompt notice of any payment made by such Senior Issuing Bank in accordance with the terms of any Letter of Credit issued by such Senior Issuing Bank (an “**LC Payment Notice**”) no later than 10:00 a.m., New York City time, on the Business Day immediately succeeding the date of such payment by such Senior Issuing Bank.

(b) Upon delivery to the Borrower of an LC Payment Notice on or before 10:00 a.m., New York City time, on the Business Day immediately succeeding the date of such payment by a Senior Issuing Bank, unless the Borrower provides written notice to such Senior Issuing Bank and the Senior Facility Agent electing to have the reimbursement obligation converted into an LC Loan in accordance with Section 3.03(c) and (f), the Borrower shall, on or before 12:00 noon, New York City time, on such Business Day, reimburse such Senior Issuing Bank for such payment (an “**LC Reimbursement Payment**”) by paying to the Senior Facility Agent, for the account of such Senior Issuing Bank, an amount equal to the payment made by such Senior Issuing Bank plus interest on such amount at a rate *per annum* equal to the Base Rate plus 2.00%; provided that, if a Senior Issuing Bank delivers an LC Payment Notice to the Borrower after 10:00 a.m., New York City time, on the Business Day immediately succeeding the date of payment by such Senior Issuing Bank, the Borrower shall make the LC Reimbursement Payment on or before 12:00 noon, New York City time, on the next succeeding Business Day. A Senior Issuing Bank’s failure to provide an LC Payment Notice shall not relieve the Borrower of its obligation to reimburse such Senior Issuing Bank for any payment it makes under any Letter of Credit.

(c) If the Borrower fails to make the LC Reimbursement Payment as required under Section 3.03(b) or provides written notice to such Senior Issuing Bank and the Senior Facility Agent electing to have the reimbursement obligation converted into an LC Loan in accordance with this Section 3.03(c) and Section 3.03(f), the Senior Facility Agent shall promptly notify each of the Senior Lenders of the amount of its share of the payment made under the Letter of Credit, which shall be such Senior Lender’s Proportionate Share of such amount paid by such Senior Issuing Bank (the “**Senior Lender Payment Notice**”). Each Senior Lender hereby severally agrees to pay such amount in immediately available funds to the Senior Facility Agent for the account of such Senior Issuing Bank plus interest on such amount at a rate *per annum* equal to the Federal Funds Effective Rate from the date of such payment by such Senior Issuing Bank to the date of payment to such Senior Issuing Bank by such Senior Lender. Each Senior Lender shall make such payment by not later than 4:00 p.m., New York City time, on the date it received the Senior Lender Payment Notice (if such notice is received at or prior to 1:00 p.m., New York City time) and before 12:00 noon, New York City time, on the next succeeding Business Day following such receipt (if such notice is received after 1:00 p.m., New York City time). Each Senior Lender shall indemnify and hold harmless such Senior Issuing Bank from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs, and expenses (including reasonable attorneys’ fees and expenses) resulting from any failure on the part of such Senior Lender to provide, or from any delay in providing, the Senior Facility Agent for the account of such Senior Issuing Bank with its Proportionate Share of the amount paid under the Letter of Credit but no such Senior Lender shall be so liable for any such failure on the part of or caused by any other Senior Lender or the willful misconduct or gross negligence, as determined by a court of competent jurisdiction by a final and non-appealable order, of the Senior Facility Agent. Each Senior Lender’s obligation to make each such payment to the Senior Facility Agent for the account of the applicable Senior Issuing Bank shall be several and not joint and shall not be affected by (A) the occurrence or continuance of any Default or Event of Default, (B) the failure of any other Senior Lender to make any payment under this Section 3.03, or (C) the date of the drawing under the applicable Letter of Credit issued by the applicable Senior Issuing Bank; provided that, such drawing occurs prior to the earlier of (i) the Maturity Date or (ii) the termination date of the applicable Letter of

Credit. Each Senior Lender further agrees that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(d) The Senior Facility Agent shall pay to such Senior Issuing Bank in immediately available funds the amounts paid pursuant to Sections 3.03(b) and 3.03(c) before the close of business on the day such payment is received; provided that, any amount received by the Senior Facility Agent that is due and owing to such Senior Issuing Bank and remains unpaid to such Senior Issuing Bank on the date of receipt shall be paid on the next succeeding Business Day with interest payable at the Federal Funds Effective Rate.

(e) For so long as any Senior Lender is a Defaulting Lender under clause (a) of the definition thereof, each Senior Issuing Bank shall be deemed, for purposes of Section 4.15 (*Sharing of Payments, Etc.*) and Article IX (*Defaults*), to be a Senior Lender hereunder in substitution of such Defaulting Lender, owed a loan in an amount equal to the outstanding principal amount due and payable by such Senior Lender to the Senior Facility Agent for the account of each Senior Issuing Bank pursuant to subsection (c) above. Notwithstanding anything else to the contrary contained herein, the failure of any Senior Lender to make any required payment in response to any LC Payment Notice shall not increase the total aggregate amount payable by the Borrower with respect to the payment described in such LC Payment Notice above the total aggregate amount that would have been payable by the Borrower at the applicable rate for Loans if such Defaulting Lender would have funded its payments to such Senior Facility Agent in a timely manner in response to such LC Payment Notice.

(f) Each payment made by a Senior Lender under subsection (c) above shall constitute an LC Loan deemed made by such Senior Lender to the Borrower on the date of such payment by a Senior Issuing Bank under the Letter of Credit issued by such Senior Issuing Bank. All such payments by the Senior Lenders in respect of any one such payment by such Senior Issuing Bank shall constitute a single LC Loan hereunder. Each LC Loan initially shall be a Base Rate Loan.

SECTION 3.04. Obligations Absolute. The payment obligations of each Senior Lender under Section 3.03(c) (*Reimbursement to Senior Issuing Banks*) and of the Borrower under this Agreement in respect of any payment under any Letter of Credit and any Loan shall be unconditional and irrevocable (subject only to the Borrower's and each Senior Lender's right to bring suit against a Senior Issuing Bank pursuant to Section 3.05 (*Liability of Senior Issuing Banks and Senior Lenders*) following the reimbursement of such Senior Issuing Bank for any such payment), and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following circumstances:

(a) any lack of validity or enforceability of any Financing Document or any other agreement or instrument relating thereto or to such Letter of Credit;

(b) any amendment or waiver of, or any consent to departure from, all or any of the Financing Documents;

(c) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against any beneficiary, or any transferee, of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any Senior Issuing Bank, or

any other Person, whether in connection with this Agreement, the transactions contemplated herein or by such Letter of Credit, or any unrelated transaction;

(d) any statement or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) payment in good faith by a Senior Issuing Bank under any Letter of Credit issued by such Senior Issuing Bank against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit; or

(f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

SECTION 3.05. Liability of Senior Issuing Banks and the Senior Lenders. The Borrower assumes all risks of the acts and omissions of any beneficiary or transferee of any Letter of Credit, and none of the Senior Facility Agent, the Senior Issuing Banks, the Senior Lenders nor any of their respective Related Parties shall be liable or responsible for (a) the use that may be made of such Letter of Credit or any acts or omissions of any beneficiary or transferee thereof in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the applicable Senior Issuing Bank against presentation of documents that do not comply with the terms of such Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under such Letter of Credit, provided that, in each case, payment by the applicable Senior Issuing Bank shall not have constituted gross negligence or willful misconduct as determined by a court of competent jurisdiction by a final and non-appealable order. The Borrower and each Senior Lender shall have the right to bring suit against a Senior Issuing Bank, and such Senior Issuing Bank shall be liable to the Borrower and any Senior Lender, to the extent of any direct, as opposed to consequential, damages suffered by the Borrower or such Senior Lender caused by such Senior Issuing Bank's willful misconduct or gross negligence as determined by a court of competent jurisdiction by a final and non-appealable order, including such Senior Issuing Bank's willful failure to make timely payment under such Letter of Credit following the presentation to it by the beneficiary thereof of a draft and accompanying certificate(s) which strictly comply with the terms and conditions of such Letter of Credit.

SECTION 3.06. Resignation as Senior Issuing Bank. Any Senior Issuing Bank may, upon 30 days' prior written notice to the Borrower resign as Senior Issuing Bank. In the event of any such resignation as Senior Issuing Bank, the Borrower shall be entitled to appoint a successor Senior Issuing Bank hereunder from among the Senior Lenders who meet the requirements hereunder to be a Senior Issuing Bank; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of any Senior Issuing Bank. If ABN AMRO Capital USA LLC, HSBC Bank USA, National Association, ING Capital LLC, The Bank of Nova Scotia, or another Senior Lender resigns as Senior Issuing Bank, it shall retain all the rights, powers, privileges and duties of Senior Issuing Bank hereunder with respect to all Letters of Credit that it issued, including Letters of Credit outstanding as of the effective date of its resignation as Senior Issuing Bank and all LC Exposure with respect thereto (including the right to require the Senior

Lenders to make LC Loans or fund participations in Letters of Credit). Upon the appointment of a successor Senior Issuing Bank, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the Senior Issuing Bank as the case may be and (b) the successor Senior Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the applicable Senior Issuing Bank to effectively assume the obligations of such Senior Issuing Bank with respect to such Letters of Credit.

ARTICLE IV

REPAYMENTS, INTEREST AND FEES

SECTION 4.01. Repayment of LC Loans. The Borrower unconditionally and irrevocably promises to pay to the Senior Facility Agent for the ratable account of each Senior Lender the aggregate outstanding principal amount of each LC Loan no later than 5:00 p.m., New York City time, on the LC Loan Termination Date.

SECTION 4.02. Repayment of Working Capital Loans.

(a) The Borrower shall reduce the aggregate outstanding principal amount of all Working Capital Loans to zero Dollars (\$0) for a period of five (5) consecutive Business Days at least once every three hundred sixty-five (365) days; provided that, the Borrower will determine in its sole discretion when during any three hundred sixty-five (365) day-period it elects to satisfy such requirement and the Senior Facility Agent shall have no duty to monitor compliance with this Section 4.02(a).

(b) Notwithstanding anything to the contrary set forth in Section 4.02(a), the Borrower unconditionally and irrevocably promises to pay to the Senior Facility Agent for the ratable account of each Senior Lender, on the Maturity Date, an amount equal to the aggregate principal amount of all Working Capital Loans.

SECTION 4.03. Repayment of Swing Line Loans. Borrower shall repay each Swing Line Loan on the Swing Line Loan Termination Date.

SECTION 4.04. Optional Prepayment of Loans.

(a) The Borrower shall have the right to prepay the Loans on not less than three (3) Business Days' prior written notice to the Senior Facility Agent.

(b) Any partial prepayment of the Loans under this Section 4.04 shall be in an amount that is not less than twenty million Dollars (\$20,000,000).

(c) All prepayments under this Section 4.04 shall be made by the Borrower to the Senior Facility Agent for the account of the Senior Lenders and shall be applied by the Senior Facility Agent in accordance with Section 4.04(d). Each notice of optional prepayment shall indicate whether the Loan being prepaid (i) was used for Gas Working Capital Purposes, General Working Capital Purposes or DSR Purposes and (ii) was a Working Capital Loan, Swing Line Loan or an LC Loan. Each notice of optional prepayment will be irrevocable, except that such notice given by the

Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities and/or the issuance of other debt, in which case such notice may be revoked by the Borrower (by notice to the Senior Facility Agent on or prior to the specified effective date) if such condition is not satisfied. The Borrower shall pay any Break Costs incurred by any Senior Secured Party as a result of such notice and revocation.

(d) With respect to each prepayment to be made pursuant to this Section 4.04, on the date specified in the notice of prepayment delivered pursuant to Section 4.04(a), the Borrower shall pay to the Senior Facility Agent the sum of the following amounts:

- (i) the principal of, and accrued but unpaid interest on, the Loans to be prepaid;
- (ii) any additional amounts required to be paid under Section 5.05 (*Funding Losses*); and
- (iii) any other Obligations due to the respective Senior Lenders in connection with any prepayment under the Financing Documents.

SECTION 4.05. Interest Payments.

(a) Interest accrued on each Loan shall be payable, without duplication, on the following dates (each, an “**Interest Payment Date**”):

- (i) with respect to any repayment or prepayment of principal on such Loan, on the date of each such repayment or prepayment;
- (ii) with respect to Swing Line Loans, on the Swing Line Loan Termination Date;
- (iii) with respect to Working Capital Loans (other than Swing Line Loans), on the Termination Date;
- (iv) with respect to LC Loans, on the LC Loan Termination Date;
- (v) with respect to LIBO Loans, (A) on the last day of each applicable Interest Period, (B) in the case of any Interest Period that has a duration of more than three (3) months, the day three (3) months after the first day of such Interest Period, and (C) if applicable, on any date on which such LIBO Loan is converted to a Base Rate Loan; and
- (vi) with respect to Base Rate Loans, on the last day of each Fiscal Quarter or, if applicable, any date on which such Base Rate Loan is converted to a LIBO Loan.

(b) Interest accrued on other monetary Obligations after the date such amount is due and payable (whether on the Termination Date, upon acceleration or otherwise) shall be payable upon demand.

(c) Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the occurrence of an event set forth in Section 9.7 (*Bankruptcy; Insolvency*) of the Common Terms Agreement or Section 9.01(b)(viii) (*Events of*

Default) of this Agreement (whichever is applicable at the time) only to the extent it relates to Section 9.7 (*Bankruptcy; Insolvency*) of the Common Terms Agreement or Section 9.01(b)(viii) (*Events of Default*) of this Agreement (whichever is applicable at the time).

SECTION 4.06. Interest Rates.

(a) Pursuant to each properly delivered Borrowing Notice and Interest Period Notice, the LIBO Loans shall accrue interest at a rate *per annum* during each Interest Period applicable thereto equal to the sum of the LIBOR for such Interest Period plus the Applicable Margin.

(b) On or before 12:00 noon, New York City time, at least three (3) Business Days prior to the end of each Interest Period for each LIBO Loan, the Borrower shall deliver to the Senior Facility Agent an Interest Period Notice setting forth the Borrower's election with respect to the duration of the next Interest Period applicable to such LIBO Loan, which Interest Period shall be one (1), two (2), three (3), or six (6) months in length; provided that, if any Default or Event of Default has occurred and is continuing, all LIBO Loans shall convert into Base Rate Loans at the end of the then-current Interest Periods (in which case the Senior Facility Agent shall so notify the Borrower and the Senior Lenders). After such Default or Event of Default has ceased, the Borrower may convert each such Base Rate Loan into a LIBO Loan in accordance with this Agreement by delivering an Interest Period Notice in accordance with Section 4.07 (*Conversion Options*).

(c) If the Borrower fails to deliver an Interest Period Notice in accordance with Section 4.06(b) above with respect to any LIBO Loan, such LIBO Loan shall be made as, or converted into, a Base Rate Loan at the end of the then-current Interest Period.

(d) All LIBO Loans shall bear interest from (and including) the first day of the applicable Interest Period to (but excluding) the last day of such Interest Period at the interest rate determined as applicable to such LIBO Loan.

(e) Notwithstanding anything to the contrary, the Borrower shall have, in the aggregate, no more than ten (10) separate LIBO Loans outstanding at any one time.

(f) Each Base Rate Loan shall accrue interest at a rate *per annum* equal to the sum of the Base Rate plus the Applicable Margin.

(g) All Base Rate Loans shall bear interest from and including the date such Loan is made (or the day on which LIBO Loans are converted to Base Rate Loans as required under Section 4.06(b) or 4.07 (*Conversion Options*) or under Article V (*LIBOR and Tax Provisions*)) to (but excluding) the date such Loan or portion thereof is paid at the interest rate determined as applicable to such Base Rate Loan.

SECTION 4.07. Conversion Options. The Borrower may elect from time to time to convert LIBO Loans to Base Rate Loans or Base Rate Loans to LIBO Loans (subject to Sections 4.06(e) (*Interest Rates*), 5.01 (*LIBOR Lending Unlawful*) and 5.02 (*Inability to Determine LIBOR*)), as the case may be, by delivering a completed Interest Period Notice to the Senior Facility Agent notifying the Senior Facility Agent of such election no later than 12:00 noon, New York City time, on the third (3rd) Business Day preceding the proposed conversion date (which notice, in the

case of conversions to LIBO Loans, shall specify the length of the initial Interest Period therefor), provided that, no Base Rate Loan may be converted into a LIBO Loan when any Event of Default has occurred and is continuing and the Senior Facility Agent has determined not to permit such conversions. Upon receipt of any such notice the Senior Facility Agent shall promptly notify each relevant Senior Lender thereof.

SECTION 4.08. Post-Maturity Interest Rates; Default Interest Rates. If all or a portion of the principal amount of any Loan is not paid when due (whether on the Termination Date or, in the case of Swing Line Loans, the Swing Line Loan Termination Date, or in the case of LC Loans, the LC Loan Termination Date, or otherwise) or any Obligation (other than principal on the Loans) is not paid or deposited when due (whether on the Termination Date, by acceleration or otherwise), all Obligations not paid when due shall bear interest at a rate *per annum* equal to the rate then applicable to Loans plus 2.00% (the “**Default Rate**”), from the date of such non-payment until the amount then due is paid in full (after as well as before judgment).

SECTION 4.09. Interest Rate Determination. The Senior Facility Agent shall determine the interest rate applicable to the Loans and shall give prompt notice of such determination to the Borrower and the Senior Lenders. In each such case, the Senior Facility Agent’s determination of the applicable interest rate shall be conclusive in the absence of manifest error.

SECTION 4.10. Computations of Interest and Fees.

(a) All computations of interest for Base Rate Loans when the Base Rate is determined by the Senior Facility Agent’s “prime rate” shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All computations of interest for LIBO Loans, and for Base Rate Loans when the Base Rate is determined by the Federal Funds Effective Rate, shall be made on the basis of a 360-day year and actual days elapsed.

(b) Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; provided that, any Loan that is repaid on the same day on which it is made shall bear interest for one (1) day.

(c) Each determination by the Senior Facility Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

SECTION 4.11. Time and Place of Payments.

(a) Except as otherwise provided in Section 3.03(b) (*Reimbursement to Senior Issuing Banks*), the Borrower shall make each payment (including any payment of principal of or interest on any Loan or any Fees or other Obligations) hereunder without setoff, deduction or counterclaim not later than 5:00 p.m., New York City time, on the date when due in Dollars and, in immediately available funds, to the Senior Facility Agent at the following account: The Bank of Nova Scotia, New York Agency, ABA No. 026 002 532, Account No. 0617431, Attn: GWS Loan Operations, Rachelle Duncan, Ref: Sabine Pass Liquefaction, or at such other office or account as may from time to time be specified by the Senior Facility Agent to the Borrower, except payments to be made directly to a Senior Issuing Bank or the Swing Line Lender as expressly provided herein. Funds

received after 5:00 p.m., New York City time, shall be deemed to have been received by the Senior Facility Agent on the next succeeding Business Day.

(b) The Senior Facility Agent shall promptly remit in immediately available funds to each Senior Secured Party its share, if any, of any payments received by the Senior Facility Agent for the account of such Senior Secured Party.

(c) Whenever any payment (including any payment of principal of or interest on any Loan or any Fees or other Obligations) hereunder shall become due, or otherwise would occur on a day that is not a Business Day, such payment shall (except as otherwise required by the proviso to the definition of "Interest Period" with respect to LIBO Loans) be made on the immediately succeeding Business Day, and such increase of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 4.12. Borrowings and Payments Generally.

(a) Unless the Senior Facility Agent has received notice from the Borrower prior to the date on which any payment is due to the Senior Facility Agent for the account of the Senior Lenders hereunder that the Borrower will not make such payment, the Senior Facility Agent may assume that the Borrower has made such payment on such date in accordance with this Agreement and may, in reliance upon such assumption, distribute to the Senior Lenders the amount due. If the Borrower has not in fact made such payment, then each of the Senior Lenders severally agrees to repay to the Senior Facility Agent forthwith on demand the amount so distributed to such Senior Lender in immediately available funds with interest thereon, for each day from (and including) the date such amount is distributed to it to (but excluding) the date of payment to the Senior Facility Agent, at the Federal Funds Effective Rate. A notice of the Senior Facility Agent to any Senior Lender with respect to any amount owing under this Section 4.12 shall be conclusive, absent manifest error.

(b) Nothing herein shall be deemed to obligate any Senior Lender to obtain funds for any Loan in any particular place or manner or to constitute a representation by any Senior Lender that it has obtained or will obtain funds for any Loan in any particular place or manner.

(c) The Borrower hereby authorizes each Senior Lender, the Swing Line Lender and each Senior Issuing Bank, if and to the extent payment owed to such Senior Lender, Swing Line Lender or Senior Issuing Bank is not made when due under this Agreement, to charge from time to time against any or all of the Borrower's accounts with such Senior Lender, Swing Line Lender or Senior Issuing Bank any amount so due.

SECTION 4.13. Fees.

(a) From and including the date hereof until the Termination Date, the Borrower agrees to pay to the Senior Facility Agent for the account of each Senior Lender a commitment fee (the "**Commitment Fee**") on the average daily amount of such Senior Lender's Commitment (calculated as its Proportionate Share of the excess of the Total Commitment over the Principal Amount Outstanding without giving effect to any outstanding Swing Line Loans as of the applicable date of determination), at a rate *per annum* equal to 40% of the Applicable Margin for LIBO Loans, from the date hereof until the Termination Date, payable quarterly in arrears on the last Business

Day of each Fiscal Quarter, commencing on the first such date to occur following the date hereof, and on the Termination Date.

(b) The Borrower agrees to pay to the Senior Facility Agent for the account of each Senior Lender a letter of credit fee (the “**LC Fee**”) on the average daily aggregate amount of such Senior Lender’s Proportionate Share of the LC Available Amount, if any, at a rate *per annum* equal to the Applicable Margin for LIBO Loans, payable quarterly in arrears on the last Business Day of each Fiscal Quarter, commencing on the first such date to occur following the date of issuance of any Letter of Credit hereunder, and on the Maturity Date; provided, however, that upon the occurrence and during the continuance of an Event of Default, with respect to any outstanding Letters of Credit which are not cash collateralized pursuant to Section 9.06(d) (*Application of Proceeds*), such LC Fee shall be increased by 2.0% *per annum*.

(c) The Borrower agrees to pay to the Senior Facility Agent, for its own account, and to each Senior Lender the fees payable in the amounts and at the times separately agreed upon in the Fee Letters.

(d) The Borrower shall not be liable to pay any Senior Issuing Bank any fronting fees, nor shall it be liable to pay any other fees, costs, expenses, or charges with respect to opening, drawings under, renewals of, amendments to, transfers of or otherwise with respect to any Letter of Credit issued by such Senior Issuing Bank, other than as may be specifically stated in the Fee Letter to which such Senior Issuing Bank is a party.

(e) Fees paid shall not be refundable under any circumstances.

(f) All Commitment Fees and LC Fees shall be computed on the basis of the actual number of days elapsed in a year of 365 days, as prorated for any partial quarter, as applicable.

SECTION 4.14. Pro Rata Treatment.

(a) Each Loan and each reduction of commitments pursuant to Section 2.06 (*Termination or Reduction of Commitments*) or otherwise, shall be allocated by the Senior Facility Agent *pro rata* among the Senior Lenders in accordance with their respective Proportionate Shares.

(b) Except as otherwise required under Article V (*LIBOR and Tax Provisions*), each payment or prepayment of principal of the Loans shall be allocated by the Senior Facility Agent *pro rata* among the Senior Lenders in accordance with the respective principal amounts of their outstanding Loans, and each payment of interest on the Loans shall be allocated by the Senior Facility Agent *pro rata* among the Senior Lenders in accordance with the respective interest amounts outstanding on their Loans. Each payment of the Commitment Fee shall be allocated by the Senior Facility Agent *pro rata* among the Senior Lenders in accordance with their respective Commitment.

SECTION 4.15. Sharing of Payments.

(a) If any Senior Lender obtains any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of any Loan (other than pursuant to the terms of Article V (*LIBOR and Tax Provisions*)) in excess of its *pro rata* share of payments then

or therewith obtained by all the Senior Lenders holding such Loans, such Senior Lender shall purchase from the other Senior Lenders (for cash at face value) such participations in Loans made by them as shall be necessary to cause such purchasing Senior Lender to share the excess payment or other recovery ratably with each of them; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Senior Lender, the purchase shall be rescinded and each Senior Lender that has sold a participation to the purchasing Senior Lender shall repay to the purchasing Senior Lender the purchase price to the ratable extent of such recovery together with an amount equal to such selling Senior Lender's ratable share (according to the proportion of (x) the amount of such selling Senior Lender's required repayment to the purchasing Senior Lender to (y) the total amount so recovered from the purchasing Senior Lender) of any interest or other amount paid or payable by the purchasing Senior Lender in respect of the total amount so recovered. The Borrower agrees that any Senior Lender so purchasing a participation from another Senior Lender pursuant to this Section 4.15(a) may, to the fullest extent permitted by law, exercise all its rights of payment (including pursuant to Section 11.14 (Right of Setoff)) with respect to such participation as fully as if such Senior Lender were the direct creditor of the Borrower in the amount of such participation. The provisions of this Section 4.14 shall not be construed to apply to any payment by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by any Senior Lender as consideration for the assignment or sale of a participation in any of its Loans.

(b) If under any applicable bankruptcy, insolvency or other similar law, any Senior Lender receives a secured claim in lieu of a setoff to which this Section 4.15 applies, such Senior Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Senior Lenders entitled under this Section 4.15 to share in the benefits of any recovery on such secured claim.

ARTICLE V

LIBOR AND TAX PROVISIONS

SECTION 5.01. LIBOR Lending Unlawful. In the event that it becomes unlawful or, by reason of a Change in Law, any Senior Lender is unable to honor its obligation to make or maintain LIBO Loans, then such Senior Lender will promptly notify the Borrower of such event (with a copy to the Senior Facility Agent) and such Senior Lender's obligation to make or to continue LIBO Loans, or to convert Base Rate Loans into LIBO Loans, as the case may be, shall be suspended until such time as such Senior Lender may again make and maintain LIBO Loans. During such period of suspension, the Loans that would otherwise be made by such Senior Lender as LIBO Loans shall be made instead by such Senior Lender as Base Rate Loans and each LIBO Loan made by such Senior Lender and outstanding will automatically, on the last day of the then existing Interest Period therefor if such Loan may lawfully remain outstanding until the end of such Interest Period, and otherwise immediately, convert into a Base Rate Loan. At the Borrower's request, each Senior Lender shall use reasonable efforts, including using reasonable efforts to designate a different lending office for funding or booking its Loans or to assign its rights and obligations under the Financing Documents to another of its offices, branches or Affiliates, if, in the reasonable judgment of such Senior Lender, such designation or assignment (a) would eliminate or avoid such illegality and (b) would not subject such Senior Lender to any unreimbursed cost or expense and would not

otherwise be disadvantageous to such Senior Lender. The Borrower shall pay all reasonable costs and expenses incurred by any Senior Lender in connection with any such designation or assignment.

SECTION 5.02. Inability to Determine LIBOR. If prior to the commencement of any Interest Period for a LIBO Loan:

(a) the Senior Facility Agent reasonably determines that adequate and reasonable means do not exist for ascertaining LIBOR for such Interest Period; or

(b) the Senior Facility Agent is advised by the Required Senior Lenders that such Required Senior Lenders have reasonably determined that LIBOR for such Interest Period will not adequately and fairly reflect the cost to such Senior Lenders of making or maintaining their LIBO Loans for such Interest Period; then the Senior Facility Agent shall give notice thereof to the Borrower and the Senior Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Senior Facility Agent notifies the Borrower and the Senior Lenders that the circumstances giving rise to such notice no longer exist (which notice of subsequent change in circumstances shall be given as promptly as practical), (i) any Interest Period Notice that requests the conversion of any Loan to, or continuation of any Loan as, a LIBO Loan shall be ineffective and such Loan shall be converted to a Base Rate Loan on the last day of the Interest Period applicable thereto, and (ii) if any Borrowing Notice requests a LIBO Loan, such Loan shall be made as a Base Rate Loan, or, at the election of the Borrower (upon receipt of the determination to be made by the Required Senior Lenders and only if they are able to agree on such a determination), made as a Loan bearing interest at such rate as the Required Senior Lenders shall determine adequately reflects the costs to the Senior Lenders of making such Loans.

SECTION 5.03. Increased Costs.

(a) If (1) any Change in Law shall (A) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Senior Lender, the Swing Line Lender or any Senior Issuing Bank; (B) subject the Senior Facility Agent, the Swing Line Lender, any Senior Issuing Bank or any Senior Lender, or its group, to any Taxes (other than (i) Indemnified Taxes, and (ii) Taxes described in clauses (a) through (d) of the definition of Excluded Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or (C) impose on any Senior Lender any other condition, cost or expense affecting this Agreement or Loans made by such Senior Lender; and (2) the result of any of the foregoing shall be to increase the cost to such Person of making or maintaining any Loan to the Borrower or participating in the issuance, maintenance or funding of any Letter of Credit (or of maintaining its obligation to make any such Loan or participate in the issuance, maintenance or funding of any such Letter of Credit) or to reduce the amount of any sum received or receivable by such Person hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Person such additional amount or amounts as will compensate such Person for such additional costs incurred or reduction suffered (except to the extent the Borrower is excused from payment pursuant to Section 5.04 (*Obligation to Mitigate*)).

(b) If any Senior Lender, the Swing Line Lender or any Senior Issuing Bank reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have

the effect of reducing the rate of return on such Senior Lender's, Swing Line Lender's or the Senior Issuing Bank's capital or (without duplication) on the capital of such Senior Lender's, Swing Line Lender's or Senior Issuing Bank's holding company, if any, as a consequence of this Agreement or any of the Loans made by such Senior Lender, Swing Line Lender or Senior Issuing Bank, to a level below that which such Senior Lender, Swing Line Lender or Senior Issuing Bank, or such Senior Lender's, Swing Line Lender's or Senior Issuing Bank's holding company, could have achieved but for such Change in Law (taking into consideration such Senior Lender's, Swing Line Lender's or Senior Issuing Bank's policies and the policies of such Senior Lender's, Swing Line Lender's or Senior Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time upon notice by such Senior Lender, Swing Line Lender or Senior Issuing Bank, the Borrower shall pay within thirty (30) days following the receipt of such notice to such Senior Lender, Swing Line Lender or the Senior Issuing Bank such additional amount or amounts as will compensate such Senior Lender, Swing Line Lender or Senior Issuing Bank or (without duplication) such Senior Lender's, Swing Line Lender's or Senior Issuing Bank's holding company in full for any such reduction suffered (except to the extent the Borrower is excused from payment pursuant to Section 5.04 (*Obligation to Mitigate*)). In determining such amount, such Senior Lender, Swing Line Lender or such Senior Issuing Bank may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem appropriate.

(c) To claim any amount under this Section 5.03, the Senior Facility Agent, the Swing Line Lender, a Senior Issuing Bank or a Senior Lender, as applicable, shall promptly deliver to the Borrower (with a copy to the Senior Facility Agent) a certificate setting forth in reasonable detail the amount or amounts necessary to compensate the Senior Facility Agent, Swing Line Lender, Senior Issuing Bank or Senior Lender or its holding company, as the case may be, under Section 5.03(a) or (b), which certification will be conclusive absent manifest error. The Borrower shall pay the Senior Facility Agent, Swing Line Lender, Senior Issuing Bank or Senior Lender, as applicable, the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) Promptly after the Senior Facility Agent, the Swing Line Lender, a Senior Issuing Bank or a Senior Lender, as applicable, has determined that it will make a request for increased compensation pursuant to this Section 5.03, such Person shall notify the Borrower thereof (with a copy to the Senior Facility Agent). Failure or delay on the part of the Senior Facility Agent, Swing Line Lender, Senior Issuing Bank or Senior Lender to demand compensation pursuant to this Section 5.03 shall not constitute a waiver of such Person's right to demand such compensation; provided that, the Borrower shall not be required to compensate a Person pursuant to this Section 5.03 for any increased costs or reductions attributable to the failure of such Person to notify Borrower within two hundred twenty-five (225) days after the Change in Law giving rise to those increased costs or reductions of such Person's intention to claim compensation for those circumstances; provided, further, that if the Change in Law giving rise to those increased costs or reductions is retroactive, then the two hundred twenty-five (225) day-period referred to above shall be extended to include that period of retroactive effect.

SECTION 5.04. Obligation to Mitigate.

(a) If any Senior Issuing Bank, the Swing Line Lender or any Senior Lender requests compensation under Section 5.03 (*Increased Costs*), or if the Borrower is required to pay any additional amount to any Senior Lender, any Senior Issuing Bank, the Swing Line Lender or any Government Authority for the account of any Senior Lender, the Swing Line Lender or any Senior Issuing Bank pursuant to Section 5.06 (*Taxes*), then such Senior Lender, Swing Line Lender or Senior Issuing Bank, as the case may be, if requested by the Borrower in writing, shall use commercially reasonable efforts to designate a different lending office for funding or booking its Loans or issuing or maintaining its Letters of Credit hereunder or to assign its rights and obligations under the Financing Documents to another of its offices, branches or Affiliates, if, in the reasonable judgment of such Senior Lender, the Swing Line Lender or such Senior Issuing Bank, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 5.03 (*Increased Costs*) or Section 5.06 (*Taxes*), as applicable, in the future and (ii) would not subject such Senior Lender, Swing Line Lender or such Senior Issuing Bank, as the case may be, to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Senior Lender, Swing Line Lender or the Senior Issuing Bank in any material respect, contrary to such Senior Lender's, Swing Line Lender's or such Senior Issuing Bank's normal banking practices or violate any applicable Government Rule. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Senior Lender, the Swing Line Lender or such Senior Issuing Bank, as the case may be, in connection with any such designation or assignment.

(b) If any Senior Lender requests compensation under Section 5.03 (*Increased Costs*), or if the Borrower is required to pay any additional amount to any Senior Lender or any Government Authority for the account of any Senior Lender pursuant to Section 5.06 (*Taxes*) and, in each case, such Senior Lender has declined or is unable to designate a different lending office or to make an assignment in accordance with Section 5.04(a), or if any Senior Lender is a Defaulting Lender, then, so long as no Default or Event of Default has occurred and is continuing, the Borrower may, at its sole expense and effort, upon notice in writing to such Senior Lender and the Senior Facility Agent, request such Senior Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.04 (*Assignments*)), all (but not less than all) its interests, rights and obligations under this Agreement (including all of its Commitment, if any, its participations in Letters or Credit and the Loans at the time owing to it) to an Eligible Assignee that shall assume such obligations (which assignee may be a Senior Lender, if such Senior Lender accepts such assignment); provided that, (i) the Borrower shall have received the prior written consent of the Senior Facility Agent, (ii) such Senior Lender shall have received payment of an amount equal to all Obligations of the Borrower owing to such Senior Lender from such assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other Obligations) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 5.03 (*Increased Costs*), or payments required to be made pursuant to Section 5.06 (*Taxes*), such assignment will result in the elimination or reduction of such compensation or payments. A Senior Lender shall not be required to make any such assignment and delegation if, as a result of a waiver by such Senior Lender of its rights under Section 5.03 (*Increased Costs*) or Section 5.06 (*Taxes*), as applicable, the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply. If, notwithstanding the satisfaction of each of the conditions set forth in Section 5.03 (*Increased Costs*) or Section 5.06 (*Taxes*), a Senior Lender

refuses to be replaced pursuant to this Section 5.04, the Borrower shall not be obligated to pay such Senior Lender any of the compensation referred to in this Section 5.04 or any additional amounts incurred or accrued under Section 5.03 (*Increased Costs*) or Section 5.06 (*Taxes*) from and after the date that such replacement would have occurred but for such Senior Lender's refusal. Nothing in this Section shall be deemed to prejudice any rights that the Borrower, the Senior Facility Agent, the Swing Line Lender, any Senior Issuing Bank or any Senior Lender may have against any Senior Lender that is a Defaulting Lender.

(c) If (i) any Senior Lender (such Senior Lender, a “**Non-Consenting Lender**”) has failed to consent to a proposed amendment, waiver, consent or termination which pursuant to the terms of Section 11.01 (*Amendments, Etc.*) requires the consent of all of the Senior Lenders and with respect to which the Supermajority Senior Lenders shall have granted their consent and (ii) no Event of Default then exists, then the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to replace all such Non-Consenting Lenders by requiring such Non-Consenting Lenders to assign all their Loans, participations in Letters of Credit and Commitments to one or more Eligible Assignees that are Eligible Transferees; provided that, (A) all Non-Consenting Lenders must be replaced with one or more Senior Lenders that grant the applicable consent, (B) all Obligations of the Borrower owing to such Non-Consenting Lenders being replaced shall be paid in full to such Non-Consenting Lenders concurrently with such assignment and (C) the replacement Senior Lenders shall purchase the foregoing by paying to such Non-Consenting Lenders a price equal to the amount of such Obligations. In connection with any such assignment, the Borrower, the Senior Facility Agent, such Non-Consenting Lenders and the replacement Senior Lenders shall otherwise comply with Section 11.04 (*Assignments*). With the consent of the Required Senior Lenders, the Borrower shall have the right to use new shareholder funding or amounts on deposit in the Distribution Account that are permitted to be distributed pursuant to Section 5.10(d) (*Distribution Account*) of the Accounts Agreement and in the Equity Proceeds Account that are permitted to be distributed pursuant to Section 5.01(c) (*Equity Proceeds Account*) to prepay all (and not part of) the Non-Consenting Lenders' Loans and terminate all the Non-Consenting Lenders' Commitments subject, in each case, to payment of all accrued interest, fees, costs or expenses due under the Financing Documents to the relevant Senior Lender.

SECTION 5.05. **Funding Losses.** In the event of (a) the payment of any principal of any LIBO Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any LIBO Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any LIBO Loan on the date specified in any notice delivered pursuant hereto or (d) the assignment of any LIBO Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 5.04 (*Obligation to Mitigate*), then, in any such event, the Borrower shall compensate each Senior Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Senior Lender shall be deemed to be the amount determined by the Senior Facility Agent (based upon the information delivered to it by such Senior Lender) to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at LIBOR that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue a LIBO Loan, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest

which would accrue on such principal amount for such period at the interest rate which such Senior Lender would bid were it to bid, at the commencement of such period, for deposits in Dollars of a comparable amount and period from other banks in the LIBOR market. To claim any amount under this Section 5.05, the Senior Facility Agent shall promptly deliver to the Borrower a certificate setting forth in reasonable detail any amount or amounts that the applicable Senior Lender is entitled to receive pursuant to this Section 5.05 (including calculations, in reasonable detail, showing how the Senior Facility Agent computed such amount or amounts), which certificate shall be based upon the information delivered to the Senior Facility Agent by such Senior Lender. The Borrower shall pay to the Senior Facility Agent for the benefit of the applicable Senior Lender the amount due and payable and set forth on any such certificate within thirty (30) days after receipt thereof.

SECTION 5.06. Taxes. For purposes of this Section 5.06, the term “applicable Governmental Rule” includes FATCA.

(a) Payments Free of Taxes. Any and all payments on account of any Obligations shall be made free and clear of, and without deduction or withholding for, any Taxes, except as required by applicable Government Rule; provided that, if the Withholding Agent is required to deduct or withhold any Taxes from those payments, then (i) the applicable Withholding Agent shall make such deductions or withholdings, (ii) the applicable Withholding Agent shall pay the full amount deducted or withheld to the relevant Government Authority in accordance with applicable Government Rule and (iii) if such Tax is an Indemnified Tax, the sum payable shall be increased as necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under this Section 5.06) each Person entitled thereto receives an amount equal to the sum it would have received had no such deductions or withholdings been made.

(b) Payment of Other Taxes by the Borrower. In addition, but without duplication of the provisions of Section 5.06(a), the Borrower shall pay any Other Taxes to the relevant Government Authority in accordance with any applicable Government Rule.

(c) Indemnification by the Borrower. The Borrower shall indemnify each Senior Lender, each Senior Issuing Bank, the Swing Line Lender and the Senior Facility Agent, within thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes payable or paid by such Person on or with respect to any payment on account of any Obligation or required to be deducted or withheld from such payment and any Other Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 5.06), and any penalties, interest and reasonable expenses arising from, or with respect to, those Indemnified Taxes or Other Taxes, whether or not those Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Government Authority. To claim any amount under this Section 5.06(c), the Senior Facility Agent, Swing Line Lender, Senior Issuing Bank or Senior Lenders (as applicable) must deliver to the Borrower (with a copy to the Senior Facility Agent) a certificate in reasonable detail as to the amount of such payment or liability, which certificate shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable but in no event later than thirty (30) days after any payment of Taxes by the Borrower to a Government Authority pursuant to this Section

5.06, the Borrower shall deliver to the Senior Facility Agent the original or a certified copy of a receipt issued by such Government Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Senior Facility Agent.

(e) Status of Senior Lenders.

(i) Each Senior Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made hereunder shall deliver to the Borrower and the Senior Facility Agent, at the time or times reasonably requested by the Borrower or the Senior Facility Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Senior Facility Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Senior Lender, if reasonably requested by the Borrower or the Senior Facility Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Senior Facility Agent as will enable the Borrower or the Senior Facility Agent to determine whether or not such Senior Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.06(e)(ii)(A), (ii)(B) and (ii)(C) and Section 5.06(f) below) shall not be required if in the Senior Lender's reasonable judgment such completion, execution or submission would subject such Senior Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Senior Lender.

(ii) Without limiting the generality of the foregoing:

- (A) each Senior Lender that is a United States Person shall deliver to the Senior Facility Agent for transmission to the Borrower, on or prior to the date on which such Senior Lender becomes a Senior Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Senior Facility Agent), executed copies of IRS Form W-9 certifying that such Senior Lender is exempt from U.S. federal backup withholding tax;
- (B) each Senior Lender that is not a United States Person (a "**Non-U.S. Lender**") shall, to the extent it is legally entitled to do so, deliver to the Senior Facility Agent for transmission to the Borrower (but in the case of a Participant, only to the extent transmission to the Borrower is required under Section 11.04(d) (*Assignments*)), on or prior to the Closing Date (in the case of each Senior Lender listed on the signature pages hereof on the Closing Date) or on or prior to the date of the assignment and acceptance pursuant to which it becomes a Senior Lender (in the case of each other Senior Lender) and from time to time thereafter upon the reasonable request of the Borrower or the Senior Facility Agent, whichever of the following is applicable: (i)

in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Financing Document, executed copies of IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Financing Document, IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty; (ii) executed copies of IRS Form W-8ECI; (iii) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Non-U.S. Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed copies of IRS Form W-8BEN-E; or (iv) to the extent a Non-U.S. Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable, provided that, if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

- (C) Each Senior Lender required to deliver any forms, certificates or other evidence with respect to United States federal income tax withholding matters pursuant to this Section 5.06(e) hereby agrees, from time to time after the initial delivery by such Senior Lender of such forms, certificates or other evidence, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence obsolete or inaccurate in any material respect, that such Senior Lender shall, upon reasonable request by the Borrower or the Senior Facility Agent, (i) promptly deliver to the Senior Facility Agent for transmission to the Borrower (but in the case of a Participant, only to the extent transmission to the Borrower is required under Section 11.04(d) (*Assignments*)) new copies of the applicable forms, certificates or other evidence, properly completed and duly executed by such Senior Lender, and such other documentation required under the Code and reasonably requested in writing by the Borrower or the Senior Facility Agent to confirm or establish that such Senior Lender

is not subject to (or is subject to reduced) deduction or withholding of United States federal income tax with respect to payments to such Senior Lender under this Agreement, or (ii) notify the Senior Facility Agent and the Borrower (but in the case of a Participant, only to the extent direct communication with the Borrower is required under Section 11.04(d) (*Assignments*)) of its inability to deliver any such forms, certificates or other evidence. This Section 5.06(e) applies without duplication of the provisions of Section 5.06(f).

(f) FATCA. If a payment made to a Senior Lender under any Financing Document would be subject to U.S. federal withholding tax imposed by FATCA if such Senior Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Senior Lender shall deliver to the Senior Facility Agent at the time or times prescribed by Government Rule and at such time or times reasonably requested by the Borrower or the Senior Facility Agent such documentation prescribed by applicable Government Rule (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Senior Facility Agent as may be necessary for the Borrower and the Senior Facility Agent to comply with their obligations under FATCA and to determine that such Senior Lender has complied with such Senior Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 5.06(f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) FATCA Treatment. For purposes of determining withholding Taxes imposed under FATCA, from and after the Closing Date, the Borrower and the Senior Facility Agent shall treat (and the Senior Lenders hereby authorize the Senior Facility Agent to treat) this Agreement and the Loans as not qualifying as "grandfathered obligations" within the meaning of Treasury Regulation Section 1.1471-2(b)(2) (i).

(h) Refunds. If the Senior Facility Agent, Swing Line Lender, any Senior Issuing Bank or any Senior Lender determines, in its sole and absolute discretion, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 5.06, it shall pay to the Borrower an amount equal to such refund, net of all out-of-pocket expenses (including Taxes) incurred by the Senior Facility Agent, Swing Line Lender, such Senior Issuing Bank or such Senior Lender, as the case may be, and without interest (other than interest paid by the relevant Government Authority with respect to such refund), provided that, (i) the Borrower, upon the request of the Senior Facility Agent, Swing Line Lender, such Senior Issuing Bank or such Senior Lender (as the case may be), shall repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Government Authority) to the Senior Facility Agent, Swing Line Lender, such Senior Issuing Bank or such Senior Lender in the event the Senior Facility Agent, the Swing Line Lender, such Senior Issuing Bank or such Senior Lender is required to repay such refund to such Government Authority, and (ii) in no event will such Senior Facility Agent, Swing Line Lender, Senior Issuing Bank or Senior Lender be required to pay any amount to the Borrower pursuant to this Section 5.06(h), the payment of which would place such Senior Facility Agent, Swing Line Lender, Senior Issuing Bank or Senior Lender in a less favorable net after-Tax position than such

Senior Facility Agent, Swing Line Lender, Senior Issuing Bank or Senior Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Senior Facility Agent, Swing Line Lender, any Senior Issuing Bank or any Senior Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

SECTION 6.01. Incorporation of Common Terms Agreement. The Borrower makes to each of the Senior Facility Agent, the Senior Issuing Banks, the Swing Line Lender, the Senior Lenders, and each other party hereto the representations and warranties set forth in Section 4 (*Representations and Warranties*) of the Common Terms Agreement on the dates set forth therein.

ARTICLE VII

CONDITIONS PRECEDENT

SECTION 7.01. Conditions to Closing Date. The occurrence of the Closing Date and the effectiveness of each Senior Lender's Commitment are subject to the satisfaction of each of the following conditions precedent, in each case to the satisfaction of each of the Senior Issuing Banks, the Swing Line Lender and each of the Senior Lenders, unless, in each case, waived by each of the Senior Issuing Banks, the Swing Line Lender and each of the Senior Lenders:

(a) Delivery of Financing Documents. The Senior Facility Agent shall have received true, correct and complete copies of the following documents, each of which shall have been duly authorized, executed and delivered by the parties thereto:

- (i) this Agreement; and
- (ii) the Fee Letters.

(b) Officer's Certificates. The Senior Facility Agent shall have received a duly executed certificate of an Authorized Officer of the Borrower, the Pledgor, the Operator and the Manager certifying that all representations, warranties, certifications, resolutions, conditions precedent, notifications, documents, agreements, consents, financial statements, budgets, certificates and reports delivered to the Facility Agents under the Financing Documents shall hereby also be deemed to be made to Senior Facility Agent for the benefit of each of the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks.

(c) Representations and Warranties. Each of the representations and warranties of the Borrower in the Common Terms Agreement and the other Financing Documents is true and correct in all material respects, except for those representations and warranties that are qualified by materiality, which shall be true and correct in all respects, on and as of the Closing Date as if made on and as of the Closing Date (or, if stated to have been made solely as of an earlier date, as of such

earlier date) and (B) the representations and warranties that, pursuant to Section 4.1(b) (General) of the Common Terms Agreement, are not deemed repeated.

(d) Absence of Default. No Default or Event of Default has occurred and is continuing on such date or will result from the consummation of the transactions contemplated by this Agreement or the other Transaction Documents.

(e) Collateral. The Collateral is subject to the perfected first priority Lien (subject only to Permitted Liens) established pursuant to the Security Documents.

(f) Opinions from Counsel. The Senior Facility Agent shall have received the following legal opinions, each in form and substance reasonably satisfactory to the Senior Facility Agent, each of the Senior Issuing Banks, the Swing Line Lender and each of the Senior Lenders (with sufficient copies thereof for each addressee):

(i) the opinion(s) of Andrews Kurth LLP, New York and Texas counsel and special Delaware counsel to each of the Loan Parties, SPLNG and the Sponsor, including an opinion with respect to federal permitting matters;

(ii) the opinion of Ottinger Hebert L.L.C., Louisiana counsel to the Borrower (which may be in the form of a reliance letter with respect to the opinion previously delivered pursuant to the Common Terms Agreement);

(iii) the substantive non-consolidation opinion of counsel to the Borrower with respect to the bankruptcy-remote status of the Borrower;

(iv) the opinion of Kean Miller LLP with respect to state and local regulatory and environmental matters (which may be in the form of a reliance letter with respect to the opinion previously delivered pursuant to the Common Terms Agreement);

(v) the opinion of Norton Rose Fulbright US LLP, special energy regulatory counsel to the Borrower with respect to FERC and DOE/FE matters (which may be in the form of a reliance letter with respect to the opinion previously delivered pursuant to the Common Terms Agreement); and

(vi) opinions from the Material Project Parties that are parties to the Material Project Documents described in clause (b) above (other than Natural Gas Pipeline Company of America LLC) (provided that, with respect to any such opinions previously delivered pursuant to the Common Terms Agreement, the Borrower shall only be required to use reasonable efforts to obtain such opinions, which may be in the form of reliance letters with respect to such prior opinions).

(g) Resolutions. The Senior Facility Agent shall have received a true, correct and complete copy of resolutions, duly adopted by the Borrower authorizing the execution, delivery and performance of this Agreement and a certification from an Authorized Officer of the Borrower that such resolutions have not been modified, rescinded or amended and are in full force and effect.

(h) Lien Search. The Senior Facility Agent shall have received satisfactory copies or evidence of completed requests for information or copies of the Uniform Commercial Code search reports and tax lien, judgment and litigation search reports, dated no more than fifteen (15) Business Days before the Closing Date, for the States of Delaware, Louisiana, Texas and any other jurisdiction reasonably requested by the Senior Facility Agent that name the Loan Parties as debtors, together with copies of each UCC financing statement, fixture filing or other filings listed therein, which shall evidence no Liens on the Collateral, other than Permitted Liens.

(i) Fees; Expenses. The Senior Facility Agent shall have received for its own account, or for the account of the relevant Senior Lender entitled thereto, the Senior Issuing Banks and the Swing Line Lender, all fees due and payable pursuant to Section 4.13 (*Fees*), and all costs and expenses (including costs, fees and expenses of legal counsel and Consultants) payable thereunder for which invoices have been presented.

(j) Authority to Conduct Business. The Senior Facility Agent shall have received satisfactory evidence, including certificates of good standing, dated no more than five (5) Business Days prior to the Closing Date, from the Secretaries of State of each relevant jurisdiction, including Louisiana and Texas, that the Borrower is duly authorized to carry on its business and is duly organized, validly existing and in good standing in its jurisdiction of organization.

(k) Adequacy of Funds. The Senior Facility Agent shall have received evidence that the Facility Commitments, the proceeds from the issuance of the Initial Senior Bonds, and the revenues that qualify as “Funded Equity” under clause (c) of such definition as contemplated by the Construction Budget and Construction Schedule and any other funds reasonably expected to be available to the Borrower on terms and conditions that are reasonably acceptable to the Common Security Trustee, will be sufficient to achieve the Project Completion Date by the Date Certain.

(l) Insurance. The Senior Facility Agent shall have received a certificate from an Authorized Officer of the Borrower certifying that the insurance policies to be provided in compliance with Section 6.6(a) (*Insurance; Events of Loss*) of the Common Terms Agreement conform to the requirements specified in the Financing Documents.

(m) No Material Adverse Effect. Since December 31, 2014, no developments or events have occurred which, individually or in the aggregate, have resulted or could reasonably be expected to result in a Material Adverse Effect.

(n) No Litigation. There is no action, suit, litigation, investigation or proceeding of or before any arbitrator or Government Authority pending or threatened (i) with respect to this Agreement or the transactions contemplated hereunder or (ii) which would reasonably be expected to have a Material Adverse Effect.

(o) Solvency Certificate. The Senior Facility Agent shall have received an officer’s certificate prepared by the chief financial officer of the Borrower as to the financial condition, solvency and related matters of the Borrower in substantially the form of Exhibit G (the “Solvency Certificate”).

(p) Financial Statements. The Senior Facility Agent and the Senior Lenders shall have received certified copies of the most recent (i) quarterly and annual financial statements of the Borrower, which financial statements need not be audited, (ii) quarterly and annual financial statements of the Sponsor, which annual financial statements shall be audited, and (iii) to the extent available to the Borrower, quarterly and annual financial statements of the Material Project Parties, which financial statements need not be audited or certified by the Borrower.

(q) Gas Sourcing Plan. (i) The Gas Sourcing Plan has not been amended, and (ii) all then relevant milestones described therein that were scheduled to be achieved prior to the Closing Date have been achieved.

(r) Government Approvals. The Senior Facility Agent shall have received evidence that all material Government Approvals for the Development set forth on Schedule 4.6(b) to the Common Terms Agreement, other than such Government Approvals for which evidence has already been delivered to the Facility Agents pursuant to the Common Terms Agreement, that are required as of the current stage of Development have been duly obtained, were validly issued, are in full force and effect, and are not the subject of any pending appeal to the issuing agency and all applicable fixed time periods for appeal to the issuing agency have expired (except as noted on Schedule 4.6(b) to the Common Terms Agreement or Government Approvals which do not have limits on appeal periods under Government Rule), are held in the name of the Borrower or such third party indicated on Schedule 4.6(b) to the Common Terms Agreement as allowed pursuant to Government Rule, and are free from conditions or requirements (i) the compliance with which could reasonably be expected to have a Material Adverse Effect or (ii) which the Borrower does not expect to be able to satisfy on or prior to the commencement of the relevant stage of Development except to the extent that a failure to so satisfy such condition or requirement could not reasonably be expected to have a Material Adverse Effect.

(s) Conditions Precedent under the Common Terms Agreement. The conditions in Section 2.4 (*Working Capital Debt*) of the Common Terms Agreement shall have been satisfied.

SECTION 7.02. Conditions Precedent to Certain Extensions of Credit. The obligation of (i) any Senior Issuing Bank to issue Letters of Credit (or extend the maturity thereof (other than any automatic extension thereunder) or modify or amend the terms thereof), (ii) the Senior Lenders to make available Working Capital Loans, and (iii) the Swing Line Lender to make available Swing Line Loans is subject to the satisfaction of each of the following conditions, in each case to the satisfaction of the Required Senior Lenders and, in the case of Letters of Credit and Swing Line Loans, the applicable Senior Issuing Bank and the Swing Line Lender, respectively, unless, in each case, waived by the Required Senior Lenders, the Swing Line Lender and the applicable Senior Issuing Bank, as applicable:

(a) Request for Extension of Credit. The Senior Facility Agent, the Common Security Trustee, in the case of Letters of Credit, the applicable Senior Issuing Bank, and, in the case of Swing Line Loans, the Swing Line Lender, shall have received:

- (i) in the case of Letters of Credit only, a duly executed Request for Issuance, as required by and in accordance with, and meeting the requirements of, Section 3.02(a) (*Letters of Credit*);
- (ii) in the case of Working Capital Loans only, a duly executed Borrowing Notice, as required by and in accordance with, and meeting the requirements of, Section 2.02(b) (*Notice of Working Capital Loan Borrowings*);
- (iii) in the case of Swing Line Loans only, a duly executed Borrowing Notice, as required by and in accordance with, and meeting the requirements of, Section 2.04 (*Swing Line Loans*); and
- (iv) [Reserved].

(b) **Independent Engineer Report.** If the Project Completion Date has not occurred, the Senior Facility Agent shall have received a certificate of the Independent Engineer, dated no earlier than ninety (90) days prior to the date of such Extension of Credit, certifying (i) that the construction of the Project is proceeding substantially in accordance with the construction schedule set out in the Construction Schedule or, if not so proceeding, any delays will not cause (x) the Project to miss the Guaranteed Substantial Completion Dates for any train of the Project, (y) the date specified for Ready for Start Up in Attachment E to the applicable EPC Contract for any train of the Project to occur less than four (4) months prior to the Guaranteed Substantial Completion Date for such train or (z) the Project to otherwise fail to achieve (A) the Train 1 DFCD under and as defined in the BG FOB Sale and Purchase Agreement on or before the BG DFCD Deadline, (B) the Date of First Commercial Delivery under and as defined in the GN FOB Sale and Purchase Agreement on or before the GN DFCD Deadline, (C) the Date of First Commercial Delivery under and as defined in the KoGas FOB Sale and Purchase Agreement on or before the KoGas DFCD Deadline, (D) the Date of First Commercial Delivery under and as defined in the GAIL FOB Sale and Purchase Agreement on or before the GAIL DFCD Deadline, (E) the Date of First Commercial Delivery under and as defined in the Centrica FOB Sale and Purchase Agreement on or before the Centrica DFCD Deadline or (F) the Date of First Commercial Delivery under and as defined in the Total FOB Sale and Purchase Agreement on or before the Total DFCD Deadline and (ii) as to the existence of sufficient funds needed to achieve (x) Substantial Completion by each of the applicable Guaranteed Substantial Completion Dates under the applicable EPC Contract for each of the trains of the Project and (y) the Specified Completion Conditions.

(c) **Borrower Certificate.** The Senior Facility Agent shall have received a duly executed certificate of an Authorized Officer of the Borrower certifying that: (i) each of the representations and warranties of the Borrower in Article VI is true and correct in all material respects except for (A) those representations and warranties that are qualified by materiality, which shall be true and correct in all respects, on and as of the date of such Extension of Credit as if made on and as of such date (or, if stated to have been made solely as of an earlier date, as of such earlier date) and (B) the representations and warranties that, pursuant to Section 4.1(b) (*General*) of the Common Terms Agreement, are not deemed repeated; (ii) no Default or Event of Default has occurred and is continuing on such date or will result from the consummation of the transactions contemplated by the Transaction Documents; and (iii) the Collateral is subject to the perfected first priority Lien

(subject only to Permitted Liens) and security interest established pursuant to the Security Documents.

(d) Representations and Warranties. Each of the representations and warranties of the Borrower in the Common Terms Agreement and the other Financing Documents is true and correct in all material respects, except for (A) those representations and warranties that are qualified by materiality, which shall be true and correct in all respects, on and as of the date of such Extension of Credit as if made on and as of such date (or, if stated to have been made solely as of an earlier date, as of such earlier date) and (B) the representations and warranties that, pursuant to Section 4.1(b) (*General*) of the Common Terms Agreement, are not deemed repeated.

(e) Absence of Default. No Default or Event of Default has occurred and is continuing on such date.

(f) Collateral. The Collateral is subject to the perfected first priority Lien (subject only to Permitted Liens) established pursuant to the Security Documents.

(g) Gas Sourcing Plan. (i) The Gas Sourcing Plan has not been amended in any material respect, and (ii) all then relevant milestones described therein that were scheduled to be achieved prior to the date of such Extension of Credit have been achieved.

(h) Fees; Expenses. The Senior Facility Agent shall have received for its own account, or for the account of the relevant Senior Lender entitled thereto, the Senior Issuing Banks, and the Swing Line Lender all Fees due and payable pursuant to Section 4.13 (*Fees*) and all costs and expenses (including costs, fees and expenses of legal counsel and Consultants) payable thereunder for which invoices have been presented.

ARTICLE VIII

COVENANTS OF THE BORROWER

SECTION 8.01. Covenants Applicable Prior to Other Obligations Discharge Date. Prior to the Other Obligations Discharge Date, the Borrower shall perform or observe (as applicable) the obligations set forth in Section 6 (*Affirmative Covenants*) and Section 7 (*Negative Covenants*) (other than Section 7.7 (*Restricted Payments*)) in accordance with the terms thereof.

SECTION 8.02. Covenants Applicable After the Other Obligations Discharge Date. After the Other Obligations Discharge Date and until the Obligations have been paid in full, the Commitments have expired or been terminated, and all Letters of Credit have expired or been terminated (or arrangements with respect to each outstanding Letter of Credit have been made that are satisfactory to the Senior Issuing Bank that issued such Letter of Credit), the Borrower shall perform or observe (as applicable) the obligations set forth in Schedule 8.01.

SECTION 8.03. Restricted Payments.

(a) Prior to the Other Obligations Discharge Date, the Borrower shall not make or agree to make, directly or indirectly, (a) any Restricted Payments (other than any Sponsor Case Restricted Payments and Additional Equity Distributions) except as permitted under Section 5.10 (*Distribution*)

Account) of the Accounts Agreement, the provisions of which shall be for the benefit of the Senior Secured Parties, (b) any Sponsor Case Restricted Payments except as permitted under Section 5.01(c)(iv) (Withdrawals from the Equity Proceeds Account) of the Accounts Agreement, the provisions of which shall be for the benefit of the Senior Secured Parties, or (c) any Additional Equity Distributions except as permitted under Section 5.01(c)(v) (Withdrawals from the Equity Proceeds Account) of the Accounts Agreement, the provisions of which shall be for the benefit of the Senior Secured Parties.

(b) On and after the Other Obligations Discharge Date and until the Obligations have been paid in full, the Commitments have expired or been terminated, and all Letters of Credit have expired or been terminated (or arrangements with respect to each outstanding Letter of Credit have been made that are satisfactory to the Senior Issuing Bank that issued such Letter of Credit), the Borrower shall not make or agree to make, directly or indirectly, any Restricted Payments except for, not more frequently than once per month:

- (i) Sponsor Case Restricted Payments if the following conditions have been satisfied:
 - (A) only with respect to making the first Sponsor Case Restricted Payment, the conditions set forth in Schedule 5.01(c)(iv) to the Accounts Agreement have been satisfied (except that if any condition to be satisfied after the Other Obligations Discharge Date requires the delivery of a certificate or other document to the Facility Agents, such condition will be deemed satisfied by the delivery of such certificate or other document to the Senior Facility Agent);
 - (B) No Default or Event of Default has occurred and is continuing or would occur as a result of making such Sponsor Case Restricted Payment; and
 - (C) the Senior Facility Agent has received a Sponsor Case Restricted Payment Certificate, duly executed by an Authorized Signatory of the Borrower, confirming that each of the conditions set forth in clauses (B) and (C) of this Section 8.03(a) (Restricted Payments) have been satisfied;
- (ii) Additional Equity Distributions if the following conditions have been satisfied:
 - (A) The conditions set forth in Section 5.01(c)(v)(A)-(C) and (E)-(H) of the Accounts Agreement have been satisfied (except that if any condition to be satisfied after the Other Obligations Discharge Date requires the delivery of a certificate or other document to the Facility Agents, such condition will be deemed satisfied by the delivery of such certificate or other document to the Senior Facility Agent); and

- (B) the Senior Facility Agent has received an Additional Equity Distribution Certificate, duly executed by an Authorized Signatory of the Borrower, confirming that each of the conditions set forth in clause (A) of this Section 8.03(b) (*Restricted Payments*) have been satisfied; and
- (iii) Base Case Restricted Payments if the following conditions have been satisfied:
- (A) Train 2 has achieved Substantial Completion (as defined in the Stage 1 EPC Contract);
 - (B) No Default or Event of Default has occurred and is continuing or would occur as a result of making such Base Case Restricted Payment;
 - (C) there shall be on deposit with the Accounts Bank the following amounts to be held as cash reserves (distinct from any other reserve requirements under the Accounts Agreement or any Senior Debt Instruments): (1) in respect of any Base Case Restricted Payment made on or after Substantial Completion of Train 2 and prior to the date that is three months thereafter, at least \$50,000,000; (2) in respect of any Base Case Restricted Payment made on or after the date that is three months following Substantial Completion of Train 2 and prior to six months following Substantial Completion of Train 3, at least \$75,000,000; (3) in respect of any Base Case Restricted Payment made on or after the date that is six months following Substantial Completion of Train 3 and prior to Substantial Completion of Train 4, at least \$100,000,000; and (4) in respect of any Base Case Restricted Payment made on or after Substantial Completion of Train 4, at least \$50,000,000;
 - (D) (D) the Borrower shall have (i) at least \$200,000,000 of unrestricted cash held in the Operating Account or at least \$200,000,000 of unused Commitments under this Agreement available to be borrowed and used for General Working Capital Purposes or (ii) a combination of unrestricted cash and such unused Commitments aggregating at least \$200,000,000;
 - (E) the Borrower's Debt to Equity Ratio shall not exceed the ratio of 75:25 taking into account the payment of such Restricted Payment) but without regard to any outstanding Indebtedness comprising Working Capital Debt;
 - (F) each Debt Service Reserve Account and Additional Debt Service Reserve Account is funded to its then required funding level;

- (G) the Borrower delivers to the Common Security Trustee and the Senior Facility Agent a certificate (setting out its calculations therein) confirming that for the twelve (12) month period commencing on the projected Initial Quarterly Payment Date, the Projected Debt Service Coverage Ratio is at least 1.50x, calculated with respect to all Cash Flows other than Cash Flows comprising the pass-through component of the cost of purchase and transportation of natural gas consumed for LNG production to the extent not already deducted as an operating expense (as contemplated by the definition of Cash Flow Available for Debt Services); provided that, for purposes of this clause (G), the Projected Debt Service Coverage Ratio shall be determined by taking into account Cash Flows which shall be based on FOB Sale and Purchase Agreements; provided further, that such calculation shall be reasonable acceptable to the Common Security Trustee; and
 - (H) the Borrower delivers to the Common Security Trustee and the Senior Facility Agent a certificate from an Authorized Signatory of the Borrower (with the concurrence of the Independent Engineer, such concurrence not to be unreasonably withheld, conditioned or delayed) certifying as to the existence of sufficient funds necessary to cause (i) the Date of First Commercial Delivery under and as defined in the KoGas FOB Sale and Purchase Agreement to occur on or before the KoGas DFCD Deadline, (ii) the Date of First Commercial Delivery under and as defined in the GAIL FOB Sale and Purchase Agreement to occur on or before the GAIL DFCD Deadline, (iii) the Date of First Commercial Delivery under and as defined in the Centrica FOB Sale and Purchase Agreement to occur on or before the Centrica DFCD Deadline and (iv) the Date of First Commercial Delivery under and as defined in the Total FOB Sale and Purchase Agreement to occur on or before the Total DFCD Deadline; and
- (iv) other Restricted Payments if the following conditions have been satisfied:
- (A) no Default or Event of Default has occurred and is continuing or would occur as a result of such Restricted Payment;
 - (B) the Borrower delivers to the Common Security Trustee and the Senior Facility Agent a certificate (setting out its calculations therein) confirming (1) that the Debt Service Coverage Ratio for the last measurement period is at least 1.25x and (2) the Projected Debt Service Coverage Ratio for the next twelve (12) month-period is at least 1.25x, calculated in the case of clause (2) with respect to all Cash Flows other than Cash Flows comprising the pass-through component of the cost of purchase and transportation of natural gas consumed for LNG production to the extent not already deducted as an operating expense (as contemplated by the definition of Cash Flow

Available from Debt Service); provided, that, for purposes of this clause (B), the Projected Debt Service Coverage Ratio shall be determined by taking into account only Cash Flows which shall be based on FOB Sale and Purchase Agreements; provided further, that such calculation shall be reasonably acceptable to the Common Security Trustee;

- (C) the Debt Service Reserve Accounts, if any are then required, are funded (with cash or letters of credit as set forth herein) in an amount equal to the Required Debt Service Reserve Amount and the “debt service reserve requirements” established pursuant to any Senior Debt Instrument governing Secured Replacement Debt, as applicable;
- (D) the Project Completion Date has occurred;
- (E) the Restricted Payment is made on a date that is no later than twenty-five (25) Business Days following the last day of the most recent Fiscal Quarter;
- (F) the first installment of the principal payments on the Facility Loans has been made;
- (G) the date of withdrawal and transfer of the Restricted Payment is prior to the last Quarterly Payment Date prior to the Maturity Date; and
- (H) the Common Security Trustee has received a Restricted Payment Certificate, duly executed by an Authorized Signatory of the Borrower, confirming that each of the conditions set forth in clauses (A) through (G) of this Section 8.03(b)(iv) (*Restricted Payments*) has been satisfied.

SECTION 8.04. Reporting Covenants. Until the Obligations have been paid in full, the Commitments have expired or been terminated, and all Letters of Credit have expired or been terminated (or arrangements with respect to each outstanding Letter of Credit have been made that are satisfactory to the Senior Issuing Bank that issued such Letter of Credit), the Borrower shall perform or observe (as applicable) the obligations set forth in Section 8 (*Reporting Requirements*) of the Common Terms Agreement in accordance with the terms thereof.

ARTICLE IX

DEFAULTS

SECTION 9.01. Events of Default.

- (a) Prior to the Other Obligations Discharge Date, any of the following will be an “*Event of Default*”:

(i) any Event of Default set forth in Section 9 (*Events of Default for Secured Debt*) of the Common Terms Agreement, subject to all of the provisions of such Section in the Common Terms Agreement; or

(ii) the default by the Borrower in the payment when due of any amount payable under the Fee Letters unless (x) such default is caused by an administrative or technical error and (y) payment is made within three (3) Business Days of its due date.

(b) On and after the Other Obligations Discharge Date, any of the following will be an “*Event of Default*”:

(i) failure by the Borrower (i) to pay when due any principal of any Loans unless (x) such default is caused by an administrative or technical error and (y) payment is made within three (3) Business Days of its due date, or (ii) to pay when due any interest on the Loans or any fee or any other amount payable by it under this Agreement or any other Obligation and such default continues unremedied for a period of three (3) Business Days after the occurrence of such default;

(ii) the Borrower or any other Loan Party, as applicable, defaults in the due performance and observance of any of its obligations under any of Section 1.3(a) or (b) of Schedule 8.01 (*Maintenance of Existence, Etc.*), Section 1.5(b) or (e) of Schedule 8.01 (*Compliance with Government Rules, Etc.*) (except to the extent that any Default is caused by administrative or technical error), Section 1.9(a) or (c) of Schedule 8.01 (*Maintenance of Liens*), Section 1.10 of Schedule 8.01 (*Use of Proceeds*), Section 1.15 of Schedule 8.01 (*Debt Service Coverage Ratio*), Section 2.2(a) of Schedule 8.01 (*Prohibition of Fundamental Changes*), Section 2.3(a) or (c) of Schedule 8.01 (*Nature of Business*), Section 2.5 of Schedule 8.01 (*Restrictions on Indebtedness*), Section 8.03 (*Restricted Payments*), Section 2.8 of Schedule 8.01 (*Limitation on Liens*), Section 2.15 of Schedule 8.01 (*Use of Proceeds; Margin Regulations*), Section 2.17 of Schedule 8.01 (*Hedging Arrangements*), Section 2.19 of Schedule 8.01 (*Guarantees*), Section 2.21 of Schedule 8.01 (*Sale of Natural Gas in Interstate Commerce*), or Section 8.2(a) or (c) of the Common Terms Agreement (with respect to Environmental Claims) (*Notice of Default, Event of Default and Other Events*);

(iii) the Borrower or any other Loan Party, as applicable, defaults in the due performance and observance of any of its obligations under any of Section 1.5(a) of Schedule 8.01 (*Compliance with Government Rules, Etc.*) (with respect to any Environmental Laws), Section 1.5(b) or (e) of Schedule 8.01 (*Compliance with Government Rules, Etc.*) (to the extent that any Default is caused by administrative or technical error), Section 1.8 of Schedule 8.01 (*Taxes*), Section 1.9(b) of Schedule 8.01 (*Maintenance of Liens*), Section 2.2(b) of Schedule 8.01 (*Prohibition of Fundamental Changes*), Section 2.3(b) of Schedule 8.01 (*Nature of Business*), Section 2.9(b) of Schedule 8.01 (*Project Documents, Etc.*), Section 2.11 of Schedule 8.01 (*Transactions with Affiliates*), Section 2.12 of Schedule 8.01 (*Accounts*), Section 2.13(a) of Schedule 8.01 (*EPC and Construction Contracts*), Section 2.14 of Schedule 8.01 (*GAAP*), Section 2.16 of Schedule 8.01 (*Permitted Investments*), or Section 8.2(h) (*Notice of Default, Events of Default and Other Events*) or Section 8.3(a)(ii) (*Other Notices*) of the Common Terms Agreement and such Default continues unremedied

for a period of fifteen (15) days after the Borrower receives written notice of such Default from the Common Security Trustee or the Senior Facility Agent or fifteen (15) days (except, with respect to a Default under Section 1.5 (b) or (e) of Schedule 8.01 (*Compliance with Government Rules, Etc.*) (to the extent that any Default is caused by administrative or technical error) five (5) days) after the Borrower obtains Knowledge of such Default, whichever is earlier;

(iv) except as otherwise addressed in this Section 9.01, the Borrower or any other Loan Party, as applicable, defaults in the due performance and observance of any of its obligations contained in any other covenant or agreement to be performed or observed by it under the Financing Documents; provided, that if such Default is capable of remedy, no Event of Default shall have occurred pursuant to this clause (iv) if such Default has been remedied within thirty (30) days after written notice of such Default is given by the Common Security Trustee or the Senior Facility Agent to the Borrower, provided, that if such failure is not capable of remedy within such 30-day period, such 30-day period shall be extended to a total period of ninety (90) days so long as (A) such Default is subject to cure, (B) the Borrower or such Loan Party, as applicable, is diligently pursuing a cure and (C) such additional cure period could not reasonably be expected to result in a Material Adverse Effect or materially and adversely affect the Borrower's rights, duties, obligations or liabilities under the FOB Sale and Purchase Agreements;

(v) any representation or warranty made or deemed made by the Borrower or any other Loan Party in this Agreement, or any other Financing Document, as applicable, or (b) any representation, warranty or statement in any certificate, financial statement or other document furnished to the Common Security Trustee, the Senior Facility Agent or any Senior Lender by or on behalf of the Borrower, shall prove to have been false or misleading as of the time made or deemed made, confirmed or furnished; provided, that such misrepresentation or such false statement shall not constitute an Event of Default if the adverse effects of such incorrect representation or warranty (i) would not reasonably be expected to result in a Material Adverse Effect or (ii) are capable of being cured and are cured within sixty (60) days after the earlier of (I) written notice of such Default from the Common Security Trustee or the Senior Facility Agent or (II) the Borrower's Knowledge of such Default;

(vi) (a) failure by the Borrower or SPLNG to pay when due any Indebtedness of the Borrower that is in excess of one hundred million Dollars (\$100,000,000) in the aggregate or (b) default with respect to any Indebtedness of the Borrower or SPLNG that is in excess of one hundred million Dollars (\$100,000,000) in the aggregate and continued beyond any applicable grace period, the effect of which has been to cause, or permit the holders thereof to cause, the entire amount of such Indebtedness under this clause (vi) to become due (whether by acceleration, redemption, purchase, offer to purchase or otherwise) prior to its stated maturity;

(vii) (A) any Material Project Document shall at any time for any reason cease to be valid and binding or in full force and effect or shall be materially Impaired (in each case, except in connection with its expiration in accordance with its terms in the ordinary course

(and not related to any default or early termination right thereunder)) or the enforceability thereof is contested or disaffirmed in writing by or on behalf of any party thereto, (B) the Borrower or any Material Project Party shall be in material breach or default, or a termination event shall occur, under the FOB Sale and Purchase Agreements, the EPC Contracts or the Sabine Pass TUA, or (C) the Borrower or any other Project Party shall be in breach or default, or a termination event shall occur, under any other Project Document or the Consent and any such event under this subclause (C) could reasonably be expected to result in a Material Adverse Effect; provided, however, that no Event of Default shall have occurred pursuant to this clause (vii) if (x) in the case of the occurrence of an event under subclause (A), (B) or (C) above, such breach, default, termination event, or other event is cured within the lesser of sixty (60) days of such breach, default, termination event, or other event and the cure period permitted under the applicable Project Document with respect to such breach, default, termination event, or other event or (y) in the case of the occurrence of any of the events set forth in subclause (A), (B) or (C) above with respect to any Project Document, the Borrower notifies the Common Security Trustee that it intends to replace such Project Document and diligently pursues such replacement and the applicable Project Document is replaced within ninety (90) days with a Project Document or Additional Material Project Document, as applicable, that is on terms and conditions that are and with a Project Party that is reasonably acceptable to the Required Secured Parties; provided, further, that in the case of the replacement of an FOB Sale and Purchase Agreement, the Borrower shall also have provided evidence to the Common Security Trustee that any Export Authorization specifically referencing the replaced FOB Sale and Purchase Agreement has been amended or replaced with an Export Authorization on substantially the same terms as the original Export Authorization and that enables the Borrower to comply with its obligations under the new FOB Sale and Purchase Agreement;

(viii) A Bankruptcy shall occur with respect to (A) any Loan Party, (B) SPLNG, or (C) prior to Final Completion, any EPC Contractor or Bechtel Global Energy, Inc.;

(ix) a Bankruptcy shall occur with respect to any party to one or more Default LNG Sale and Purchase Agreements (other than the Borrower) (and such party has failed to meet its contractual obligations under the applicable FOB Sale and Purchase Agreement for 180 consecutive days), unless:

- (A) the Borrower notifies the Senior Facility Agent that it intends to enter into a replacement Material Project Document in lieu of the Material Project Document to which any of the affected Persons is party,
- (B) the Borrower diligently pursues such replacement,
- (C) the applicable Material Project Document is replaced not later than 180 days following the expiration of such 180 consecutive day period (except the EPC Contracts shall be replaced within 360 days),
- (D) (I) in the case of any FOB Sale and Purchase Agreement, such replacement Material Project Document is on terms and conditions,

taken as a whole, not materially less favorable to the Borrower than the then existing least favorable FOB Sale and Purchase Agreement, (II) in the case of any EPC Contract, such replacement Material Project Document is on terms and conditions, taken as a whole, not materially less favorable to the Borrower than such EPC Contract being replaced, and (III) in the case of any EPC Contract related to Train 1 and Train 2, Train 3 and Train 4, Train 5, or Train 6, the counterparty to such replacement Material Project Document is an internationally recognized contractor and the Borrower shall have delivered to the Senior Facility Agent a certificate of the Independent Engineer, certifying that such counterparty is capable of completing the applicable Project Phase, and

- (E) in the case of any FOB Sale and Purchase Agreement, the counterparty to any such replacement Material Project Document (x) has an Investment Grade Rating from at least two Acceptable Rating Agencies, or provides a guaranty from an Affiliate that has at least two of such ratings or (y) has a direct or indirect parent with an Investment Grade Rating from at least one Acceptable Rating Agency and either the counterparty or an Affiliate of such counterparty who is providing a guaranty has a tangible net worth in excess of fifteen billion Dollars (\$15,000,000,000);

provided that, subclauses (D) and (E) shall not apply if such replacement Material Project Document is reasonably acceptable to the Required Senior Lenders;

(x) (A) Prior to the Project Completion Date, a judgment or order, or series of judgments or orders, for the payment of money in excess of two hundred fifty million Dollars (\$250,000,000) in the aggregate or a final judgment or order, or series of final judgments or orders, for the payment of money in excess of one hundred fifty million Dollars (\$150,000,000) in the aggregate, or (B) following the Project Completion Date, a final judgment or order, or series of judgments or orders, for the payment of money in excess of one hundred fifty million Dollars (\$150,000,000) in the aggregate (net of insurance proceeds which are reasonably expected to be paid), in either case shall be rendered against any Loan Party, in each case, by one or more Government Authorities, arbitral tribunals or other bodies having jurisdiction over any such entity and the same shall not be discharged (or provision shall not be made for such discharge), dismissed or stayed, within ninety (90) days from the date of entry of such judgment or order or judgments or orders;

(xi) this Agreement or any other Financing Document or any material provision of any Financing Document, (A) is declared by a court of competent jurisdiction to be illegal or unenforceable, (B) should otherwise cease to be valid and binding or in full force and effect or shall be materially Impaired (in each case, except in connection with its expiration in accordance with its terms in the ordinary course (and not related to any default hereunder))

or (C) is (including the enforceability thereof) expressly terminated, contested or repudiated by any Loan Party or any Affiliate of any Loan Party;

(xii) the Liens in favor of the Secured Parties under the Security Documents shall at any time cease to constitute valid and perfected Liens granting a first priority security interest in any material portion of the Collateral (subject to Permitted Liens);

(xiii) an Event of Abandonment occurs or is deemed to have occurred;

(xiv) an Event of Loss occurs with respect to all or substantially all of the Project or all or substantially all of the pipelines necessary to supply gas to the Project (unless, in the case of an Event of Loss of such pipelines, such Event of Loss constitutes Force Majeure);

(xv) the Sponsor fails to (A) hold directly or indirectly more than 50% of the ownership interests in the Borrower or (B) control, directly or indirectly (without granting to any other Person any negative controls over its right to exercise such control), voting rights with more than 50% of the votes of all classes in the Borrower;

(xvi) any Government Approval related to the Borrower or the Project shall be Impaired and such Impairment could reasonably be expected to have a Material Adverse Effect, unless (A) the Borrower provides to the Senior Facility Agent a remediation plan (which sets forth the proposed steps to be taken to cure such Impairment) no later than twenty (20) Business Days following the date that the Borrower has knowledge of the occurrence of such Impairment, (B) the Borrower pursues the implementation of such remediation plan, and (C) such Impairment is cured no later than three hundred sixty (360) days following the occurrence thereof; or

(xvii) except as may result from the exercise of remedies under the Transaction Documents, any Secured Party, solely by virtue of (A) the ownership or the operation of the Project, or (B) the execution, delivery or performance of the Transaction Documents, shall become (1) subject to regulation as a “natural-gas company,” as such term is defined in the NGA, (2) subject to regulation pursuant to Section 3 of the NGA, (3) subject to regulation under PUHCA, (4) subject to regulation under the laws of the State of Louisiana with respect to rates, or subject to material financial and organizational regulation under such law or (5) subject to regulation as a “public utility,” an “electric public utility,” a “gas utility” or a “natural gas company” pursuant to Article 4, Section 21 of the Louisiana Constitution, or Title 30 or Title 45 of the Louisiana Revised Statutes, or the orders, rules and regulations promulgated thereunder.

SECTION 9.02. Acceleration Upon Bankruptcy. If any Event of Default described in Section 9.7 (*Bankruptcy; Insolvency*) of the Common Terms Agreement or Section 9.02(b)(viii), whichever is applicable at the time, occurs with respect to the Borrower, the Senior Facility Agent shall, in each case without notice, demand or further action, take the following actions:

(a) declare the outstanding principal amount of all Obligations that are not already due and payable to be immediately due and payable; and

- (b) terminate all outstanding Commitments.

SECTION 9.03. Acceleration Upon Other Event of Default. If any Event of Default occurs for any reason (except the occurrence of any Event of Default described in Section 9.7 (*Bankruptcy; Insolvency*) of the Common Terms Agreement or Section 9.02(b)(viii) (whichever is applicable at the time) with respect to the Borrower, for which provision is made in Section 9.02 (*Acceleration Upon Bankruptcy*)), whether voluntary or involuntary, and is continuing (after giving effect to any cure of the applicable Event of Default), the Senior Facility Agent may, or upon the direction of the Required Senior Lenders shall, by written notice to the Borrower take any or all of the following actions:

- (a) declare all or any portion of the outstanding principal amount of the Loans and all other Obligations to be immediately due and payable; and
- (b) terminate all outstanding Commitments (if not theretofore terminated).

SECTION 9.04. Action Upon Event of Default. Subject to the terms of the Intercreditor Agreement, if any Event of Default occurs for any reason, whether voluntary or involuntary, and is continuing (after giving effect to any cure of the applicable Event of Default), the Senior Facility Agent may, or upon the direction of the Required Senior Lenders shall, by written notice to the Borrower of its intention to exercise any remedies hereunder, under the other Financing Documents or at law or in equity, and without further notice of default, presentment or demand for payment, protest or notice of non-payment or dishonor, or other notices or demands of any kind, all such notices and demands being waived by the Borrower, exercise any or all of the following rights and remedies, in any combination or order that the Senior Facility Agent or the Required Senior Lenders may elect, in addition to such other rights or remedies as the Senior Facility Agent and the Senior Lenders may have hereunder, under the other Financing Documents or at law or in equity:

- (a) Without any obligation to do so, make Extensions of Credit to or on behalf of the Borrower to cure any Event of Default hereunder and to cure any default and render any performance under any Material Project Documents (or any other contract to which the Borrower is a party) as the Required Senior Lenders in their sole and absolute discretion may consider necessary or appropriate, whether to preserve and protect the Collateral or the Senior Lenders' interests therein or for any other reason, and all sums so expended, together with interest on such total amount at the Default Rate, shall be repaid by the Borrower to the Senior Facility Agent on demand and shall be secured by the Financing Documents, notwithstanding that such expenditures may, together with amounts advanced under this Agreement, exceed the amount of the Total Commitment;
- (b) Apply or execute upon any amounts on deposit in any Account or any other monies of the Borrower on deposit with the Senior Facility Agent, any Senior Lender or the Accounts Bank in the manner provided in the UCC and other relevant statutes and decisions and interpretations thereunder with respect to cash collateral;
- (c) Enter into possession of the Project and perform or cause to be performed any and all work and labor necessary to complete construction of the Project substantially according to the EPC Contracts or to operate and maintain the Project, and all sums expended by the Senior Facility

Agent in so doing, together with interest on such total amount at the Default Rate, shall be repaid by the Borrower to the Senior Facility Agent upon demand and shall be secured by the Financing Documents, notwithstanding that such expenditures may, together with amounts advanced under this Agreement, exceed the Total Commitment.

SECTION 9.05. Cash Collateralization of Letters of Credit.

(a) Amounts held in the LC Cash Collateral Account shall be the property of the Senior Facility Agent for the benefit of the Senior Lenders and shall be applied by the Senior Facility Agent to the payment of LC Loans deemed made under any Letters of Credit.

(b) The balance, if any, in the LC Cash Collateral Account, after (x) all Letters of Credit shall have expired or been fully drawn upon and (y) giving effect to the payment of any LC Loans pursuant to Section 9.05(a), shall be applied to repay the other Obligations according to Section 9.06(d) (*Applications of Proceeds*).

SECTION 9.06. Application of Proceeds. Subject to the terms of the Intercreditor Agreement, any moneys received by the Senior Facility Agent from the Common Security Trustee after the occurrence and during the continuance of an Event of Default and the period during which remedies have been initiated shall be applied in full or in part by the Senior Facility Agent against the Obligations in the following order of priority (but without prejudice to the right of the Senior Lenders, subject to the terms of the Intercreditor Agreement, to recover any shortfall from the Borrower):

(a) first, to payment of that portion of the Obligations constituting fees, costs, expenses (and interest owing thereon (if any)) and any other amounts (including fees, costs and expenses of counsel) payable to the Senior Issuing Banks, the Swing Line Lender (excluding Commitment Fees covered by clause (b) below), the Senior Facility Agent, the Common Security Trustee, the Accounts Bank, or the Intercreditor Agent in their respective capacities as such;

(b) second, to payment of that portion of the Obligations constituting fees, costs, expenses (and interest owing thereon (if any)) and any other amounts (including fees, costs and expenses of counsel and amounts payable under Article V (*LIBOR and Tax Provisions*)) payable to the Senior Lenders, ratably in proportion to the amounts described in this clause second payable to them, as certified by the Senior Facility Agent;

(c) third, to payment of that portion of the Obligations constituting accrued and unpaid interest (including default interest) with respect to the Loans payable to the Senior Lenders, ratably in proportion to the respective amounts described in this clause third payable to them, as certified by the Senior Facility Agent;

(d) fourth, to payment, on a *pro rata* basis, of (i) that principal amount of the Loans payable to the Senior Lenders, ratably among the Senior Lenders in proportion to the respective amounts described in this clause fourth held by them, as certified by the Senior Facility Agent and (ii) the cash collateralization of any outstanding Letters of Credit in an amount not to exceed the aggregate LC Available Amounts of all Letters of Credit then outstanding, payable to the LC Cash Collateral Account; and

(e) fifth, the balance, if any, after all of the Obligations have been paid in full, to the Borrower or as otherwise required by applicable Government Rule.

ARTICLE X

THE SENIOR FACILITY AGENT

SECTION 10.01. Appointment and Authority.

(a) Each of the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks hereby appoints, designates and authorizes The Bank of Nova Scotia as its Senior Facility Agent under and for purposes of each Financing Document to which the Senior Facility Agent is a party, and in its capacity as the Senior Facility Agent, to act on its behalf as Secured Debt Holder Group Representative and the Designated Voting Party (as defined in the Intercreditor Agreement) for the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks. The Bank of Nova Scotia hereby accepts this appointment and agrees to act as the Senior Facility Agent for the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks in accordance with the terms of this Agreement. Each of the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks appoints and authorizes the Senior Facility Agent to act on behalf of such Senior Lenders, the Swing Line Lender and the Senior Issuing Banks under each Financing Document to which it is a party and in the absence of other written instructions from the Required Senior Lenders received from time to time by the Senior Facility Agent (with respect to which the Senior Facility Agent agrees that it will comply, except as otherwise provided in this Section 10.01 or as otherwise advised by counsel, and subject in all cases to the terms of the Intercreditor Agreement), to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Senior Facility Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in any Financing Document, the Senior Facility Agent shall not have any duties or responsibilities except those expressly set forth herein, nor shall the Senior Facility Agent have or be deemed to have any fiduciary relationship with any Senior Lender, the Swing Line Lender, any Senior Issuing Bank or other Senior Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into any Financing Document or otherwise exist against the Senior Facility Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” in this Agreement with reference to the Senior Facility Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Government Rule. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) The provisions of this Article X are solely for the benefit of the Senior Facility Agent, the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks, and neither the Borrower nor any other Person shall have rights as a third party beneficiary of any of such provisions other than the Borrower’s rights under Section 10.06(a) and (b) (*Resignation or Removal of Senior Facility Agent*).

SECTION 10.02. Rights as a Lender or Secured Hedging Party. Each Person serving as the Senior Facility Agent hereunder or under any other Financing Document shall have the same

rights and powers in its capacity as a Commercial Bank Lender, Swing Line Lender, Senior Issuing Bank, Senior Lender, KEXIM Covered Facility Lender, KSURE Covered Facility Lender, Secured Hedging Party or Gas Hedge Provider, as the case may be, as any other Commercial Bank Lender, Swing Line Lender, Senior Issuing Bank, Senior Lender, KEXIM Covered Facility Lender, KSURE Covered Facility Lender, Secured Hedging Party or Gas Hedge Provider, as the case may be, and may exercise the same as though it were not the Senior Facility Agent. Each Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or Affiliates of the Borrower as if such Person were not the Senior Facility Agent hereunder and without any duty to account therefor to the Senior Lenders.

SECTION 10.03. Exculpatory Provisions.

(a) The Senior Facility Agent shall not have any duties or obligations except those expressly set forth herein and in the other Financing Documents. Without limiting the generality of the foregoing, the Senior Facility Agent shall not:

(i) be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Financing Documents that the Senior Facility Agent is required to exercise as directed in writing by the Required Senior Lenders (or such other number or percentage of the Senior Lenders as shall be expressly provided for herein or in the other Financing Documents); provided that, the Senior Facility Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Senior Facility Agent to liability or that is contrary to any Financing Document or applicable Government Rule; or

(iii) except as expressly set forth herein and in the other Financing Documents, have any duty to disclose, nor shall the Senior Facility Agent be liable for any failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Senior Facility Agent or any of its Affiliates in any capacity.

(b) The Senior Facility Agent shall not be liable for any action taken or not taken by it (i) with the prior written consent or at the request of the Required Senior Lenders (or such other number or percentage of the Senior Lenders as may be necessary, or as the Senior Facility Agent may believe in good faith to be necessary, under the circumstances as provided in Section 11.01 (*Amendments, Etc.*)) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by a final and non-appealable order. The Senior Facility Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice describing such Default or Event of Default is given to the Senior Facility Agent in writing by the Borrower, the Common Security Trustee, a Senior Lender, the Swing Line Lender or a Senior Issuing Bank. The Senior Facility Agent shall provide copies of such notice to the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks.

(c) The Senior Facility Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Financing Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence or continuance of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Financing Document or any other agreement, instrument or document, or the perfection or priority of any Lien or security interest created or purported to be created by any Security Document, or (v) the satisfaction of any condition set forth in Article VII (*Conditions Precedent*) or elsewhere herein, other than to confirm receipt of any items expressly required to be delivered to the Senior Facility Agent.

SECTION 10.04. Reliance by Senior Facility Agent. The Senior Facility Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Senior Facility Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Senior Facility Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. In determining compliance with any condition hereunder to an Extension of Credit that by its terms must be fulfilled to the satisfaction of the Required Senior Lenders, the Swing Line Lender, each Senior Issuing Bank and the Senior Facility Agent, as applicable, may presume that such condition is satisfactory to the Required Senior Lenders unless the Swing Line Lender, such Senior Issuing Bank or the Senior Facility Agent, as applicable, has received notice to the contrary from such Senior Lenders or the Intercreditor Agent prior to such Extension of Credit.

SECTION 10.05. Delegation of Duties. The Senior Facility Agent may perform any and all of its duties and exercise any and all its rights and powers hereunder or under any other Financing Document by or through any one or more sub-agents appointed by the Senior Facility Agent. The Senior Facility Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article X shall apply to any such sub-agent and to the Related Parties of the Senior Facility Agent, and shall apply to all of their respective activities in connection with their acting as or for the Senior Facility Agent.

SECTION 10.06. Resignation or Removal of Senior Facility Agent.

(a) The Senior Facility Agent may resign from the performance of all its functions and duties hereunder and under the other Financing Documents at any time by giving thirty (30) days' prior written notice to the Borrower, the Common Security Trustee, the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks. The Senior Facility Agent may be removed at any time (i) by the Required Senior Lenders for such Person's gross negligence or willful misconduct or

(ii) by the Borrower, with the consent of the Required Senior Lenders, for such Person's gross negligence or willful misconduct. In the event The Bank of Nova Scotia is no longer the Senior Facility Agent, any successor Senior Facility Agent may be removed at any time with cause by the Required Senior Lenders. Any such resignation or removal shall take effect upon the appointment of a successor Senior Facility Agent, in accordance with this Section 10.06.

(b) Upon any notice of resignation by the Senior Facility Agent or upon the removal of the Senior Facility Agent by the Required Senior Lenders, or by the Borrower with the approval of the Required Senior Lenders pursuant to Section 10.06(a), the Required Senior Lenders shall appoint a successor Senior Facility Agent, hereunder and under each other Financing Document to which the Senior Facility Agent is a party, such successor Senior Facility Agent to be a commercial bank having a combined capital and surplus of at least one billion Dollars (\$1,000,000,000); provided that, in no event shall any successor Senior Facility Agent be a Defaulting Lender; provided, further that, if no Default or Event of Default shall then be continuing, appointment of a successor Senior Facility Agent shall also be acceptable to the Borrower (such acceptance not to be unreasonably withheld, conditioned or delayed). The fees payable by the Borrower to a successor Senior Facility Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor.

(c) If no successor Senior Facility Agent has been appointed by the Required Senior Lenders within thirty (30) days after the date such notice of resignation was given by such resigning Senior Facility Agent, or the Required Senior Lenders elected to remove such Person, any Senior Secured Party may petition any court of competent jurisdiction for the appointment of a successor Senior Facility Agent. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor Senior Facility Agent, who shall serve as Senior Facility Agent hereunder and under each other Financing Document to which it is a party until such time, if any, as the Required Senior Lenders appoint a successor Senior Facility Agent, as provided above.

(d) Upon the acceptance of a successor's appointment as Senior Facility Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Senior Facility Agent, and the retiring (or removed) Senior Facility Agent shall be discharged from all of its duties and obligations hereunder or under the other Financing Documents. After the retirement or removal of the Senior Facility Agent hereunder and under the other Financing Documents, the provisions of this Article X and Section 11.08 (*Indemnification by the Borrower*) shall continue in effect for the benefit of such retiring (or removed) Person, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Person was acting in its capacity as Senior Facility Agent.

SECTION 10.07. No Amendment to Duties of Senior Facility Agent Without Consent. The Senior Facility Agent shall not be bound by any waiver, amendment, supplement or modification of this Agreement or any other Financing Document that affects its rights or duties hereunder or thereunder unless such Senior Facility Agent shall have given its prior written consent, in its capacity as Senior Facility Agent thereto.

SECTION 10.08. Non-Reliance on Senior Facility Agent. Each of the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks acknowledges that it has, independently and

without reliance upon the Senior Facility Agent, the Swing Line Lender, the Senior Issuing Banks (in the case of the Senior Lenders), any other Senior Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and make its Extensions of Credit. Each of the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks also acknowledges that it will, independently and without reliance upon the Senior Facility Agent, the Swing Line Lender, the Senior Issuing Banks (in the case of the Senior Lenders), any other Senior Lenders or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Financing Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 10.09. No Joint Lead Arranger, No Joint Lead Bookrunner, No Co-Documentation Agent, No Co-Syndication Agent Duties. Anything herein to the contrary notwithstanding, no Joint Lead Arranger, Joint Lead Bookrunner, Co-Documentation Agent or Co-Syndication Agent shall have any powers, duties or responsibilities under this Agreement, except in its capacity, as applicable, as the Senior Facility Agent, the Swing Line Lender, a Senior Issuing Bank or a Senior Lender.

SECTION 10.10. Certain Obligations. The Senior Facility Agent shall:

(a) give prompt notice to each Senior Lender, the Common Security Trustee, the Swing Line Lender and the Senior Issuing Banks of receipt of each notice or request required or permitted to be given to the Senior Facility Agent by the Borrower pursuant to the terms of this Agreement or any other Financing Document (unless concurrently delivered to the Senior Lenders, the Common Security Trustee, the Swing Line Lender and the Senior Issuing Banks by the Borrower). The Senior Facility Agent will distribute to each Senior Lender, the Common Security Trustee, Swing Line Lender and the Senior Issuing Banks each document or instrument (including each document or instrument delivered by the Borrower to the Senior Facility Agent pursuant to Article VI (*Representations and Warranties*), Article VII (*Conditions Precedent*) and Article VIII (*Covenants of the Borrower*)) received for the account of the Senior Facility Agent and copies of all other communications received by the Senior Facility Agent from the Borrower for distribution to the Senior Lenders, the Common Security Trustee, Swing Line Lender and the Senior Issuing Banks by the Senior Facility Agent in accordance with the terms of this Agreement or any other Financing Document;

(b) except as otherwise expressly provided in any other Financing Document, perform its duties in accordance with any instructions given to it by (i) the Senior Issuing Banks, (ii) the Swing Line Lender or (iii) the Senior Lenders, the Required Senior Lenders or the Supermajority Senior Lenders, as the case may be, which instructions shall be binding on the Senior Facility Agent;

(c) if so instructed by (i) the Senior Issuing Banks, (ii) the Swing Line Lender or (iii) the Senior Lenders, the Required Senior Lenders or the Supermajority Senior Lenders, as the case may be, refrain from exercising any right, power, authority or discretion vested in it; and

(d) without additional charge or compensation, perform such calculations and furnish to the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks information relating to

the principal amount outstanding, interest due, and such other matters as the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks may reasonably request.

ARTICLE XI

MISCELLANEOUS PROVISIONS

SECTION 11.01. Amendments, Etc.

(a) Subject to the terms of the Intercreditor Agreement, no consent, amendment, waiver or termination of any provision of this Agreement shall be effective unless in writing signed by the Borrower and the Required Senior Lenders, and each such amendment, waiver, termination or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that, without the consent of each Senior Lender, the Swing Line Lender and the Senior Issuing Banks (in each case, other than any Senior Lender that is a Loan Party, a Sponsor or an Affiliate or Subsidiary thereof), no such amendment, waiver, termination or consent shall:

- (i) extend or increase any Commitments (other than pursuant to Section 2.05 (*Incremental Commitments*));
- (ii) postpone any date scheduled for any payment of principal, fees or interest (as applicable) under Section 4.01 (*Repayment of LC Loans*), Section 4.02 (*Repayment of Working Capital Loans*), Section 4.03 (*Repayment of Swing Line Loans*), and Section 4.05 (*Interest Payments*) or Section 4.13 (*Fees*) or any date fixed by the Senior Facility Agent for the payment of fees or other amounts due to the Senior Lenders (or any of them) hereunder;
- (iii) reduce the principal of, or the rate of interest specified herein on, any Loan, or any Fees or other amounts payable to any Senior Lender hereunder, other than interest payable at the Default Rate;
- (iv) change the pro rata sharing of payments or pro rata treatment of the Senior Lenders or the order of application of any reduction in any Commitment from the application thereof set forth in the applicable provisions of Section 2.06 (*Termination or Reduction of Commitments*), Section 4.14 (*Pro Rata Treatment*), or Section 4.15 (*Sharing of Payments*), respectively, in any manner;
- (v) change (i) any provision of this Section 11.01, (ii) the definition of Required Senior Lenders or Supermajority Senior Lenders or (iii) any other provision hereof specifying the number or percentage of Senior Lenders required to amend, waive, terminate or otherwise modify any rights hereunder or make any determination or grant any consent hereunder;
- (vi) subject to all other provisions of this Section 11.01, release or allow release of (i) the Borrower from (x) all or (y) a material portion of its obligations under this Agreement, the Common Terms Agreement or any Security Document, (ii) all or a material portion of the Collateral from the Lien of any of the Security Documents (other than with respect to assets the conveyance, sale, lease, transfer or other disposal of which is permitted under Section 7.2(b) (*Prohibition of Fundamental Changes*) of the Common Terms

Agreement) or Section 2.2(b) of Schedule 8.01, whichever is applicable at the time) or (iii) any guaranties or commitments (other than any Commitment) under or in connection with this Agreement, the Common Terms Agreement or any Security Document;

(vii) amend, modify, waive or supplement the terms of Section 11.04 (*Assignments*) of this Agreement of the Common Terms Agreement;

(viii) amend the definition of Permitted Indebtedness or Senior Secured Parties;

(ix) amend, modify or waive any of the matters listed on Schedule 1 (*Unanimous Decisions*) to the Intercreditor Agreement;

(x) amend, modify, waive or supplement the terms of Section 3.7 (*Mandatory Prepayment of Secured Debt*) of the Common Terms Agreement;

(xi) change the currency of any payment of principal, fees or interest or other amounts due to the Senior Lenders (or any of them) hereunder; or

(xii) change the provisions of the Financing Documents regarding the priority and application of funds in the Accounts.

(b) No amendment, waiver, termination or consent of any provision of this Agreement shall, unless in writing and signed by the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender or the Senior Issuing Banks, as applicable, in addition to the Senior Lenders required under Section 11.01(a), affect the rights or duties of, or any fees or other amounts payable to, the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender or the Senior Issuing Banks.

(c) In the event that the Senior Facility Agent is required to cast a vote with respect to a decision under this Agreement or under Section 3.3 (*Other Voting Considerations*) of the Intercreditor Agreement and in each other instance in which the Senior Lenders are required to vote or make a decision, a vote shall be taken among the Senior Lenders in the timeframe reasonably specified by the Senior Facility Agent (which timeframe shall expire no more than two (2) Business Days prior to the expiration of the time period specified in the notice provided by the Intercreditor Agent to the Senior Facility Agent pursuant to Section 4.4(a)(4) (*Certain Procedures Relating to Modifications, Instructions, and Exercises of Discretion*) of the Intercreditor Agreement)).

(d) Subject to Section 11.01(b), in the event any Senior Lender does not cast its vote by the later of (i) the timeframe specified by the Senior Facility Agent pursuant to clause (c) above and (ii) ten (10) Business Days following receipt of the request for such vote, the Borrower shall be entitled to instruct the Senior Facility Agent to deliver a notice to such Senior Lender, informing it that if it does not respond within an additional five (5) Business Days of the date of such notice (or such longer period as the Borrower may reasonably determine in consultation with the Senior Facility Agent), its vote shall be disregarded. If such Senior Lender (A) has not advised the Senior Facility Agent within the time specified in the additional notice whether it approves or disapproves of the applicable decision or (B) has advised the Senior Facility Agent that it has determined to abstain from voting on such decision, such Senior Lender shall be deemed to have waived its right to consent, approve, waive or provide direction with respect to such decision and shall be excluded from the numerator and denominator of such calculation for the purpose of determining whether

the Required Senior Lenders have made a decision with respect to such action. Such Senior Lender hereby waives any and all rights it may have to object to or seek relief from the decision of the Senior Lenders voting with respect to such issue and agrees to be bound by such decision; provided that, the provisions of Sections 11.01(c) and (d) shall not apply to any decision set forth in Section 11.01(a)(i)-(ix) and Schedule 1 (*Unanimous Decisions*) to the Intercreditor Agreement.

SECTION 11.02. Entire Agreement. This Agreement, the other Financing Documents and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

SECTION 11.03. Applicable Government Rule; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT, AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA WITHOUT ANY REFERENCE TO THE CONFLICT OF LAWS PRINCIPLES THEREOF, OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) SUBMISSION TO JURISDICTION. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER FINANCING DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY HERETO MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION IF APPLICABLE LAW DOES NOT PERMIT A CLAIM, ACTION OR PROCEEDING REFERRED TO IN THE FIRST SENTENCE OF THIS SECTION TO BE FILED, HEARD OR DETERMINED IN OR BY THE COURTS SPECIFIED THEREIN.

(c) WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY

OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT IN ANY COURT REFERRED TO IN SECTION 11.03(b). EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) Service of Process. Each party irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such Person at its then effective notice addresses pursuant to Section 11.11 (*Notices and Other Communications*). Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any other Financing Document in the courts of any jurisdiction if applicable law does not permit a claim, action or proceeding referred to in the first sentence of Section 11.03(b) to be filed, heard or determined in or by the courts specified therein.

(e) Immunity. To the extent that the Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Borrower hereby irrevocably and unconditionally waives such immunity in respect of its obligations under the Financing Documents and, without limiting the generality of the foregoing, agrees that the waiver set forth in this Section 11.03(e) shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and is intended to be irrevocable for purposes of such Act.

(f) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER FINANCING DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.03.

SECTION 11.04. Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each of the Senior Lenders, the Swing Line Lender, the Senior Issuing Banks and the Senior Facility Agent (and any attempted assignment or other transfer by the Borrower

without such consent shall be null and void), and no Senior Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with Section 11.04(b) and Section 11.04(g), (ii) by way of participation in accordance with Section 11.04(d) or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 11.04(e) (and any other attempted assignment or transfer by any party hereto shall be null and void).

(b) Subject to Section 11.04(g) and this Section 11.04(b), any Senior Lender may, at any time after the date hereof, assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments, its participations in Letters of Credit or the Loans at the time owing to it) (provided that, on the date of such assignment, such assignment would not result in an increase in amounts payable by the Borrower under Section 5.03 (*Increased Costs*), unless such increase in amounts payable measured on such date of assignment is waived by the assigning and assuming Senior Lenders). Except in the case of (x) an assignment of the entire remaining amount of the assigning Senior Lender's Commitment, its participations in Letters of Credit and the Loans at the time owing to it or (y) an assignment to a Senior Lender, or an Affiliate of a Senior Lender, or an Approved Fund with respect to a Senior Lender, the sum of (1) the unused Commitments, if any, (2) participations in Letters of Credit, if any, and (3) the outstanding Loans subject to each such assignment (determined as of the date the Lender Assignment Agreement with respect to such assignment is delivered to the Senior Facility Agent or, if "Trade Date" is specified in the Lender Assignment Agreement, as of the Trade Date) shall not be less than five million Dollars (\$5,000,000), unless the Senior Facility Agent otherwise consents in writing. Subject to Section 11.04(g), each partial assignment shall be made as an assignment of the same percentage of the unused Commitments, participations in Letters of Credit and outstanding Loans and a proportionate part of all the assigning Senior Lender's rights and obligations under this Agreement with respect to the Commitment, participations in Letters of Credit and outstanding Loans. The parties to each assignment shall execute and deliver to the Senior Facility Agent a Lender Assignment Agreement in the form of Exhibit E, together with a processing and recordation fee of three thousand five hundred Dollars (\$3,500); provided that, (A) no such fee shall be payable in the case of an assignment to a Senior Lender, an Affiliate thereof or an Approved Fund with respect to a Senior Lender and (B) in the case of contemporaneous assignments by a Senior Lender to one or more Approved Funds managed by the same investment advisor (which Approved Funds are not then Senior Lenders hereunder), only a single such three thousand five hundred Dollars (\$3,500) fee shall be payable for all such contemporaneous assignments. If the Eligible Assignee is not a Senior Lender prior to such assignment, it shall deliver to the Senior Facility Agent an administrative questionnaire and all documentation and other information required by bank regulatory authorities under applicable "know your customer" requirements. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Senior Facility Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Senior Facility Agent, the applicable *pro rata* share of Loans required to be made but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Senior

Facility Agent and each other Senior Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans in accordance with its Proportionate Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs. Subject to acceptance and recording thereof by the Senior Facility Agent pursuant to Section 11.04(c), from and after the effective date specified in each Lender Assignment Agreement, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Lender Assignment Agreement, have the rights and obligations of a Senior Lender under this Agreement, and the assigning Senior Lender thereunder shall, to the extent of the interest assigned by such Lender Assignment Agreement, be released from its obligations under this Agreement (and, in the case of a Lender Assignment Agreement covering all of the assigning Senior Lender's rights and obligations under this Agreement, such Senior Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 5.03 (*Increased Costs*), Section 5.06 (*Taxes*), Section 11.06 (*Costs and Expenses*) and Section 11.08 (*Indemnification by the Borrower*) with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Senior Lender's having been a Defaulting Lender. Any assignment or transfer by a Senior Lender of rights or obligations under this Agreement that does not comply with this Section 11.04(b) shall be treated for purposes of this Agreement as a sale by such Senior Lender of a participation in such rights and obligations in accordance with Section 11.04(d). Upon any such assignment, the Senior Facility Agent will deliver a notice thereof to the Borrower (provided that, failure to deliver such notice shall not result in any liability for the Senior Facility Agent).

(c) The Senior Facility Agent shall maintain the Register in accordance with Section 2.03(e) (*Borrowing of Working Capital Loans*) above.

(d) Any Senior Lender may at any time, without the consent of, or notice to, the Borrower or the Senior Facility Agent, sell participations to any Person (other than a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) or any Loan Party, any Sponsor, any Material Project Party, any Person that is party to any Additional Material Project Document or any Affiliate or Subsidiary thereof) (each, a "**Participant**") in all or a portion of such Senior Lender's rights or obligations under this Agreement (including all or a portion of its Commitment, participations in Letters of Credit or the Loans owing to it); provided that, (i) such Senior Lender's obligations under this Agreement shall remain unchanged, (ii) such Senior Lender remains solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Senior Facility Agent and the other Senior Lenders shall continue to deal solely and directly with such Senior Lender in connection with such Senior Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Senior Lender shall be responsible for the indemnity under Section 11.08 (*Indemnification by the Borrower*) with respect to any payments made by such Senior Lender to its Participant(s). Any agreement or instrument pursuant to which a Senior Lender sells such a participation shall provide that such Senior Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that, such

agreement or instrument may provide that such Senior Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the proviso to Section 11.01 (*Amendments, Etc.*) that directly affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 5.03 (*Increased Costs*) and Section 5.06 (*Taxes*) (subject to the requirements and limitations therein, including the requirements under Section 5.06(e) (*Taxes - Status of Lenders*) (it being understood that any documentation required under Section 5.06 (*Taxes*) shall be delivered to the participating Senior Lender)) to the same extent as if it were a Senior Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that, such Participant (A) agrees to be subject to the provisions of Section 5.04 (*Obligation to Mitigate*) as if it were an assignee under paragraph (b) of this Section 11.04; and (B) shall not be entitled to receive any greater payment under Section 5.03 (*Increased Costs*) or Section 5.06 (*Taxes*), with respect to any participation, than its participating Senior Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Senior Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 5.04 (*Obligation to Mitigate*) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.14 (*Right of Setoff*) as though it were a Senior Lender; provided that, such Participant agrees to be subject to Section 4.15 (*Sharing of Payments*) as though it were a Senior Lender. Each Senior Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Letters of Credit, Loans or other obligations under the Financing Documents (the "**Participant Register**"); provided that, no Senior Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Financing Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Senior Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Senior Facility Agent (in its capacity as Senior Facility Agent) shall have no responsibility for maintaining a Participant Register.

(e) Any Senior Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Senior Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction; provided that, no such pledge or assignment shall release such Senior Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Senior Lender as a party hereto.

(f) The words "*execution*," "*signed*," "*signature*," and words of like import in any Lender Assignment Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may

be, to the extent and as provided for in any applicable Government Rule, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(g) All assignments by a Senior Lender of all or a portion of its rights and obligations hereunder shall be made only as an assignment of the same percentage of the outstanding Commitment, participations in Letters of Credit and outstanding Loans held by such Senior Lender.

SECTION 11.05. Benefits of Agreement. Nothing in this Agreement or any other Financing Document, express or implied, shall be construed to give to any Person, other than the parties hereto, each of their successors and permitted assigns under this Agreement or any other Financing Document, Participants, to the extent provided in Section 11.04 (*Assignments*), and, to the extent expressly contemplated hereby, the Related Parties of each of the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks and the Senior Lenders, any benefit or any legal or equitable right or remedy under this Agreement.

SECTION 11.06. Costs and Expenses. The Borrower shall pay (a) all reasonable and documented out-of-pocket expenses incurred by each of the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks and the Senior Lenders and their Affiliates (including all reasonable fees, costs and expenses of one counsel plus one local counsel for the Senior Lenders and their Affiliates in each relevant jurisdiction (provided that, in the case of the continuation of an Event of Default, any Senior Lender may retain separate counsel in the event of an actual conflict of interest (which may be multiple counsel, but only the least number necessary to resolve such conflict of interest) and the Borrower shall pay all reasonable fees, cost and expenses of such additional counsel)) in connection with the preparation, negotiation, syndication, execution and delivery of this Agreement and the other Financing Documents; (b) all reasonable and documented out of pocket expenses incurred by the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks and the Senior Lenders (including all reasonable fees, costs and expenses of one counsel plus one local counsel for the Senior Lenders and their Affiliates in each relevant jurisdiction (provided that, in the case of the continuation of an Event of Default, any Senior Lender may retain separate counsel in the event of an actual conflict of interest (which may be multiple counsel, but only the least number necessary to resolve such conflict of interest) and the Borrower shall pay all reasonable fees, cost and expenses of such additional counsel)) in connection with any amendments, modifications or waivers of the provisions of this Agreement and the other Financing Documents (whether or not the transactions contemplated hereby or thereby are consummated); (c) all reasonable and documented out-of-pocket expenses incurred by the Senior Facility Agent and the Common Security Trustee (including all reasonable fees, costs and expenses of one counsel plus one local counsel for the Senior Lenders and their Affiliates in each relevant jurisdiction (provided that, in the case of the continuation of an Event of Default, any Senior Lender may retain separate counsel in the event of an actual conflict of interest (which may be multiple counsel, but only the least number necessary to resolve such conflict of interest) and the Borrower shall pay all reasonable fees, cost and expenses of such additional counsel)) in connection with the administration of this Agreement and the other Financing Documents (whether or not the transactions contemplated hereby or thereby are consummated); and (d) all reasonable and documented out-of-pocket expenses incurred by the Senior Secured

Parties (including all reasonable fees, costs and expenses of one counsel plus one local counsel for the Senior Lenders and their Affiliates in each relevant jurisdiction (provided that, in the case of the continuation of an Event of Default, any Senior Lender may retain separate counsel in the event of an actual conflict of interest (which may be multiple counsel, but only the least number necessary to resolve such conflict of interest) and the Borrower shall pay all reasonable fees, cost and expenses of such additional counsel)) in connection with the enforcement or protection (other than in connection with assignment of Loans, participations in Letters of Credit or Commitments) of their rights in connection with this Agreement and the other Financing Documents, including their rights under this Section 11.06, including in connection with any workout, restructuring or negotiations in respect of the Obligations. The provisions of this Section 11.06 shall not supersede Sections 5.03 (*Increased Costs*) and 5.06 (*Taxes*). Notwithstanding the foregoing, in the event that the Common Security Trustee reasonably believes that a conflict exists in using one counsel, it may engage its own counsel.

SECTION 11.07. Counterparts; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it has been executed by the Senior Facility Agent and when the Senior Facility Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or portable document format (“pdf”) shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.08. Indemnification by the Borrower.

(a) The Borrower hereby agrees to indemnify each Senior Secured Party and each Related Party of any of the foregoing Persons (each such Person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including all reasonable fees, costs and expenses of counsel or consultants for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of:

(i) the execution or delivery of this Agreement, any other Transaction Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or the administration (other than expenses that do not constitute out-of-pocket expenses) or enforcement thereof;

(ii) any actual or alleged presence, Release or threatened Release of Hazardous Materials in violation of Environmental Laws or that could reasonably result in an Environmental Claim on or from the Project or any property owned or operated by the Borrower, or any Environmental Affiliate or any liability pursuant to an Environmental Law related in any way to the Project or the Borrower;

(iii) any actual or prospective claim (including Environmental Claims), litigation, investigation or proceeding relating to any of the foregoing, whether based on common law,

contract, tort or any other theory, whether brought by a third party or by the Borrower or any of the Borrower's members, managers or creditors, and regardless of whether any Indemnitee is a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Financing Documents is consummated, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; or

(iv) any claim, demand or liability for broker's or finder's or placement fees or similar commissions, whether or not payable by the Borrower, alleged to have been incurred in connection with such transactions, other than any broker's or finder's fees payable to Persons engaged by any Senior Secured Party or Affiliates or Related Parties thereof;

provided that, such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) shall have arisen from a dispute between or among the Indemnitees or from a claim of an Indemnitee against another Indemnitee, which in either case is not the result of an act or omission of the Borrower or any of its Affiliates.

(b) To the extent that the Borrower for any reason fails to pay any amount required under Section 11.06 (*Costs and Expenses*) or Section 11.08(a) above to be paid by it to any of the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank, any sub-agent thereof, or any Related Party of any of the foregoing, each Senior Lender severally agrees to pay in accordance with its Proportionate Share to the Senior Facility Agent, the Swing Line Lender, such Senior Issuing Bank, the Common Security Trustee, any such sub-agent, or such Related Party, as the case may be, such Senior Lender's ratable share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, such Senior Issuing Bank, or any sub-agent thereof in its capacity as such, or against any Related Party of any of the foregoing acting for the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank, or any sub-agent thereof in connection with such capacity. The obligations of the Senior Lenders to make payments pursuant to this Section 11.08(b) are several and not joint and shall survive the payment in full of the Obligations and the termination of this Agreement. The failure of any Senior Lender to make payments on any date required hereunder shall not relieve any other Senior Lender of its corresponding obligation to do so on such date, and no Senior Lender shall be responsible for the failure of any other Senior Lender to do so.

(c) All amounts due under this Section 11.08 shall be payable not later than ten (10) Business Days after demand therefor.

(d) The provisions of this Section 11.08 shall not supersede Sections 5.03 (*Increased Costs*) and 5.06 (*Taxes*).

(e) The Senior Facility Agent shall be fully justified in taking, refusing to take or continuing to take any action hereunder unless it shall first be indemnified to its satisfaction by the Senior Lenders against any and all liability and expense which may be incurred by it by reason of taking, refusing to take or continuing to take any such action.

SECTION 11.09. Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Financing Document, the interest paid or agreed to be paid under the Financing Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Government Rule (the “**Maximum Rate**”). If the Senior Facility Agent, the Swing Line Lender, any Senior Issuing Bank or any Senior Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Senior Facility Agent, any Senior Lender, the Swing Line Lender or any Senior Issuing Bank exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Government Rule, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest and (b) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

SECTION 11.10. No Waiver; Cumulative Remedies. No failure by any Senior Secured Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Financing Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Financing Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

SECTION 11.11. Notices and Other Communications.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or, except with respect to any notice of Default or Event of Default, sent by email to the address(es), facsimile number or email address specified for the Borrower, the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks or the Senior Lenders, as applicable, on Schedule 11.11.

(b) Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; and notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications shall be effective as provided in Section 11.11(c).

(c) Unless otherwise prescribed, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender’s receipt of an acknowledgement from the intended

recipient (such as by the “return receipt requested” function, as available, return e-mail or other written acknowledgement); provided that, if such notice or other communication is not received during the normal business hours of the recipient, such notice or communication shall be deemed to have been received at the opening of business on the next Business Day for the recipient and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in Schedule 11.11 of notification that such notice or communication is available and identifying the website address therefor. Notwithstanding the above, all notices delivered by the Borrower to the Senior Facility Agent through electronic communications shall be followed by the delivery of a hard copy.

(d) Each of the Borrower, the Senior Facility Agent and the Common Security Trustee may change its address, facsimile telephone number or email address for notices and other communications hereunder by notice to the other parties hereto. Any Senior Lender, the Swing Line Lender and any Senior Issuing Bank may change its address, facsimile, telephone number or email address for notices and other communications hereunder by notice to the Borrower, the Senior Facility Agent and the Common Security Trustee.

(e) The Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks and the Senior Lenders shall be entitled to rely and act upon any written notices purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks, the Senior Lenders and the Related Parties of each of them for all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks and the Senior Lenders by the Borrower may be recorded by the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks and the Senior Lenders, as applicable, and each of the parties hereto hereby consents to such recording.

(f) The Senior Facility Agent agrees that the receipt of the communications by the Senior Facility Agent at its e-mail addresses set forth in Schedule 11.11 shall constitute effective delivery to the Senior Facility Agent for purposes of the Financing Documents. The Swing Line Lender, each Senior Issuing Bank and each Senior Lender agrees to notify the Senior Facility Agent in writing (including by electronic communication) from time to time of such Senior Lender’s e-mail address(es) to which the notices may be sent by electronic transmission and that such notices may be sent to such e-mail address(es).

(g) Notwithstanding the above, nothing herein shall prejudice the right of the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank and any of the Senior Lenders to give any notice or other communication pursuant to any Financing Document in any other manner specified in such Financing Document.

(h) So long as The Bank of Nova Scotia is the Senior Facility Agent, the Borrower hereby agrees that it will provide to the Senior Facility Agent all information, documents and other materials that it is obligated to furnish to the Senior Facility Agent pursuant to the Financing Documents, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to any Loan borrowing, (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default or Event of Default or (iv) is required to be delivered to satisfy any condition precedent to any Extension of Credit (all such non-excluded communications being referred to herein collectively as “**Communications**”), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Senior Facility Agent at the email addresses specified in Schedule 11.11. In addition, the Borrower agrees to continue to provide the Communications to the Senior Facility Agent in the manner specified in the Financing Documents but only to the extent requested by the Senior Facility Agent.

(i) So long as The Bank of Nova Scotia is the Senior Facility Agent, the Borrower further agrees that the Senior Facility Agent may make the Communications available to the Senior Lenders by posting the Communications on an internet website that may, from time to time, be notified to the Senior Lenders (or any replacement or successor thereto) or a substantially similar electronic transmission system (the “**Platform**”). The costs and expenses incurred by the Senior Facility Agent in creating and maintaining the Platform shall be paid by the Borrower in accordance with Section 11.06 (*Costs and Expenses*).

(j) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE SENIOR FACILITY AGENT DOES NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIMS LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE SENIOR FACILITY AGENT IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE SENIOR FACILITY AGENT OR ANY AFFILIATE THEREOF OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, “**AGENT PARTIES**”) HAVE ANY LIABILITY TO THE BORROWER, ANY SENIOR LENDER, THE SWING LINE LENDER, ANY SENIOR ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER’S OR ANY AGENT PARTY’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

SECTION 11.12. Patriot Act Notice. Each of the Senior Lenders, the Swing Line Lender, the Senior Issuing Banks, the Senior Facility Agent and the Common Security Trustee hereby notifies the Borrower that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Senior Lenders, the Swing Line Lender, the Senior Issuing Banks, the Senior Facility Agent or the Common Security Trustee, as applicable, to identify the Borrower in accordance with the Patriot Act.

SECTION 11.13. Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank or any Senior Lender, or the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank or any Senior Lender (as the case may be) exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, such Senior Issuing Bank or such Senior Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any bankruptcy or insolvency proceeding or otherwise, then (a) to the extent of such recovery, the Obligation or part thereof originally intended to be satisfied by such payment shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) the Swing Line Lender, each Senior Issuing Bank and each Senior Lender severally agrees to pay to the Senior Facility Agent or the Common Security Trustee upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Senior Facility Agent or the Common Security Trustee, as the case may be, plus interest thereon from the date of such demand to the date such payment is made at a rate *per annum* equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Swing Line Lender, the Senior Issuing Banks and the Senior Lenders under this Section 11.13 shall survive the payment in full of the Obligations and the termination of this Agreement.

SECTION 11.14. Right of Setoff. Each of the Swing Line Lender, the Senior Issuing Banks, the Senior Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time during the continuance of an Event of Default, to the fullest extent permitted by applicable Government Rule, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Swing Line Lender, Senior Issuing Bank, Senior Lender or any such Affiliate to or for the credit or the account of the Borrower against any and all of the Obligations of the Borrower now or hereafter existing under this Agreement or any other Financing Document to such Swing Line Lender, Senior Issuing Bank or Senior Lender, as applicable, irrespective of whether or not such Swing Line Lender, Senior Issuing Bank or Senior Lender, as applicable, shall have made any demand under this Agreement or any other Financing Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office of such Swing Line Lender, Senior Issuing Bank or Senior Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Swing Line Lender, the Senior Issuing Banks, the Senior Lenders and their respective Affiliates under this Section 11.14 are in addition to other rights and remedies (including other rights of setoff) that such Swing Line Lender, Senior Issuing Bank, Senior Lender or their respective

Affiliates may have. Each of the Swing Line Lender, the Senior Issuing Banks and the Senior Lenders agrees to notify the Borrower and the Senior Facility Agent promptly after any such setoff and application; provided that, the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 11.15. Severability. If any provision of this Agreement or any other Financing Document is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Financing Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.16. Survival. Notwithstanding anything in this Agreement to the contrary, Section 5.03 (*Increased Costs*), Section 5.06 (*Taxes*), Section 11.06 (*Costs and Expenses*), Section 11.08 (*Indemnification by the Borrower*) and Section 11.13 (*Payments Set Aside*) shall survive any termination of this Agreement. In addition, each representation and warranty made hereunder and in any other Financing Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties shall be considered to have been relied upon by the Senior Secured Parties regardless of any investigation made by any Senior Secured Party or on their behalf and notwithstanding that the Senior Secured Parties may have had notice or knowledge of any Default or Event of Default at the time of the Extension of Credit, and shall continue in full force and effect as of the date made or any date referred to herein as long as any Loan or any other Obligation hereunder or under any other Financing Document shall remain unpaid or unsatisfied.

SECTION 11.17. Treatment of Certain Information; Confidentiality. Each of the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, the Senior Issuing Banks, and the Senior Lenders agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective shareholders, members, partners, directors, officers, employees, agents, advisors, auditors, insurers and representatives (provided that, the Persons to whom such disclosure is made will be informed prior to disclosure of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested or required by any regulatory authority purporting to have jurisdiction over it or to any Federal Reserve Bank or central bank in connection with a pledge or assignment pursuant to Section 11.04(e) (*Assignments*); (c) to the extent required by applicable Government Rule or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) in connection with the exercise of any remedies hereunder or under any other Financing Document or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder (including any actual or prospective purchaser of Collateral); (f) subject to an agreement containing provisions substantially the same as those of this Section 11.17, to (i) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of the Borrower or

(iii) any Person (and any of its officers, directors, employees, agents or advisors) that may enter into or support, directly or indirectly, or that may be considering entering into or supporting, directly or indirectly, either (A) contractual arrangements with the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, such Senior Issuing Bank, or such Senior Lender, or any Affiliates thereof, pursuant to which all or any portion of the risks, rights, benefits or obligations under or with respect to any Loan, Letter of Credit or Financing Document is transferred to such Person or (B) an actual or proposed securitization or collateralization of, or similar transaction relating to, all or a part of any amounts payable to or for the benefit of any Senior Lender under any Financing Document (including any rating agency); (g) with the consent of the Borrower (which consent shall not unreasonably be withheld or delayed); (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 11.17 or (ii) becomes available to the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank, any Senior Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower; (i) to any state, federal or foreign authority or examiner (including the National Association of Insurance Commissioners or any other similar organization) regulating any Senior Lender, the Swing Line Lender, any Senior Issuing Bank, the Common Security Trustee or the Senior Facility Agent; or (j) to any rating agency when required by it (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to the Borrower received by it from any Senior Lender, the Swing Line Lender, any Senior Issuing Bank, the Common Security Trustee or the Senior Facility Agent, as applicable). In addition, the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank, and any Senior Lender may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank, and any Senior Lender in connection with the administration and management of this Agreement, the other Financing Documents, the Commitments, the Letters of Credit and the Loans. For the purposes of this Section 11.17, “**Information**” means written information that is furnished by or on behalf of the Borrower, the Pledgor, the Sponsor or any of their Affiliates to the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank, or any Senior Lender pursuant to or in connection with any Financing Document, relating to the assets and business of the Borrower, the Pledgor, the Sponsor or any of their Affiliates, but does not include any such information that (i) is or becomes generally available to the public other than as a result of a breach by the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, such Senior Issuing Bank or such Senior Lender of its obligations hereunder, (ii) is or becomes available to the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, such Senior Issuing Bank or such Senior Lender from a source other than the Borrower, the Pledgor, the Sponsor or any of their Affiliates, as applicable, that is not, to the knowledge of the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, such Senior Issuing Bank, or such Senior Lender, acting in violation of a confidentiality obligation with the Borrower, the Pledgor, the Sponsor or any of their Affiliates, as applicable or (iii) is independently compiled by the Senior Facility Agent, the Common Security Trustee, the Swing Line Lender, any Senior Issuing Bank, or any Senior Lender, as evidenced by their records, without the use of the Information. Any Person required to maintain the confidentiality of Information as provided in this Section 11.17 shall be considered to have complied with its

obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 11.18. Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Government Rule, no party hereto shall assert, and each party hereto hereby waives, any claim against any other party hereto or their Related Parties, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Financing Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No party hereto or its Related Parties shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Financing Documents or the transactions contemplated hereby or thereby.

SECTION 11.19. Waiver of Litigation Payments. To the extent that any party hereto may, in any action, suit or proceeding brought in any of the courts referred to in Section 11.03(b) (*Applicable Government Rule; Jurisdiction; Etc.*) or elsewhere arising out of or in connection with this Agreement or any other Financing Document to which it is a party, be entitled to the benefit of any provision of law requiring any other party hereto in such action, suit or proceeding to post security for the costs of such Person or to post a bond or to take similar action, each such Person hereby irrevocably waives such benefit, in each case to the fullest extent now or in the future permitted under the laws of the State of New York or, as the case may be, the jurisdiction in which such court is located.

SECTION 11.20. Reinstatement. This Agreement and the obligations of the Borrower hereunder shall automatically be reinstated if and to the extent that for any reason any payment made pursuant to this Agreement is rescinded or must otherwise be restored or returned, whether as a result of any proceedings in bankruptcy or reorganization or otherwise with respect to the Borrower or any other Person or as a result of any settlement or compromise with any Person (including the Borrower) in respect of such payment, and the Borrower shall pay the Senior Secured Parties on demand all of their reasonable costs and expenses (including reasonable fees, expenses and disbursements of counsel) incurred by such parties in connection with such rescission or restoration.

SECTION 11.21. No Recourse.

(a) Each Senior Secured Party that is a party hereto acknowledges and agrees that the obligations of the Loan Parties under this Agreement and the other Financing Documents, including with respect to the payment of the principal of or premium or penalty, if any, or interest on any Obligations, or any part thereof, or for any claim based thereon or otherwise in respect thereof or related thereto, are obligations solely of the Loan Parties and shall be satisfied solely from the Security and the assets of the Loan Parties and shall not constitute a debt or obligation of the Sponsor or any of its respective Affiliates (other than the Loan Parties), nor of any past, present or future officers, directors, employees, shareholders, agents, attorneys or representatives of the Loan Parties,

the Sponsor and their respective Affiliates (collectively (but excluding the Loan Parties), the “**Non-Recourse Parties**”).

(b) Each Senior Secured Party that is party hereto acknowledges and agrees that the Non-Recourse Parties shall not be liable for any amount payable under this Agreement or any Financing Document, and no Senior Secured Party shall seek a money judgment or deficiency or personal judgment against any Non-Recourse Party for payment or performance of any obligation of the Loan Parties under this Agreement or the other Financing Documents.

(c) The acknowledgments, agreements and waivers set out in this Section 11.21 shall survive termination of this Agreement and shall be enforceable by any Non-Recourse Party and are a material inducement for the execution of this Agreement and the other Financing Documents by the Loan Parties.

SECTION 11.22. Intercreditor Agreement. Any actions, consents, approvals, authorizations or discretion taken, given, made or exercised, or not taken, given, made or exercised by the Senior Facility Agent, acting as a Secured Debt Holder Group Representative on behalf of the Senior Lenders, the Swing Line Lender and the Senior Issuing Banks, in accordance with the Intercreditor Agreement shall be binding on each Senior Lender, the Swing Line Lender and each Senior Issuing Bank. Notwithstanding anything to the contrary herein, in the case of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall govern.

SECTION 11.23. Amendment and Restatement. This Agreement amends and restates the Original Working Capital Facility. The parties hereto acknowledge and agree that this Agreement does not constitute a novation or termination of the obligations under the Original Working Capital Facility and that all such obligations are in all respects continued and outstanding as obligations under this Agreement except to the extent such obligations are modified from and after the date of this Agreement as provided in this Agreement.

SECTION 11.24. Termination. This Agreement shall terminate and shall have no force and effect (except with respect to the provisions that expressly survive termination of this Agreement) if all Obligations have been paid in full, all Letters of Credit have expired or been fully drawn upon or cash collateralized in accordance with Section 9.02(c) (*Acceleration Upon Bankruptcy*) and all Commitments have been terminated or reduced in whole and the Senior Facility Agent shall have given the notice required by Section 2.11(a) (*Termination of Obligations*) of the Common Terms Agreement.

SECTION 11.25. No Fiduciary Duty. The Senior Facility Agent, each Senior Issuing Bank, the Swing Line Lender and each Senior Lender and their respective Affiliates (collectively, solely for purposes of this Section 11.25, the “Lenders”), may have economic interests that conflict with those of the Borrower, its equity holders and/or its Affiliates. The Borrower agrees that nothing in the Financing Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower, its equity holders or its Affiliates, on the other. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Financing Documents (including the exercise of rights

and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower, its equity holders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, its equity holders or its Affiliates on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Financing Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower or its Affiliates, or its or their management, stockholders (or other equity holders), creditors or any other Person. The Borrower acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

[Remainder of Page Intentionally Left Blank]

COVENANTS

**1. AFFIRMATIVE
COVENANTS**

1.1. Separateness

The Borrower shall comply at all times with the separateness provisions set forth on Schedule 6.1 of the Common Terms Agreement.

**1.2. Project Documents,
Etc.**

- (a) The Borrower shall comply with all of its covenants and obligations under the Material Project Documents and Government Approvals, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.
- (b) The Borrower shall notify the Common Security Trustee and the Senior Facility Agent (i) when entering into or terminating any Material Project Documents and provide a copy of any such contract to the Common Security Trustee and the Senior Facility Agent and (ii) promptly upon obtaining knowledge thereof, of any material adverse change in the status of any Fundamental Government Approval.
- (c) The Borrower shall not agree to any material amendment or termination of any Material Project Document to which it is or becomes a party unless (i) a copy of such amendment or termination has been delivered to the Senior Facility Agent at least five (5) days in advance of the effective date thereof along with a certificate of an Authorized Officer of the Borrower certifying that the proposed amendment or termination would not reasonably be expected to have a Material Adverse Effect or (ii) the Borrower has obtained the consent of the Required Senior Lenders to such amendment or termination.

**1.3. Maintenance of Existence,
Etc.**

Subject to the rights of the Borrower under Section 2.2 of this Schedule 8.01, the Borrower shall do all things necessary to maintain: (a) its limited liability company existence in its jurisdiction of organization; provided, that, subject to the last sentence of this Section 1.3, the foregoing shall not prohibit conversion into another form of entity or continuation in another jurisdiction and (b) the power and authority (corporate and otherwise) necessary under the applicable Governmental Rules to own its properties and to carry on the business of the Project. The Borrower shall not dissolve, liquidate, and shall not take any action to amend or modify its corporate constituent or governing documents where such amendment would be adverse in any material respect to the Secured Parties.

**1.4. Books and Records; Inspection
Rights**

The Borrower shall keep proper books of record in accordance with GAAP and grant the Senior Facility Agent or its designee from time to time, including during the pendency of a

Default or an Event of Default, upon reasonable prior written notice but no more than twice per calendar year (unless a Default or Event of Default has occurred and is continuing) reasonable access to all of its books and records and the physical facilities of the Project, provided that all such inspections are conducted during normal business hours in a manner that does not disrupt the operation of the Project. So long as a Default or any Event of Default has occurred and is continuing, the reasonable fees and documented expenses of such persons shall be for the account of the Borrower.

1.5. Compliance with Government Rules,
Etc.

- (a) The Borrower shall (i) comply with all applicable Government Rules, except where such failure to comply would not reasonably be expected to have a Material Adverse Effect and (ii) notify the Senior Facility Agent promptly following the initiation of any proceedings or material disputes with any Government Authority or other parties, which would reasonably be expected to have a Material Adverse Effect, relating to compliance or noncompliance with any such Government Rule.
- (b) The Borrower and its Affiliates shall comply in all respects with Anti-Terrorism and Money Laundering Laws and OFAC Laws.
- (c) The Borrower will not, and will procure that its Affiliates, directors and officers do not, directly or, to the Borrower's Knowledge, indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:
 - (i) in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money or anything else of value, to any Person in violation of any Anti-Terrorism and Money Laundering Laws, Anti-Corruption Laws or OFAC Laws, to the extent applicable;
 - (ii) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the target of sanctions under OFAC or by the US Department of State, the European Union or Her Majesty's Treasury, to the extent applicable; or
 - (iii) in any other manner that would result in a violation of any Anti-Terrorism and Money Laundering Laws, Anti-Corruption Laws or sanctions under OFAC or by the US Department of State, the European Union or Her Majesty's Treasury, to the extent applicable, by any Person (including any Person participating in the Facility Loans, whether as Senior Lender, Common Security Trustee or otherwise).
- (d) The Borrower shall at all times obtain and maintain and use commercially reasonable efforts to cause third parties, as allowed pursuant to Government Rule, to obtain or maintain in full force and effect all material permits, licenses, trademarks, patents, agreements or Government Approvals necessary for the Development.

- (e) The Borrower agrees that if it obtains Knowledge or receives any written notice that the Borrower, any Affiliate or any Person holding any legal or beneficial interest whatsoever therein (whether directly or indirectly) is named on the OFAC SDN List or is otherwise subject to OFAC, US Department of State, European Union or Her Majesty's Treasury sanctions (such occurrence, a "**Sanctions Violation**"), the Borrower shall immediately (i) give written notice to the Common Security Trustee and the Senior Facility Agent of such Sanctions Violation, and (ii) comply with all applicable laws with respect to such Sanction Violation (regardless of whether the party included on the OFAC SDN List is located within the jurisdiction of the United States of America), and the Borrower hereby authorizes and consents to the Common Security Trustee and the Senior Facility Agent (as the case may be) taking any and all steps the Common Security Trustee and the Senior Facility Agent (as the case may be) deem necessary, in its sole discretion, to comply with all applicable laws governing such sanctions with respect to any such Sanction Violation, including the "freezing" or "blocking" of assets and reporting such action to OFAC.

1.6. Insurance; Events of Loss.

- (a) Insurance Maintained by the Borrower, the EPC Contractor and the Operator. The Borrower shall (i) procure at its own expense and maintain in full force and effect and (ii) cause the EPC Contractor, the Operator and each other Material Project Party, as applicable, to procure at such Person's own expense and maintain in full force and effect, the insurance set forth on, and subject to the provisions of, Schedule 6.6 of the Common Terms Agreement and any insurance required to be maintained by such Person pursuant to its applicable Project Document. Upon request, the Borrower shall provide to the Senior Facility Agent (with a copy to the Insurance Advisor) evidence of the maintenance of such insurance. Prior to the expiration of any such insurance policy, the Borrower shall have delivered to the Senior Facility Agent binders evidencing the commitment of insurers to provide a replacement or renewal for such insurance policy together with evidence of the payment of all premiums then payable in respect of such insurance policies. Without limiting the obligations under Section 1.6(b) of this Schedule 8.01, upon the issuance, renewal or replacement of any insurance policy, and in any event not less than once per annum, the Borrower shall deliver to the Senior Facility Agent a certificate of an Authorized Officer of the Borrower, certifying that all such insurance policies are in full force and effect and in compliance with the requirements of this Section and Schedule 6.6 of the Common Terms Agreement confirmed by the Insurance Consultant.
- (b) Insurance Certificates. Within ten (10) Business Days following the date that Notice to Proceed has been issued under the Stage 3 EPC Contract and the Stage 4 EPC Contract, the Borrower shall deliver certificates of insurance evidencing the existence of all insurance then required to be maintained by the Borrower as set forth on Schedule 6.6 of the Common Terms Agreement and any insurance required to be maintained by such Person pursuant to its applicable Project Document and a certificate of an Authorized Officer of the Borrower setting forth the insurance obtained and stating that such insurance and, to his or her knowledge, all insurance required to be obtained by a Material Project Party pursuant to a Material Project

Document (i) has been obtained and in each case is in full force and effect, (ii) that such insurance materially complies with the Financing Documents and (iii) that all premiums then due and payable on all insurance required to be obtained by the Borrower have been paid.

- (c) Certain Remedies. In the event the Borrower fails to obtain or maintain, or cause to be obtained and maintained, the full insurance coverage required by this Section 1.6, the Common Security Trustee may (but shall not be obligated to) take out the required policies of insurance and pay the premiums on the same. All amounts so advanced by the Common Security Trustee shall become an Obligation and the Borrower shall forthwith pay such amounts to the Common Security Trustee, together with interest from the date of payment by the Common Security Trustee at the Default Rate.
- (d) DSU Insurance. The Borrower shall, at the request of the Common Security Trustee in consultation with the Independent Engineer, exercise its option to file a claim under the Delayed Startup Insurance under any EPC Contract (as described on Exhibit A to each Umbrella Insurance Agreement) in accordance with Section 9.3(A) (*DSU Insurance*) of the applicable the EPC Contract.
- (e) Flood Insurance. With respect to all Mortgaged Property located in a Special Flood Hazard Area, the Borrower will obtain and maintain at all times flood insurance for all Collateral located on such property as may be required under the Flood Program and will provide to each Senior Lender evidence of compliance with such requirements as may be reasonably requested by such Senior Lender. The timing and process for delivery of such evidence will be as set forth on Schedule 6.6 of the Common Terms Agreement.

1.7. Project Construction; Maintenance of Properties.

- (a) The Borrower shall construct and complete, operate and maintain the Project, and cause the Project to be constructed, operated and maintained, as applicable, (A) consistent with Prudent Industry Practices and consistent in all material respects with applicable Government Rules, the EPC Contracts, the Construction Budget and Construction Schedule, the Operating Manual, the other Project Documents, and in accordance with the requirements for maintaining the effectiveness of the material warranties of the EPC Contractor and each subcontractor thereof (including equipment manufacturers), and (B) within, subject to the following proviso, the then effective Operating Budget; provided, that the Borrower may (x) exceed in the aggregate for all Operating Budget Categories in any Operating Budget by fifteen percent (15%) or less of the aggregate budgeted amount therefor on an annual basis, but excluding, for purposes of calculating the foregoing allowable increases, amounts in the then effective Operating Budget for Gas purchases, and (y) notwithstanding the foregoing, further exceed the Operating Budget and any Operating Budget Category thereof (I) with respect to payments under Gas purchase contracts for the Project, (II) as required by Government Rule or for compliance with any Government Approval applicable to the Borrower or the Development (or to cure or remove the effect of any termination, suspension, or Impairment of any Government Approval),

as described by the Borrower to the reasonable satisfaction of the Common Security Trustee and each Secured Debt Holder Group Representative, (III) to the extent any excess amounts are paid for using Distributable Cash, or (IV) to the extent required to respond to an emergency or accident, the failure to respond to which could reasonably be expected to create a significant risk of personal injury or physical damage to the Project or material threat to the environment, in which case:

- (i) if the Borrower reasonably determines that there is a sufficient time to do so prior to responding to any such emergency or accident, the Borrower shall substantiate the expenses expected to be incurred by the Borrower in connection with such emergency or accident to the reasonable satisfaction of the Common Security Trustee and the Senior Facility Agent; or
 - (ii) if the Borrower reasonably determines that there is not sufficient time to take the actions described in clause (i) above prior to responding to any such emergency or accident, promptly following such emergency or accident, the Borrower shall describe in writing to the Common Security Trustee and the Senior Facility Agent the steps that were taken by the Borrower in respect of such emergency or accident and the expenses incurred by the Borrower in connection therewith, all in reasonable detail.
- (b) The Borrower shall take such action as contemplated under Section 6.2(A)(12) (*Change Orders Requested by Contractor*) of each EPC Contract to avoid any delay with respect to the Guaranteed Substantial Completion Dates for any train of the Project or a delay that would result in the date specified for Ready for Start Up in Attachment E to such EPC Contract for such train of the Project to occur less than four (4) months prior to the Guaranteed Substantial Completion Date for such train.
- (c) In the event that any train of the Project fails to achieve the Performance Guarantee by the applicable Guaranteed Substantial Completion Date (each as defined in the applicable EPC Contract), the Borrower shall not, without the consent of the Required Secured Parties (in consultation with the Independent Engineer), elect the option available to it under Section 11.4(A) (*Minimum Acceptance Criteria and Performance Liquidated Damages*) of such EPC Contract.
- (d) In the event that any train of the Project fails to achieve the Minimum Acceptance Criteria (as defined in the applicable EPC Contract) and Substantial Completion upon the termination of the Minimum Acceptance Criteria Correction Period (as defined in the applicable EPC Contract), the Borrower shall not, without the consent of the Required Secured Parties (in consultation with the Independent Engineer) elect the option available to it under Section 11.4(B) (*Minimum Acceptance Criteria and Performance Liquidated Damages*) of such EPC Contract.
- (e) Unless the applicable Defect Correction Period (and any extension thereof) with respect to each Subproject (as such terms are defined in the applicable EPC Contract) has expired and the EPC Contractor has completed and paid any warranty claims submitted by the Borrower with respect to such Subproject, the Borrower shall draw

on the applicable EPC Letter of Credit at the time of any reduction thereof pursuant to Section 9.2.B (*Irrevocable Standby Letter of Credit*) of the applicable EPC Contract in the amount of such reduction.

1.8. Taxes

The Borrower (or, for purposes of this Section 1.8, if it is a disregarded entity for U.S. income tax purposes, its direct owner) shall pay and discharge all Taxes imposed on the Borrower or on its income or profits or on any of its Property prior to the date on which any penalties may attach; provided, that the Borrower shall have the right to Contest the validity or amount of any such Tax. The Borrower (or, for purposes of this Section 1.8, if it is a disregarded entity for U.S. tax purposes, its owner) shall promptly pay any valid, final judgment rendered upon the conclusion of the relevant Contest, if any, enforcing any such Tax and cause it to be satisfied of record.

1.9. Maintenance of Liens

- (a) The Borrower shall grant a security interest to the Common Security Trustee for the benefit of the Secured Parties in the Borrower's interest in all Project assets and Project Documents acquired or entered into, as applicable, from time to time (except to the extent expressly permitted to be excluded from the Liens created by the Security Documents pursuant to the terms thereof) and shall take, or cause to be taken, all action reasonably required to maintain and preserve the Liens created by the Security Documents to which it is a party and the priority of such Liens.
- (b) The Borrower shall from time to time execute or cause to be executed any and all further instruments (including financing statements, continuation statements and similar statements with respect to any Security Document) reasonably requested by the Common Security Trustee for such purposes.
- (c) The Borrower shall preserve and maintain good, legal and valid title to, or rights in, the Collateral free and clear of Liens other than Permitted Liens.
- (d) The Borrower shall promptly discharge at the Borrower's cost and expense, any Lien (other than Permitted Liens) on the Collateral.

1.10. Use of Proceeds

The Borrower shall use the proceeds of the Loans solely for purposes permitted in this Agreement.

1.11. [Reserved]

1.12. Operating Budget

- (a) No less than forty-five (45) days prior to the Substantial Completion of each train of the Project, and no less than forty-five (45) days prior to the beginning of each calendar year thereafter, the Borrower shall prepare a proposed operating plan and

a budget setting forth in reasonable detail the projected requirements for Operation and Maintenance Expenses for the Borrower and the Project for the ensuing calendar year (or, in the case of the initial Operating Budget, the remaining portion thereof) and provide the Independent Engineer, the Common Security Trustee, and the Senior Facility Agent with a copy of such operating plan and budget (the “**Operating Budget**”). Each Operating Budget shall be prepared in accordance with a form approved by the Independent Engineer, shall set forth all material assumptions used in the preparation of such Operating Budget, and shall become effective upon approval of the Senior Facility Agent, acting reasonably and in consultation with the Independent Engineer; provided, that if the Senior Facility Agent shall not have approved or disapproved the Operating Budget within thirty (30) days after receipt thereof, such Operating Budget shall be deemed to have been approved; and provided, further that the Senior Facility Agent shall have neither the right nor the obligation to approve costs for Gas purchase contracts for the Project contained in the Operating Budget. If the Borrower does not have an effective annual Operating Budget before the beginning of any calendar year, until such proposed Operating Budget is approved, the Operating Budget most recently in effect shall continue to apply; provided, that (A) any items of the proposed Operating Budget that have been approved shall be given effect in substitution of the corresponding items in the Operating Budget most recently in effect, (B) costs for Gas purchase contracts for the Project shall be as provided by the Borrower and (C) all other items shall be increased by the lesser of (x) two and one-half percent (2.5%) and (y) the increase proposed by the Borrower for such item in such proposed Operating Budget.

- (b) Each Operating Budget delivered pursuant to this Section 1.12 shall contain Operating Budget Categories, and shall specify for each Fiscal Quarter and for each such Operating Budget Category the amount budgeted for such category for such Fiscal Quarter.
- (c) Each Operating Budget may only be amended with the prior written consent of the Senior Facility Agent, which consent shall not be unreasonably withheld, conditioned, or delayed.

1.13. Other Documents and Information

The Borrower shall furnish to the Senior Facility Agent:

- (a) promptly after the filing thereof, a copy of each filing made by (i) the Borrower with FERC with respect to the Project; or (ii) the Borrower with DOE/FE with respect to the export of LNG from, or the import of LNG to, the Project; except in the case of (i) or (ii) such as are routine or ministerial in nature;
- (b) promptly after obtaining Knowledge thereof, a copy of each filing with respect to (i) the Project or the Pipeline made with FERC by any Person other than the Borrower in any proceeding before FERC in which the Borrower is the captioned party or respondent, except for such filings as are routine or ministerial in nature, or (ii) the import of LNG to, or the export of LNG from, the Project made with DOE/FE by

any Person other than the Borrower in any proceeding before FERC in which the Borrower is the captioned party or respondent, except for such filings as are routine or ministerial in nature;

- (c) promptly after the filing thereof, a copy of each filing, certification, waiver, exemption, claim, declaration, or registration made with respect to Government Approvals to be obtained or filed by the Borrower with any Government Authority, except such filings, certifications, waivers, exemptions, claims, declarations, or registrations that are routine or ministerial in nature and in respect of which a failure to file could not reasonably be expected to have a Material Adverse Effect;
- (d) promptly after receipt or publication thereof, a copy of each material Government Approval obtained by the Borrower; and
- (e) promptly upon obtaining Knowledge thereof, a description of each change in the status of any Government Approval identified on Schedule 4.6(a) of the Common Terms Agreement and Schedule 4.6(b) of the Common Terms Agreement other than routine or ministerial changes.

1.14. [Reserved].

1.15. Debt Service Coverage Ratio

- (a) The Borrower shall not permit the Debt Service Coverage Ratio as of the end of any Fiscal Quarter from and following the Initial Quarterly Payment Date to be less than 1.15 to 1.00. Not later than ten (10) Business Days following the last day of each Fiscal Quarter following the Initial Quarterly Payment Date, the Borrower shall calculate and deliver to the Common Security Trustee its calculation of the Debt Service Coverage Ratio. The Common Security Trustee shall notify the Borrower in writing of any reasonable corrections which should be made to such Debt Service Coverage Ratio calculations, within ten (10) Business Days of receipt. Borrower shall incorporate all such reasonable corrections, changes or adjustments consistent with the terms of this Agreement.
- (b) Notwithstanding anything in Section 1.15(a) of this Schedule 8.01 to the contrary, in the event that the Debt Service Coverage Ratio as of the end of any Fiscal Quarter is less than 1.15 to 1.00 but greater than 1.00 to 1.00, any direct or indirect owner of the Borrower shall have the right to provide cash to the Borrower, not later than ten (10) Business Days following the date of delivery of the calculation of the Debt Service Coverage Ratio as required pursuant to Section 1.15(a) of this Schedule 8.01 in the form of equity contributions or subordinated shareholder loans (in each case as otherwise permitted pursuant to the terms of the Financing Documents), in order to increase the Debt Service Coverage Ratio to 1.15 to 1.00; provided, that such right shall not be exercised more than two (2) consecutive Fiscal Quarters nor more than four (4) times over the term of this Agreement.

**1.16. Further Assurances;
Cooperation**

- (a) The Borrower shall promptly perform or cause to be performed any and all acts and execute or cause to be executed any and all documents (including UCC financing statements and UCC continuation statements):
 - (i) as are reasonably requested by the Common Security Trustee for filing under the provisions of the UCC or any other Government Rule that are necessary or reasonably advisable to maintain in favor of the Common Security Trustee, for the benefit of the Secured Parties, Liens on the Collateral that are duly perfected in accordance with all applicable Government Rules for the purposes of perfecting the first priority Lien (subject to Permitted Liens) created, or purported to be created, in favor of the Common Security Trustee or the Secured Parties under this Agreement or any other Financing Documents;
 - (ii) as are reasonably requested by the Common Security Trustee for the purposes of ensuring the validity, enforceability and legality of this Agreement or any other Financing Document and the rights of the Secured Parties hereunder or thereunder;
 - (iii) as are reasonably requested by the Common Security Trustee for the purposes of enabling or facilitating the proper exercise of the rights and powers granted to the Secured Parties under this Agreement or any other Financing Document; or
 - (iv) as are reasonably requested by the Common Security Trustee to carry out the intent of, and transactions contemplated by, this Agreement and the other Financing Documents.
- (b) The Borrower will cooperate with and provide all necessary information available to it on a timely basis to the Consultants so that the Consultants may complete and deliver the reports as required herein.

1.17. Auditors

The Borrower shall engage KPMG LLP (or such other independent certified public accountants of recognized national standing) as auditors to audit annual financial statements.

**1.18. Surveys and Title
Policies**

- (a) Survey. The Borrower shall, no later than sixty (60) days following Final Completion, deliver to the Common Security Trustee the “as built” Survey.
- (b) Title Policy. The Borrower shall cause the Title Company to deliver to the Common Security Trustee a Disbursement Endorsement dated no later than sixty (60) days following Substantial Completion of each train of the Project.

1.19. [Reserved]

1.20. Debt Service Reserve
Amount

Prior to the making of each Restricted Payment and, in any event, no later than six (6) months following the Project Completion Date, if any Senior Debt Instrument in effect at such time requires deposits to be made into a Debt Service Reserve Account, the Borrower shall have deposited in the Senior Debt Facilities Debt Service Reserve Account an amount equal to the Required Debt Service Reserve Amount or, solely in the case of Sponsor Case Restricted Payments prior to the Project Completion Date, the Sponsor Case Required Debt Service Amount (as defined in the Accounts Agreement).

**2. NEGATIVE
COVENANTS**

2.1. [Reserved]

2.2. Prohibition of Fundamental
Changes

- (a) The Borrower shall not change its legal form, amend its Amended and Restated Limited Liability Company Agreement (except any amendments in connection with permitted sales or transfers of ownership interests in the Borrower or other immaterial amendments, provided, that the Borrower shall have delivered to the Common Security Trustee a copy of such amendment together with a certificate of an Authorized Officer of the Borrower certifying that no changes have been made to the Amended and Restated Limited Liability Company Agreement other than such changes as are necessary solely to reflect the change in ownership or that any other change is immaterial) or any other Organic Document, merge into or consolidate with, or acquire (in one transaction or series of related transactions) all or any business, any class of stock of (or other equity interest in) or any material part of the assets or property of any other Person and shall not liquidate, wind up, reorganize, terminate or dissolve.
- (b) The Borrower will not consummate an Asset Sale unless:
 - (i) the Borrower receives consideration at the time of the Asset Sale equal to the greater of (A) the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of and (B) an amount equal to the invested cost of the assets sold or otherwise disposed of, less depreciation; and
 - (ii) at least 90% of the consideration therefor received by the Borrower is in the form of cash, Cash Equivalents or Replacement Assets or a combination thereof. For purposes of this provision, each of the following will be deemed to be cash:
 - (A) any liabilities, as shown on the Borrower's most recent consolidated balance sheet (or as would be shown on the Borrower's consolidated balance sheet as of the date of such Asset Sale) of the Borrower (other

than contingent liabilities and liabilities that are by their terms subordinated to the Obligations) that are assumed by the transferee of any such assets pursuant to a written novation agreement that releases the Borrower from further liability therefor; and

- (B) any securities, notes or other obligations received by the Borrower from such transferee that are converted by the Borrower into cash or Cash Equivalents within 90 days after such Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion.
- (c) Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Borrower may apply an amount equal to such Net Cash Proceeds:
 - (i) to repay Senior Debt in accordance with the Common Terms Agreement;
or
 - (ii) to make any capital expenditure or to purchase Replacement Assets (or enter into a binding agreement to make such capital expenditure or to purchase such Replacement Assets; provided that (A) such capital expenditure or purchase is consummated within the later of (i) three hundred sixty (360) days after the receipt of the Net Cash Proceeds from the related Asset Sale and (ii) one hundred eighty (180) days after the date of such binding agreement and (B) if such capital expenditure or purchase is not consummated within the period set forth in subclause (A), the amount not so applied will be applied in accordance with clause (i) above.

Pending the final application of any Net Cash Proceeds, the Borrower may reduce the Loans or otherwise invest the Net Cash Proceeds in any manner that is not prohibited by this Agreement.

- (d) The Borrower shall not permit the Project or any material portion thereof to be removed, demolished or materially altered, unless (A) such material portion that has been removed, demolished or materially altered has been replaced or repaired as permitted under the Financing Documents, or (B) such removal or alteration is (x) in accordance with Prudent Industry Practices (as certified by the Independent Engineer, acting reasonably) and could not reasonably be expected to result in a Material Adverse Effect or (y) required by applicable Government Rule.
- (e) The Borrower shall comply at all times with Section 5.01 of the Initial Senior Bonds Indenture as in effect on the date hereof (with all terms referenced in such term also as in effect on the date hereof).
- (f) The Borrower will not consummate any Asset Sales in excess of five hundred million Dollars (\$500,000,000) in the aggregate without the prior written consent of the Required Senior Lenders.

2.3. Nature of Business

- (a) The Borrower shall not engage in any business or activities other than the Permitted Businesses, except to such extent as would not be material to the Borrower.
- (b) The Borrower shall not permit to exist any Subsidiary of the Borrower.
- (c) The Borrower shall not sponsor, maintain, administer, or have any obligation to contribute to, or any liability under, any Plan or Multiemployer Plan or plan that provides for post-retirement welfare benefits.

2.4. Performance Tests and Liquidated Damages

The Common Security Trustee, the Senior Facility Agent and the Independent Engineer shall have the right to witness and verify each Performance Test. The Borrower shall not:

- (a) permit any Performance Test to be performed without giving the Common Security Trustee, the Senior Facility Agent and the Independent Engineer at least five (5) Business Days prior written notice of such Performance Test (or such shorter period as agreed by the Independent Engineer); or
- (b) agree to the amount of any Performance Liquidated Damages and Delay Liquidated Damages that are in excess of fifteen million Dollars (\$15,000,000) without the prior written approval of the Common Security Trustee, acting reasonably and in consultation with the Independent Engineer.

2.5. Restrictions on Indebtedness

The Borrower shall not directly or indirectly create, incur, issue, assume, permit, suffer to exist or otherwise be or become liable with respect to, contingently or otherwise (collectively, “**incur**”), any Indebtedness; provided, however, that the Borrower may incur any of the following items of Indebtedness:

- (a) Indebtedness existing under the Initial Senior Bond Indentures in an amount not to exceed the amount of Indebtedness outstanding under the Initial Senior Bond Indentures as of the date of the Fifth Omnibus Amendment;
- (b) Permitted Refinancing Indebtedness of the Borrower in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted to be incurred under clause (a), (b) or (c) of this Section 2.5, provided that each of the following conditions shall have been satisfied:
 - (1) the Senior Facility Agent shall have received a certificate from an Authorized Officer of the Borrower to the effect that the outstanding Senior Debt (other than Working Capital Debt and Indebtedness incurred pursuant to clauses (f), (g), (h), (i), (j), (k), (l), (m), and (o) of this Section 2.5) (after giving effect to the incurrence and application of proceeds of such Permitted Refinancing

Indebtedness) is capable of being amortized to a zero balance by the termination date of the latest terminating Applicable Facility LNG Sale and Purchase Agreement such that the Projected Debt Service Coverage Ratio after the last Guaranteed Substantial Completion Date of any Train then in construction would be at least 1.5 to 1.0 (the Projected Debt Service Coverage Ratio shall be calculated (1) solely with respect to Contracted Cash Flow; and (2) using an interest rate equal to the weighted average interest rate of all such Senior Debt outstanding after giving effect to the incurrence of the Permitted Refinancing Indebtedness and the application of the proceeds therefrom);

- (2) no Default or Event of Default shall have occurred and be continuing or result from the incurrence of such Permitted Refinancing Indebtedness;
 - (3) the maturity date of the Permitted Refinancing Indebtedness shall not occur prior to the Maturity Date;
 - (4) the material terms of the Permitted Refinancing Indebtedness shall not be materially more restrictive on the Borrower than the terms of the Secured Debt being replaced;
 - (5) prior to Final Completion, the Borrower's Debt to Equity Ratio shall not exceed the ratio of 75:25 taking into account the incurrence of such Permitted Refinancing Indebtedness (other than Permitted Refinancing Indebtedness Incremental Amounts) but without regard to any outstanding Indebtedness comprising Working Capital Debt; and
 - (6) the Senior Debt Holder Group Representative for the Permitted Refinancing Indebtedness shall have entered into an accession agreement to the Common Terms Agreement substantially in the form set forth in Exhibit C.
- (c) Secured Bank Debt; provided that if Indebtedness incurred pursuant to clause (b) of this Section 2.5 is incurred at a time when the Secured Bank Debt Available Amount is less than the Secured Bank Debt Committed Amount, any subsequent incurrence (which, for purposes of this clause (c), shall include the amount of any undrawn availability immediately after such incurrence) of Secured Bank Debt in an amount up to such difference shall be subject to the satisfaction of the Projected Debt Service Coverage Ratio conditions clause (b) of this Section 2.5 as if such Indebtedness was being incurred pursuant to such clause (b);
- (d) Indebtedness incurred under this Agreement;
- (e) purchase money Indebtedness or Capital Lease Obligations of the Borrower to the extent incurred in the ordinary course of business to finance the acquisition or licensing of intellectual property or items of equipment; provided, that (1) if such obligations are secured, they are secured only by Liens upon the equipment or intellectual property being financed and (2) the aggregate principal amount and the

capitalized portion of such obligations do not at any time exceed \$100,000,000 in the aggregate;

- (f) other unsecured Indebtedness for borrowed money subordinated to the Obligations pursuant to an instrument in writing satisfactory in form and substance to the Required Secured Parties; provided, that (1) such instrument shall include that: (A) the maturity of such subordinated debt shall be no shorter than the maturity of the latest maturing tranche of Secured Debt; (B) such subordinated debt shall not be amortized; (C) no interest payments shall be made under such subordinated debt except from monies held in the Distribution Account and that are permitted to be distributed pursuant to the Accounts Agreement; and (D) such subordinated debt shall not impose covenants on the Borrower, and (2) the aggregate principal amount of such Indebtedness does not at any time exceed \$500,000,000 in the aggregate;
- (g) trade or other similar Indebtedness of the Borrower incurred in the ordinary course of business, which is (1) not more than ninety (90) days past due, or (2) being contested in good faith and by appropriate proceedings;
- (h) contingent liabilities of the Borrower incurred in the ordinary course of business, including the acquisition or sale of goods, services, supplies or merchandise in the normal course of business, the endorsement of negotiable instruments received in the normal course of business and indemnities provided under any of the Transaction Documents;
- (i) any obligations of the Borrower under Permitted Hedging Agreements;
- (j) to the extent constituting Indebtedness, indebtedness of the Borrower arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course or other cash management services in the ordinary course of business;
- (k) to the extent constituting Indebtedness, obligations of the Borrower in respect of performance bonds, bid bonds, appeal bonds, surety bonds, indemnification obligations, obligations to pay insurance premiums, take-or-pay or take-or-deliver obligations contained in supply agreements, cash deposits incurred in connection with natural gas purchases and similar obligations incurred in the ordinary course of business;
- (l) Indebtedness of the Borrower in respect of any bankers' acceptance, letter of credit, warehouse receipt or similar facilities entered into in the ordinary course of business;
- (m) Indebtedness of the Borrower in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;
- (n) Indebtedness of the Borrower in an amount not to exceed \$250,000,000 to finance the restoration of the Project following an Event of Loss;

- (o) Indebtedness of the Borrower consisting of the financing of insurance premiums in customary amounts consistent with the operations and business of the Borrower in the ordinary course of business;
- (p) Indebtedness of the Borrower outstanding on the date hereof that was permitted to be incurred under the Common Terms Agreement as in effect on the date hereof; and
- (q) the incurrence by the Borrower of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (q), not to exceed \$250,000,000.

For purposes of determining compliance with this Section 2.5, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness pursuant to clauses (a) through (q) of this Section 2.5, the Borrower will be permitted to classify or divide such item of Indebtedness on the date of its incurrence, or later reclassify or redive all or a portion of such item of Indebtedness, in any manner that complies with this Section 2.5. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles will not be deemed to be an incurrence of Indebtedness for purposes of this Section 2.5; provided, in each such case, that the amount of any such accrual, accretion or payment is included in Debt Service of the Borrower as accrued. Notwithstanding any other provision of this Section 2.5 the maximum amount of Indebtedness that the Borrower or any Restricted Subsidiary may incur pursuant to this Section 2.5 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
- (2) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the least of:
 - (A) the Fair Market Value of such asset at the date of determination;
 - (B) the amount of the Indebtedness of the other Person; and
 - (C) the principal amount of the Indebtedness, in the case of any other Indebtedness.

2.6. Development Expenditures

The Borrower shall not make any Development Expenditures except Permitted Development Expenditures. All assets or property built or acquired with Development Expenditures shall

constitute Collateral except as provided in the Cooperation Agreement, the Water Agreement or the Security Documents or for contributions in aid of construction in connection with gas interconnection or metering facilities under gas interconnection or metering agreements.

2.7. [Reserved]

2.8. Limitation on
Liens

The Borrower shall not create, assume, incur, permit or suffer to exist any Lien upon the Collateral, whether now owned or hereafter acquired, except for the Permitted Liens.

2.9. Project
Documents.

- (a) The Borrower shall not, without the prior written consent of the Required Secured Parties in consultation with the Independent Engineer, (i) suspend, cancel or terminate any Material Project Document or Government Approval applicable to the Borrower or the Development or consent to or accept any cancellation or termination thereof, (ii) sell, transfer, assign (other than pursuant to the Security Documents and other than any assignment by Cheniere LNG O&M Services, LLC of its rights and obligations under the O&M Agreement by the Manager of its rights and obligations under the Management Services Agreement, in each case to an Affiliate of the Borrower that has access to sufficient experienced personnel to perform their respective obligations thereunder) or otherwise dispose of (by operation of law or otherwise) or consent to any such sale, transfer, assignment or disposition of any part of its interest in or rights or obligations under or any Material Project Party's interest in or rights or obligations under any Material Project Document or Government Approval (other than the sub-license of any EPC Contract-related intellectual property rights to an Affiliate of the Borrower and other than the collateral assignment pursuant to the CCTPL Consent Agreement), (iii) waive any material default under, or material breach of, any Material Project Document or waive, forgive, compromise, settle or release any material right, interest or entitlement, howsoever arising, under, or in respect of, any Material Project Document, (iv) initiate or settle a material arbitration proceeding under any Material Project Document or Government Approval, (v) agree to or petition, request or take any other material legal or administrative action that seeks, or could reasonably be expected, to Impair any Material Project Document or Government Approval, (vi) amend, supplement or modify or in any way vary, or agree to the variation of, the FOB Sale and Purchase Agreements, the EPC Contracts or the Sabine Pass TUA or any material Government Approval in a manner that, taken as a whole, is adverse in any material respect to the Secured Parties (provided that the Borrower may (x) amend or modify any conditions of such Government Approvals so long as such amendment or modification is not materially more restrictive or onerous on the Borrower or could not reasonably be expected to have a Material Adverse Effect, or (y) seek the satisfaction or waiver of such conditions without the prior written consent of the Required Secured Parties) or of the performance of any material covenant or obligation by any other Person under any such agreement (other than Change Orders, which Change Order protocol is addressed in Section 2.13 of Schedule 8.01 (*EPC*

and Construction Contracts)) or (vii) amend, supplement or modify or in any way vary, or agree to the variation of, a Material Project Document (other than the FOB Sale and Purchase Agreements, the EPC Contracts and the Sabine Pass TUA) or of the performance of any covenant or obligation by any other Person under any such Material Project Document, in each case, in a manner that, taken as a whole, is adverse in any material respect to the Secured Parties.

- (b) Except for (i) any documents relating to Working Capital Debt entered into upon satisfaction of the conditions set forth in Section 2.4 (*Working Capital Debt*) of the Common Terms Agreement, (ii) any documents relating to PDE Debt entered into upon satisfaction of the conditions set forth in Section 2.5 (*PDE Debt*) of the Common Terms Agreement, (iii) any documents relating to Permitted Refinancing Indebtedness entered into upon satisfaction of the conditions set forth in Section 2.6 (*Replacement Debt*) of the Common Terms Agreement and (iv) any Approved Train 6 Sale and Purchase Agreement, the Borrower shall not enter into any Additional Material Project Document if entry into such Additional Material Project Document is, taken as a whole, adverse in any material respect to the Secured Parties without the prior written consent of the Required Secured Parties, provided, that the Borrower shall, in connection with its request for the written consent of the Required Secured Parties, (A) deliver to the Common Security Trustee and each Secured Debt Holder Group Representative copies of all such proposed Additional Material Project Documents not less than five (5) Business Days prior to the proposed execution thereof and (B) use commercially reasonable efforts to deliver to the Common Security Trustee and each Secured Debt Holder Group Representative copies of all proposed Ancillary Documents relating to any such Additional Material Project Document in form and substance satisfactory to the Common Security Trustee prior to the execution of such Additional Material Project Document.
- (c) Without prejudice to Section 2.9(a) (*Project Documents, Etc.*) of this Schedule 8.01, the Borrower shall not, without the prior written consent of the Required Secured Parties, agree to any early termination or amendment, modification, or variation of the Total TUA or of the performance of any covenant or obligation by any other Person under the Total TUA, which, amendment, modification or variation could reasonably be expected to have a Material Adverse Effect.
- (d) The Borrower shall take all actions required and all other steps reasonably requested by the Common Security Trustee to cause each Material Project Document and Additional Material Project Document entered into after the Closing Date to be or become subject to the Lien of the Security Documents (whether by amendment to any Security Document or otherwise) and deliver or cause to be delivered to the Common Security Trustee all Ancillary Documents related thereto, in each case, within a commercially reasonable time, but in no event later than thirty (30) days following the execution of such Material Project Documents or Additional Material Project Document.
- (e) The Borrower shall not permit any counterparty to a Material Project Document to substitute, diminish or otherwise replace any performance security, letter of credit

or guarantee supporting such counterparty's obligations thereunder except in compliance with the applicable provisions of such Material Project Document or unless such substitution or replacement is of equal or higher value.

2.10. Terminal Use
Agreements

The Borrower shall not issue to Cheniere Energy Investments, LLC any notice pursuant to the Terminal Use Rights Assignment and Agreement specifying the Liquefaction Start Date (as defined therein) unless on or prior to such specified Liquefaction Start Date, the Borrower shall be entitled to begin to receive payment of Monthly Sales Charges.

2.11. Transactions with
Affiliates

The Borrower shall not directly or indirectly enter into any transaction that is otherwise permitted hereunder with or for the benefit of an Affiliate (including guarantees and assumptions of obligations of an Affiliate) except (a) Project Documents executed on or prior to the Closing Date, (b) agreements required or contemplated by the Material Project Documents, (c) Permitted Indebtedness that is Subordinated Indebtedness, (d) to the extent required by applicable Government Rule, (e) insurance agreements and arrangements permitted by the CQP Corporate Property Policy (as defined in the Third Omnibus Amendment) and (f) agreements entered into on terms no less favorable to the Borrower than the Borrower would obtain in a comparable arm's length transaction with a Person that is not an Affiliate of a Loan Party or if there is no comparable arm's length transaction, then on terms reasonably determined by the Board of Managers of the Borrower to be fair and reasonable.

2.12. Accounts

- (a) Other than Permitted Investments held in accordance with the Accounts Agreement for which the Borrower is a beneficiary, the Borrower shall not open or maintain, or permit or instruct any other Person to open or maintain on its behalf, or use or be the beneficiary of any account other than (i) the Accounts, (ii) the Excluded Unsecured Accounts and (iii) an account holding Escrowed Amounts (as defined in each EPC Contract).
- (b) The Borrower shall not change the name or account number of any of the Accounts without the prior written consent of the Common Security Trustee.
- (c) For purposes of this Section 2.12, the term "Excluded Unsecured Accounts" means segregated Deposit Accounts (as defined in Article 9 of the UCC) constituting (and the balance of which consists solely of funds set aside in connection with) margin accounts for Permitted Hedging Agreements of the type described in clause (b) of the definition thereof (including the funds or other property held in or maintained in any such account), entered into in the ordinary course of business, for so long as each such Permitted Hedging Agreement does not constitute a Secured Gas Hedge.

2.13. EPC and Construction Contracts

The Borrower shall not:

- (a) except for Change Orders specified in Schedule 7.13 of the Common Terms Agreement, initiate or consent to (without the consent of the Required Senior Lenders in consultation with the Independent Engineer) any Change Order that:
 - (i) on or after the Fifth Omnibus Amendment Effective Date, increases the contract price of any of the EPC Contracts as of the Closing Date; provided, that:
 - (A) the Borrower may, without the consent of the Required Senior Lenders and subject to clauses (ii) through (xi) of this Section 2.13(a), enter into any Change Order or make payment of any claim under any of the EPC Contracts, if (aa) the amount of any such Change Order or payment is less than twenty-five million Dollars (\$25,000,000) and the aggregate of all such Change Orders or payments with respect to such EPC Contract (together with any Change Orders under the EPC Contracts entered into after the Closing Date) is less than one hundred million Dollars (\$100,000,000) and (bb) the Senior Facility Agent has received an IE Confirming Certificate;
 - (B) if an event of Force Majeure or Change in Law (as each such term is described in the respective EPC Contract) prompts the EPC Contractor to request a Change Order to which it is entitled under the terms of the applicable EPC Contract, the Borrower shall be entitled to authorize such change without first obtaining the consent of the Required Senior Lenders if the amount of such change is within the remaining Contingency set forth in the Construction Budget, or to the extent that such amount exceeds the remaining Contingency, the Borrower has an additional source of funds for such excess amount in addition to any equity funds received on or prior to the Closing Date on terms reasonably satisfactory to the Common Security Trustee, provided, further, that any such change shall be subject to clauses (ii) through (xi) of this Section 2.13(a);
 - (C) the Borrower may enter into any Change Order under any of the EPC Contracts for amounts in excess of the amounts specified in clause (a)(i)(A) above but subject to clauses (ii) through (xi) of this Section 2.13(a); provided, that with respect to this clause (C):
 - (1) the Borrower or any other Person on behalf of the Borrower shall have transferred to the Common Security Trustee for deposit into the Construction Account equity funds provided by the Pledgor or the Sponsor in an amount that is in addition

to any equity funds provided to the Borrower on or prior to the Closing Date and otherwise sufficient to pay the maximum amount that may become due and payable pursuant to such Change Order, provided further, that no such deposit shall be required in connection with any such Change Order, the amount and subject matter of which is included as an unallocated Contingency line item or which constitutes a utilization of any portion of the unallocated Contingency reflected in the Construction Budget; and

- (2) the Common Security Trustee shall have received an IE Confirming Certificate;
and
- (D) the Borrower may, without the consent of the Required Senior Lenders, enter into any Change Order, make payment of any claim under any of the EPC Contracts and/or modify the Construction Budget to the extent the Borrower has certified in writing to the Senior Facility Agent that such amounts are paid for using Distributable Cash;
- (ii) extends the Guaranteed Substantial Completion Date for any train of the Project (except as permitted by clause (b) of the definition of the Guaranteed Substantial Completion Date) or could reasonably be expected to materially adversely affect the likelihood of achieving Substantial Completion for any train of the Project by such date;
- (iii) except as a result of a buydown of the Performance Guarantees pursuant to Section 11.4 (*Minimum Acceptance Criteria and Performance Liquidated Damages*) of the relevant EPC Contract which is otherwise permitted pursuant to the terms hereof or as a result of a Change Order to which the EPC Contractor is entitled under such EPC Contract for a Change in Law (as defined in such EPC Contract) (and provided that the Independent Engineer consents (which consent shall not be unreasonably withheld, conditioned or delayed) to the Borrower's consent to such Change Order pursuant to Section 6.2.C of such EPC Contract), modifies the Performance Guarantees, any other performance guarantee of the EPC Contractor or the criteria or procedures for the conduct or measuring the results of the Performance Tests (as each capitalized term used in this clause and not otherwise defined in this Agreement is defined in such EPC Contract);
- (iv) adjusts the Payment Schedules (other than as a result of a Change Order permitted by Section 2.13(a)(i) above or as otherwise permitted by this Agreement), adjusts the amount of or timing (including, without limitation, any adjustment of the Schedule Bonus Date for SP1, the Schedule Bonus Date for SP2, the Schedule Bonus Date for SP3 or the Schedule Bonus Date for SP4, but excluding the Schedule Bonus Date for SP6 under Section 13.2.C (*Schedule Bonus*) of the applicable EPC Contract) for payment of the

Schedule Bonus (as each such term is defined in the applicable EPC Contract), or otherwise agree to any additional bonus to be paid to the EPC Contractor (excluding the Schedule Bonus Date for SP6 under Section 13.2.C (*Schedule Bonus*) of the Stage 4 EPC Contract); provided, that any adjustment of the Schedule Bonus Date for SP5 shall be permitted without the consent of the Required Senior Lenders if the revenues received by the Borrower from the operation of the first four trains or five trains, respectively, of the Project prior to Substantial Completion of the fifth train or sixth train, respectively, of the Project are equal to or greater than the revenues projected to be received during such period under the Construction Budget (in each case, after giving effect to the payment of such additional bonus which shall be paid solely from such revenues);

- (v) causes any material component or material design feature or aspect of the Project to materially deviate in any fundamental manner from the description thereof set forth in the schedules, exhibits, appendices or annexes to the relevant EPC Contract (other than as the result of a Change Order which is permitted by Section 2.13(a)(i) above or otherwise permitted by this Agreement);
- (vi) except as a result of a Change Order to which the EPC Contractor is entitled under the relevant EPC Contract for a Change in Law (as defined in such EPC Contract) or force majeure (and provided that the Independent Engineer consents (which consent shall not be unreasonably withheld, conditioned or delayed) to the Borrower's consent to such force majeure Change Order pursuant to Section 6.2.C of the EPC Contract), diminishes or otherwise alters in any material respect the EPC Contractor's liquidated damages obligations under the EPC Contract;
- (vii) except as a result of a Change Order to which the EPC Contractor is entitled under the relevant EPC Contract for a Change in Law (as defined in such EPC Contract) or force majeure (and provided that the Independent Engineer consents (which consent shall not be unreasonably withheld, conditioned or delayed) to the Borrower's consent to such force majeure Change Order pursuant to Section 6.2.C of such EPC Contract), waives or alters the provisions under the relevant EPC Contract relating to default, termination or suspension or the waiver by the Borrower of any event that, with the giving of notice or the lapse of time or both, would entitle the Borrower to terminate such EPC Contract, provided that the Independent Engineer's consent shall not be required for any waiver by the EPC Contractor of any termination right arising from such force majeure;
- (viii) except as a result of a Change Order to which the EPC Contractor is entitled under the relevant EPC Contract for a Change in Law (as defined in such EPC Contract), adversely modifies or impairs the enforceability of any warranty under such EPC Contract; provided, that this clause shall not

preclude the Borrower from waiving warranties with respect to immaterial items comprising the Work under such EPC Contract;

- (ix) except as a result of a Change Order to which the EPC Contractor is entitled under the relevant EPC Contract for a Change in Law (as defined in such EPC Contract) (and provided that the Independent Engineer consents (which consent shall not be unreasonably withheld, conditioned or delayed) to the Borrower's consent to such Change Order pursuant to Section 6.2.C of such EPC Contract), impairs the ability of the Project to satisfy the Performance Tests;
 - (x) results in the revocation or adverse modification of any material Government Approval;
or
 - (xi) causes the Project not to comply in all material respects with applicable Government Rule or the Borrower's Contractual Obligations;
- (b) approve any plan under Section 11 (*Completion*) of any of the EPC Contracts without the consent of the Common Security Trustee (in consultation with the Independent Engineer); provided, however, that the Common Security Trustee shall use reasonable efforts to promptly review all relevant documentation provided to it by the Borrower (and shall request the Independent Engineer to do the same);
- (c) certify to, consent to or otherwise request or permit through a Change Order or otherwise without the consent of the Common Security Trustee (in consultation with the Independent Engineer) the occurrence of Substantial Completion or Ready for Start Up with respect to each train of the Project, or make any election to take care, custody and control of the Project (or any portion thereof) pursuant to Section 11.4.B (*Minimum Acceptance Criteria and Performance Liquidated Damages*) (or any other provision thereof) of any of the EPC Contracts; provided, however, that the Common Security Trustee shall use reasonable efforts to promptly review all relevant documentation provided to it (directly or indirectly) by the Borrower (and shall request the Independent Engineer to do the same);
- (d) collect on an EPC Letter of Credit under Section 7.8 (*Procedure for Withholding, Offset and Collection on the Letter of Credit*) of any of the EPC Contracts unless there are no future payments owed to the EPC Contractor against which the Borrower may offset the amounts due to the Borrower under such Section 7.8; or
- (e) without consent of the Common Security Trustee (in consultation with the Independent Engineer not to be unreasonably withheld, conditioned or delayed):
- (i) initiate or consent to any (A) Change Order that directly or indirectly specifies the capital spare parts to be delivered to the Site by the EPC Contractor pursuant to Section 3.4.B (*Capital Spare Parts*) of the Stage 1 EPC Contract, taking into account any other capital spare parts that the Borrower intends

to acquire directly, or (B) material change to a two (2) year inventory of such capital spare parts; or

- (ii) consent to any initial integration plan proposed by the EPC Contractor under Section 3.25.B (*Scheduled Activities*) of any of the EPC Contracts.

2.14. GAAP

The Borrower shall not change (i) its accounting or financial reporting policies other than as permitted in accordance with GAAP, or (ii) its Fiscal Year without the prior written consent of the Required Senior Lenders.

2.15. Use of Proceeds; Margin Regulations

The Borrower shall not use any part of the proceeds of any Secured Debt to purchase or carry any Margin Stock (as defined in Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying any Margin Stock. The Borrower shall not use the proceeds of any Secured Debt in a manner that could violate or be inconsistent with the provisions of Regulations T, U or X of the Board, or any regulations, interpretations or rulings thereunder.

2.16. Permitted Investments

The Borrower shall not make, and shall not instruct the Common Security Trustee to make, any Investments except Permitted Investments.

2.17. Hedging Arrangements

The Borrower shall not enter into any Hedging Agreements other than Permitted Hedging Agreements, and in the case of the Interest Rate Protection Agreements, with a Qualified Counterparty.

2.18. Environmental Matters

Except as could not reasonably be expected to have a Material Adverse Effect, the Borrower shall not Release, or permit the Release of Hazardous Materials at the Project in violation of applicable material Government Rules or material Government Approvals.

2.19. Guarantees

The Borrower shall not, directly or indirectly, create, incur or assume or otherwise be or become liable with respect to any Guarantee which could result in a liability to the Borrower in excess of two million Dollars (\$2,000,000).

2.20. Gas Purchase Contracts and LNG Sales Contracts

- (a) The Borrower shall not enter into gas purchase contracts with firm receipt obligations for a volume of gas in excess of that which is required for the Borrower to be able to meet its obligations under the FOB Sale and Purchase Agreements, the CMI LNG

Sale and Purchase Agreement and any other LNG sales agreements entered into as permitted hereunder.

- (b) The Borrower shall not enter into any LNG sales contracts except for (i) the FOB Sale and Purchase Agreements, (ii) the CMI LNG Sale and Purchase Agreement, (iii) LNG sales contracts with counterparties who at the time of execution of the contract (A) have an Investment Grade Rating from at least one Acceptable Rating Agency, or who provide a guaranty from an affiliate with at least one of such ratings or (B) have a direct or indirect parent with an Investment Grade Rating from at least one Acceptable Rating Agency and either the counterparty or an affiliate of such counterparty who is providing a guaranty has a tangible net worth in excess of \$15,000,000,000, (iv) LNG sales contracts with a term of less than five years and greater than one year with counterparties who do not at the time of execution of the contract have an Investment Grade Rating from at least one Acceptable Rating Agency to the extent the counterparty provides a letter of credit from a financial institution rated at least A- by S&P or A3 by Moody's (or, if any of such entities ceases to provide such ratings, the equivalent credit rating from any other Acceptable Rating Agency) with respect to its estimated obligations under the contract for a period of 60 days, (v) LNG sales contracts with a term of one year or less, (vi) LNG sales contracts with counterparties who prepay (in cash) for their LNG purchase obligations under such contracts, (vii) any Approved Train 6 Sale and Purchase Agreement or (viii) LNG sales contracts otherwise approved by the Required Secured Parties; provided, that in the case of clauses (iii), (iv), (v), (vi), (vii) and (viii) above, performance under such contracts shall not adversely affect the ability of the Borrower to meet its obligations under any contract listed in clause (i) above.

2.21. Sale of Natural Gas in Interstate Commerce

The Borrower shall not sell natural gas other than in interstate commerce.

*** indicates certain identified information has been excluded because it is both (a) not material and (b) would be competitively harmful if publicly disclosed.

CHANGE ORDER

Fencing Scope Modifications

PROJECT NAME: Corpus Christi Stage 1 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00051

OWNER: Corpus Christi Liquefaction, LLC

DATE OF CHANGE ORDER: April 19, 2019

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: December 6, 2013

The Agreement between the Parties listed above is changed as follows:

- 1) Pursuant to Article 6 of the Agreement, Parties agree to the additional and revised fencing scope of work, as further described in Exhibit 5 of this Change Order, which is based on the following two (2) approved Trends:
 - i. Trend No. S1-2066 - Additional Fencing / Fencing Revisions
 - ii. Trend No. S1-3003 - Train 3 Vapor Fence Scope Reduction
- 2) The summary cost breakdown for the scope of this Change Order is detailed in Exhibit 1 of this Change Order.
- 3) The detailed cost breakdown for the scope of this Change Order is detailed in Exhibit 3 (Trend No. S1-2066) and Exhibit 4 (Trend No. S1-3003).
- 4) Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the Milestone(s) listed in Exhibit 2 of this Change Order.
- 5) Exhibit 6 of this Change Order includes the following three (3) overall plot plans representing the agreed fencing modifications as described in the scope of work under Exhibit 5 of this Change Order:
 - i. Plant Fencing Layout at First Cargo Overall Plan
 - ii. Plant Fencing Layout at TCCC Subproject 1 Overall Plan
 - iii. Plant Fencing Layout at TCCC Subproject 3 Overall Plan

Adjustment to Contract Price

The original Contract Price was.....	\$ 7,080,830,000
Net change by previously authorized Change Orders (0001-00050).....	\$ 704,435,107
The Contract Price prior to this Change Order was.....	\$ 7,785,265,107
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$ [***]
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$ [***]
The new Contract Price including this Change Order will be.....	\$ 7,786,553,578

Adjustment to Aggregate Equipment Price

The original Aggregate Equipment Price was.....	\$	***
Net change by previously authorized Change Orders (0001-00050).....	\$	***
The Aggregate Equipment Price prior to this Change Order was.....	\$	***
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$	***
The new Aggregate Equipment Price including this Change Order will be	\$	***

Adjustment to Aggregate Labor and Skills Price

The original Aggregate Labor and Skills Price was.....	\$	***
Net change by previously authorized Change Orders (0001-00050).....	\$	***
The Aggregate Labor and Skills Price prior to this Change Order was.....	\$	***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$	***
The new Aggregate Labor and Skills Price including this Change Order will be.....	\$	***

Adjustment to Provisional Sum

The original Aggregate Provisional Sum was.....	\$	950,561,351
Net change by previously authorized Change Orders (0001-00050).....	\$	(812,283,979)
The Aggregate Provisional Sum prior to this Change Order was.....	\$	138,277,372
The Aggregate Provisional Sum will be unchanged by this Change Order in the amount of.....	\$	—
The new Aggregate Provisional Sum including this Change Order will be.....	\$	138,277,372

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: **N/A**

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*: **N/A**

Adjustment to Payment Schedule: **Yes. See Exhibit 2 of this Change Order.**

Adjustment to Minimum Acceptance Criteria: **N/A**

Adjustment to Performance Guarantees: **N/A**

Adjustment to Design Basis: **N/A**

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: **N/A**

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ David Craft

Owner

David Craft

Name

SVP E&C

Title

April 30, 2019

Date of Signing

/s/ Bhupesh Thakkar

Contractor

Bhupesh Thakkar

Name

Program Manager, SVP

Title

April 24, 2019

Date of Signing

CHANGE ORDER
West Jetty Manual Gas Sampler

PROJECT NAME: Corpus Christi Stage 1 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00052

OWNER: Corpus Christi Liquefaction, LLC

DATE OF CHANGE ORDER: April 19, 2019

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: December 6, 2013

The Agreement between the Parties listed above is changed as follows:

- 1)
 - i. Pursuant to Article 6 of the Agreement, Parties agree this Change Order includes the design, procurement and installation by Contractor of a new manual gas sampler for ship loading at the West Jetty.
 - ii. This Change Order is in accordance with the approved Trend No. S1-2083.
 - iii. This Change Order includes Owner's request for Contractor to add one (1) Air Dimensions Dia-Vac pump and regulator (Model No. R181), and the replacement of the Valtronics Model 2 vaporizer with the Valtronics Model 1 vaporizer (Model No. MIV1).
 - iv. This Change Order includes Valtronics support for commissioning.
- 2) The summary cost breakdown for the scope of this Change Order is detailed in Exhibit 1 of this Change Order.
- 3) The detailed cost breakdown for the scope of this Change Order is detailed in Exhibit 3 (Trend No. S1-2083).
- 4) Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the Milestone(s) listed in Exhibit 2 of this Change Order.

Adjustment to Contract Price

The original Contract Price was.....	\$ 7,080,830,000
Net change by previously authorized Change Orders (0001-00051).....	\$ 705,723,578
The Contract Price prior to this Change Order was.....	\$ 7,786,553,578
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$ [***]
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$ [***]
The new Contract Price including this Change Order will be.....	\$ 7,787,073,783

Adjustment to Aggregate Equipment Price

The original Aggregate Equipment Price was.....	\$ [***]
Net change by previously authorized Change Orders (0001-00051).....	\$ [***]
The Aggregate Equipment Price prior to this Change Order was.....	\$ [***]
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$ [***]
The new Aggregate Equipment Price including this Change Order will be	\$ [***]

Adjustment to Aggregate Labor and Skills Price

The original Aggregate Labor and Skills Price was.....	\$	***
Net change by previously authorized Change Orders (0001-00051).....	\$	***
The Aggregate Labor and Skills Price prior to this Change Order was.....	\$	***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$	***
The new Aggregate Labor and Skills Price including this Change Order will be.....	\$	***

Adjustment to Provisional Sum

The original Aggregate Provisional Sum was.....	\$	950,561,351
Net change by previously authorized Change Orders (0001-00051).....	\$	(812,283,979)
The Aggregate Provisional Sum prior to this Change Order was.....	\$	138,277,372
The Aggregate Provisional Sum will be unchanged by this Change Order in the amount of.....	\$	—
The new Aggregate Provisional Sum including this Change Order will be.....	\$	138,277,372

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: **N/A**

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*: **N/A**

Adjustment to Payment Schedule: **Yes. See Exhibit 2 of this Change Order.**

Adjustment to Minimum Acceptance Criteria: **N/A**

Adjustment to Performance Guarantees: **N/A**

Adjustment to Design Basis: **N/A**

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: **N/A**

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ David Craft

Owner

David Craft

Name

SVP E&C

Title

April 30, 2019

Date of Signing

/s/ Bhupesh Thakkar

Contractor

Bhupesh Thakkar

Name

Program Manager, SVP

Title

April 24, 2019

Date of Signing

*** indicates certain identified information has been excluded because it is both (a) not material and (b) would be competitively harmful if publicly disclosed.

CHANGE ORDER

Section 232 Steel and Aluminum Tariffs & Anti-dumping (ADA) and Countervailing Duties (CVD)

PROJECT NAME: Corpus Christi Stage 2 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00013

OWNER: Corpus Christi Liquefaction, LLC

DATE OF CHANGE ORDER: May 2, 2019

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: December 12, 2017

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*

1. Pursuant to Article 6 of the Agreement, Parties agree this Change Order includes impacts from Section 232 Tariffs on Steel and Aluminum on Applicable Law, and Change in Law impacts imposing Anti-dumping (ADA) and Countervailing Duties (CVD) on specific steel and aluminum imports, which are based on the following two (2) approved Trends:
 - i. Trend No. S2-0005a - Impacts of Policy Change/Applicable Law Imposing Tariff on Steel and Aluminum (Section 232).
 - ii. Trend No. S2-0006a - Anti-Dumping and Countervailing Duties (ADA/CVD).
2. This Change Order includes the costs through December 30, 2018 for Trend No. S2-0005a, and December 28, 2018 for Trend No. S2-0006a respectively, and excludes all costs, cost impacts, or effects of the change associated with these trends beyond these dates. Any subsequent costs, cost impacts, or effects of the change associated with these trends beyond these dates will be assessed on a quarterly basis and included in separate, future Change Order(s).
3. The summary cost breakdown for the scope of this Change Order is detailed in Exhibit 1 of this Change Order.
4. The detailed cost breakdown for the scope of this Change Order is detailed in Exhibit 3 (Trend No. S2-0005a) and Exhibit 4 (Trend No. S2-0006a).
5. The detailed costs for Customs Entry for the scope of this Change Order is detailed in Exhibit 6 (Trend No. S2-0005a) and Exhibit 7 (Trend No. S2-0006a).
6. The description of the cost impacts included in this Change Order is detailed in Exhibit 5 of this Change Order.
7. Schedules C-1 and C-3 (Milestone Payment Schedules) of Attachment C of the Agreement will be amended by including the Milestones listed in Exhibit 2 of this Change Order.

Adjustment to Contract Price

The original Contract Price was.....	\$ 2,360,000,000
Net change by previously authorized Change Orders (0001-00012).....	\$ 5,830,288
The Contract Price prior to this Change Order was.....	\$ 2,365,830,288
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$ ***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$ ***
The new Contract Price including this Change Order will be.....	\$ 2,385,256,080

Adjustment to Aggregate Equipment Price

The original Aggregate Equipment Price was.....	\$	***
Net change by previously authorized Change Orders (0001-00012).....	\$	***
The Aggregate Equipment Price prior to this Change Order was.....	\$	***
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$	***
The new Aggregate Equipment Price including this Change Order will be	\$	***

Adjustment to Aggregate Labor and Skills Price

The original Aggregate Labor and Skills Price was.....	\$	***
Net change by previously authorized Change Orders (0001-00012).....	\$	***
The Aggregate Labor and Skills Price prior to this Change Order was.....	\$	***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$	***
The new Aggregate Labor and Skills Price including this Change Order will be.....	\$	***

Adjustment to Provisional Sum

The original Aggregate Provisional Sum was.....	\$	295,549,906
Net change by previously authorized Change Orders (0001-00050).....	\$	(18,272,757)
The Aggregate Provisional Sum prior to this Change Order was.....	\$	277,277,149
The Aggregate Provisional Sum will be unchanged by this Change Order in the amount of.....	\$	—
The new Aggregate Provisional Sum including this Change Order will be.....	\$	277,277,149

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified*): **N/A**

Adjustment to other Changed Criteria (*insert N/A if no changes or impact; attach additional documentation if necessary*): N/A

Adjustment to Payment Schedule: **Yes. See Exhibit 2 of this Change Order.**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement:

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner~~

/s/ David Craft

Owner

David Craft

Name

SVP E&C

Title

May 14, 2019

Date of Signing

/s/ Bhupesh Thakkar

Contractor

Bhupesh Thakkar

Name

Program Manager, Bechtel

Title

May 6, 2019

Date of Signing

CHANGE ORDER

Tank B Jump-over Tie-In Interface - Long Lead Items

PROJECT NAME: Corpus Christi Stage 2 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00014

OWNER: Corpus Christi Liquefaction, LLC

DATE OF CHANGE ORDER: May 2, 2019

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: December 12, 2017

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*

1. Pursuant to Article 6 of the Agreement, Parties agree this Change Order includes the procurement of long lead items associated with Owner's request to add a Jump-over line at Tank B with connection to future Stage 3 Tie-in Interface per the approved Trend No. S2-0035.
2. This Change Order is limited to the procurement of long lead items only. The remainder full scope of work associated with the Tank B Jump-over Tie-In Interface will be subject to a future Change Order (Trend No. S2-0032).
3. The summary cost breakdown for the scope of this Change Order is detailed in Exhibit 1 of this Change Order.
4. The detailed cost breakdown for the scope of this Change Order is detailed in Exhibit 3 (Trend No. S2-0035).
5. Schedules C-1 and C-3 (Milestone Payment Schedules) of Attachment C of the Agreement will be amended by including the Milestones listed in Exhibit 2 of this Change Order.

Adjustment to Contract Price

The original Contract Price was.....	\$ 2,360,000,000
Net change by previously authorized Change Orders (0001-00013).....	\$ 25,256,080
The Contract Price prior to this Change Order was.....	\$ 2,385,256,080
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$ [***]
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$ [***]
The new Contract Price including this Change Order will be.....	\$ 2,385,706,282

Adjustment to Aggregate Equipment Price

The original Aggregate Equipment Price was.....	\$ [***]
Net change by previously authorized Change Orders (0001-00013).....	\$ [***]
The Aggregate Equipment Price prior to this Change Order was.....	\$ [***]
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$ [***]
The new Aggregate Equipment Price including this Change Order will be	\$ [***]

Adjustment to Aggregate Labor and Skills Price

The original Aggregate Labor and Skills Price was.....	\$ [***]
Net change by previously authorized Change Orders (0001-00013).....	\$ [***]
The Aggregate Labor and Skills Price prior to this Change Order was.....	\$ [***]
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$ [***]
The new Aggregate Labor and Skills Price including this Change Order will be.....	\$ [***]

Adjustment to Provisional Sum

The original Aggregate Provisional Sum was.....	\$	295,549,906
Net change by previously authorized Change Orders (0001-00050).....	\$	(18,272,757)
The Aggregate Provisional Sum prior to this Change Order was.....	\$	277,277,149
The Aggregate Provisional Sum will be unchanged by this Change Order in the amount of.....	\$	—
The new Aggregate Provisional Sum including this Change Order will be.....	\$	277,277,149

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: **N/A**

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*: **N/A**

Adjustment to Payment Schedule: **Yes. See Exhibit 2 of this Change Order.**

Adjustment to Minimum Acceptance Criteria: **N/A**

Adjustment to Performance Guarantees: **N/A**

Adjustment to Design Basis: **N/A**

Other adjustments to liability or obligation of Contractor or Owner under the Agreement:

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ David Craft

Owner

David Craft

Name

SVP E&C

Title

May 14, 2019

Date of Signing

/s/ Bhupesh Thakkar

Contractor

Bhupesh Thakkar

Name

Program Manager

Title

May 6, 2019

Date of Signing

CHANGE ORDER

Section 232 Steel and Aluminum Tariffs & Anti-dumping (ADA) and Countervailing Duties (CVD) Q1_2019

PROJECT NAME: Corpus Christi Stage 2 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00015

OWNER: Corpus Christi Liquefaction, LLC

DATE OF CHANGE ORDER: June 4, 2019

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: December 12, 2017

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*

1. Pursuant to Article 6 of the Agreement, Parties agree this Change Order includes impacts from Section 232 Tariffs on Steel and Aluminum on Applicable Law, and Change in Law impacts imposing Anti-dumping (ADA) and Countervailing Duties (CVD) on specific steel and aluminum imports, which are based on the following two (2) approved Trends:
 - i. Trend No. S2-0005b - Impacts of Policy Change/Applicable Law Imposing Tariff on Steel and Aluminum (Section 232);
and
 - ii. Trend No. S2-0006b - Anti-Dumping and Countervailing Duties
(ADA/CVD).
2. This Change Order includes the costs during the 1st Quarter of 2019, and excludes all costs, cost impacts, or effects of the change associated with these trends beyond these dates. Any subsequent costs, cost impacts, or effects of the change associated with these trends beyond these dates will be assessed on a quarterly basis and included in separate, future Change Order(s).
3. The summary cost breakdown for the scope of this Change Order is detailed in Exhibit 1 of this Change Order.
4. The detailed cost breakdown for the scope of this Change Order is detailed in Exhibit 3 (Trend No. S2-0005b) and Exhibit 4 (Trend No. S2-0006b).
5. The detailed costs for Customs Entry for the scope of this Change Order is detailed in Exhibit 5 (Trend No. S2-0005b) and Exhibit 6 (Trend No. S2-0006b).
6. Schedules C-1 and C-3 (Milestone Payment Schedules) of Attachment C of the Agreement will be amended by including the Milestones listed in Exhibit 2 of this Change Order.

Adjustment to Contract Price

The original Contract Price was.....	\$ 2,360,000,000
Net change by previously authorized Change Orders (0001-00014).....	\$ 25,706,282
The Contract Price prior to this Change Order was.....	\$ 2,385,706,282
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$ [***]
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$ [***]
The new Contract Price including this Change Order will be.....	\$ 2,391,352,937

Adjustment to Aggregate Equipment Price

The original Aggregate Equipment Price was.....	\$ [***]
Net change by previously authorized Change Orders (0001-00014).....	\$ [***]
The Aggregate Equipment Price prior to this Change Order was.....	\$ [***]
The Aggregate Equipment Price will be changed by this Change Order in the amount of.....	\$ [***]
The new Aggregate Equipment Price including this Change Order will be	\$ [***]

Adjustment to Aggregate Labor and Skills Price

The original Aggregate Labor and Skills Price was.....	\$	***
Net change by previously authorized Change Orders (0001-00014).....	\$	***
The Aggregate Labor and Skills Price prior to this Change Order was.....	\$	***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of.....	\$	***
The new Aggregate Labor and Skills Price including this Change Order will be.....	\$	***

Adjustment to Provisional Sum

The original Aggregate Provisional Sum was.....	\$	295,549,906
Net change by previously authorized Change Orders (0001-00014).....	\$	(18,272,757)
The Aggregate Provisional Sum prior to this Change Order was.....	\$	277,277,149
The Aggregate Provisional Sum will be unchanged by this Change Order in the amount of.....	\$	—
The new Aggregate Provisional Sum including this Change Order will be.....	\$	277,277,149

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: **N/A**

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*: **N/A**

Adjustment to Payment Schedule: **Yes. See Exhibit 2 of this Change Order.**

Adjustment to Minimum Acceptance Criteria: **N/A**

Adjustment to Performance Guarantees: **N/A**

Adjustment to Design Basis: **N/A**

Other adjustments to liability or obligation of Contractor or Owner under the Agreement:

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner~~

/s/ David Craft

Owner

David Craft

Name

SVP E&C

Title

May 14, 2019

Date of Signing

/s/ Bhupesh Thakkar

Contractor

Bhupesh Thakkar

Name

Program Manager, Cheniere Projects

Title

June 5, 2019

Date of Signing

CHANGE ORDER FORM
Letter of Credit Reduction and Extension

PROJECT NAME: Sabine Pass LNG Stage 2 Liquefaction Facility**CHANGE ORDER NUMBER:** CO-00045**OWNER:** Sabine Pass Liquefaction, LLC**DATE OF CHANGE ORDER:** June 7, 2019**CONTRACTOR:** Bechtel Oil, Gas and Chemicals, Inc.**DATE OF AGREEMENT:** December 20, 2012

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*

Owner and Contractor agree the Irrevocable Standby Letter of Credit ("**Letter of Credit**") for Subproject 4 (No. 04121800) (i) shall be amended from Seventy-Six Million, Seven Hundred Fifty-Four Thousand, One Hundred Fifty-Six U.S. Dollars (U.S. \$76,754,156) to Two Million U.S. Dollars (U.S. \$ 2,000,000) and (ii) shall expire upon Owner's written notice of the expiration of the Defect Correction Period for Subproject 4 (as may be extended pursuant to Section 12.3B of the Agreement) or October 09, 2020 (thirty-six (36) Months after Contractor's achievement of Substantial Completion for Subproject 4), whichever occurs first.

The Letter of Credit Amendment is subject to receipt of Owner's consent, at which time shall be effective within thirty (30) Days after the issuing commercial bank's receipt of Owner's consent.

Adjustment to Contract Price

The original Contract Price was.....	\$ 3,769,000,000
Net change by previously authorized Change Orders (00001-00044).....	\$ 68,707,800
The Contract Price prior to this Change Order was.....	\$ 3,837,707,800
The Contract Price will be revised by this Change Order in the amount of	\$ —
The new Contract Price including this Change Order will be.....	\$ 3,837,707,800

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: **N/A**

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*: **N/A**

Adjustment to Payment Schedule: **N/A**

Adjustment to Minimum Acceptance Criteria: **N/A**

Adjustment to Performance Guarantees: **N/A**

Adjustment to Design Basis: **N/A**

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: **N/A**

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change~~

~~reflected in this Change Order upon the Changed Criteria and shall not be deemed to compensate Contractor fully for such change.~~ Initials: Contractor Owner

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ David Craft
Owner
David Craft
Name
SVP E&C
Title
June 21, 2019
Date of Signing

/s/ Maurissa Douglas Rogers
Contractor
Maurissa D Rogers
Name
Sr Project Manager, PVP
Title
June 7, 2019
Date of Signing

CHANGE ORDER

Modifications to Insurance Language Change Order

PROJECT NAME: Sabine Pass LNG Stage 4 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00001

OWNER: Sabine Pass Liquefaction, LLC

DATE OF CHANGE ORDER: June 3, 2019

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: November 7, 2018

The Agreement between the Parties listed above is changed as follows: (attach additional documentation if necessary)

1. Whereas, the Parties intend to amend Article 8.2A of the Agreement to reduce the ("**Windstorms**") loss or damage from Five Hundred Million U.S. Dollars (U.S.\$500,000,000) to Three Hundred Million U.S. Dollars (U.S.\$300,000,000) in the cumulative aggregate with respect to the Work, the Project, Subproject 1, Subproject 2, Subproject 3, Subproject 4, Subproject 5, and Subproject 6, collectively.

2. Now therefore, Section 8.2A of the Agreement is deleted and replaced with the following:

8.2 Risk of Loss.

A. Notwithstanding passage of title as provided in Section 8.1 of this Agreement, Contractor shall bear the risk of physical loss and damage with respect to a Subproject until the earlier of (i) Substantial Completion of such Subproject and Owner taking care, custody, and control of such Subproject (which such transfer of care, custody and control of such Subproject shall occur no more than one (1) Day following Owner's execution of the Substantial Completion Certificate accepting Substantial Completion); or (ii) termination of this Agreement; *provided that* Owner shall at all times bear the risk of physical loss and damage if and to the extent arising from (i) war (whether declared or undeclared), civil war, act of terrorism, sabotage, blockade, insurrection; or (ii) ionizing radiation, or contamination by radioactivity from nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel properties of any explosive nuclear assembly or nuclear component thereof; or (iii) an atmospheric disturbance marked by high winds, with or without precipitation, including such events as hurricane, typhoon, monsoon, cyclone, rainstorm, tempest, hailstorm, tornado, or any combination of the foregoing events, including any resulting flood, tidal or wave action (such clause (iii) events collectively, "**Windstorms**") to the extent that Windstorms result in loss or damage in excess of Three Hundred Million U.S. Dollars (U.S.\$300,000,000) in the cumulative aggregate with respect to the Work, the Project, Subproject 1, Subproject 2, Subproject 3, Subproject 4, Subproject 5, and Subproject 6, collectively. The full amount of Three Hundred Million U.S. Dollars (U.S.\$300,000,000) may be satisfied under either the Stage 1 EPC Agreement, the Stage 2 EPC Agreement, the Stage 3 EPC Agreement, or this Agreement. In the event that any physical loss or damage to the Stage 4 Liquefaction Facility or the Work arises from one or more of the events set forth in the first sentence of this Section 8.2A, and Owner elects to rebuild such physical loss or damage, Contractor shall be entitled to a Change Order to the extent such event adversely affects (i) Contractor's costs of performance of the Work; (ii) Contractor's ability to perform the Work in accordance with the Project Schedule or (iii) Contractor's ability to perform any material obligation under this Agreement; *provided that* Contractor complies with the requirements set forth in Sections 6.2, 6.5 and 6.9.

3. The Contract Price is not adjusted by this Change Order.

Adjustment to Contract Price

The original Contract Price was.....	\$ 2,016,892,537
Net change by previously authorized Change Orders	\$ —
The Contract Price prior to this Change Order was.....	\$ 2,016,892,573
The Contract Price will be revised by this Change Order in the amount of	\$ —
The new Contract Price including this Change Order will be.....	\$ 2,016,892,573

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified*): **N/A**

Adjustment to other Changed Criteria (*insert N/A if no changes or impact; attach additional documentation if necessary*): **N/A**

Adjustment to Payment Schedule: **N/A**

Adjustment to Minimum Acceptance Criteria: **N/A**

Adjustment to Performance Guarantees: **N/A**

Adjustment to Design Basis: **N/A**

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: **N/A**

List of Exhibits to this Change Order: N/A

List of Attachments (Amendments to the Agreement) to this Change Order: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: ____ Contractor ____ Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ David Craft

Owner

David Craft

Name

SVP E&C

Title

June 3, 2019

Date of Signing

/s/ Maurissa D Rogers

Contractor

Maurissa D Rogers

Name

Sr Project Manager, PVP

Title

June 3, 2019

Date of Signing

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT**

I, Jack A. Fusco, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cheniere Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ Jack A. Fusco

Jack A. Fusco
Chief Executive Officer of
Cheniere Energy, Inc.

**CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT**

I, Michael J. Wortley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cheniere Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ Michael J. Wortley

Michael J. Wortley
Chief Financial Officer of
Cheniere Energy, Inc.

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Cheniere Energy, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack A. Fusco, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2019

/s/ Jack A. Fusco

Jack A. Fusco
Chief Executive Officer of
Cheniere Energy, Inc.

**CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Cheniere Energy, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael J. Wortley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2019

/s/ Michael J. Wortley

Michael J. Wortley
Chief Financial Officer of
Cheniere Energy, Inc.