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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 5, 2007

CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-16383
(Commission File Number)

95-4352386
(I.R.S. Employer
Identification No.)

717 Texas Avenue
Suite 3100
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

Registrant's telephone number, including area code: (713) 659-1361

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Executive Compensation

After a review of performance and competitive market data, on January 5, 2007, the Compensation Committee of the Board of Directors of Cheniere Energy, Inc. (the “Company”) approved base salary increases for the CEO and other executive officers of the Company effective as of January 1, 2007. The annual base salary for Charif Souki, Chairman and Chief Executive Officer, was increased to \$577,500. The annual base salary for Stanley C. Horton, President and Chief Operating Officer, was increased to \$446,250. The annual base salary for each of the Company’s Vice Chairman and Senior Vice Presidents was increased to \$262,500.

In addition, the Compensation Committee approved a bonus payment for executive officers with respect to the year ended December 31, 2006 (the “2006 Bonus Amount”). The 2006 Bonus Amount will be paid in restricted shares of the Company’s common stock to be issued on January 12, 2007 (the “Date of Grant”). The number of restricted shares to be issued will be determined based on a 25% discount to the closing price of the Company’s common stock as reported on the American Stock Exchange on the Date of Grant. Vesting will occur for one-third of the restricted shares on each anniversary of the Date of Grant beginning on the first anniversary of the Date of Grant.

A summary of the compensation to be paid to the principal executive officer, the principal financial officer and the other executive officers named in the Summary Compensation Table in our Proxy Statement filed in 2006 is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Form of Equity Grant Agreements

On January 5, 2007, the Compensation Committee approved the form of grant agreements that may be used periodically by the Company for grants of non-qualified stock options and restricted stock under the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan. The form of grant agreements are attached hereto as Exhibits 10.2, 10.3, 10.4, 10.5 and 10.6 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Summary of Compensation for Executive Officers (filed herewith)
10.2	Form of Non-Qualified Stock Option Grant for Employees and Consultants (three-year vesting) under the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan (filed herewith)
10.3	Form of Non-Qualified Stock Option Grant for Employees and Consultants (four-year vesting) under the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan (filed herewith)
10.4	Form of Non-Qualified Stock Option Grant for Non-Employee Directors under the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan (filed herewith)
10.5	Form of Restricted Stock Grant (three-year vesting) under the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan (filed herewith)
10.6	Form of Restricted Stock Grant (four-year vesting) under the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan (filed 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 hereunto duly authorized.

CHENIERE ENERGY, INC.

Date: January 11, 2007

By: /s/ Don A. Turkleson
Name: Don A. Turkleson
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
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Summary of Compensation for Named Executive Officers

All of the executive officers of Cheniere Energy, Inc. (“Cheniere”) are “at will” employees and none of them has an employment or severance agreement, other than as provided under the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan. The unwritten arrangements under which Cheniere’s executive officers are compensated include:

- a salary, reviewed annually by the Compensation Committee of the Board of Directors of Cheniere;
- eligibility for a discretionary annual cash bonus, as determined by the Compensation Committee;
- eligibility for awards under Cheniere’s Amended and Restated 2003 Stock Incentive Plan, as determined by the Compensation Committee;
- health, life, disability and other insurance and/or benefits; and
- vacation, paid sick leave and all other employee benefits.

On January 5, 2007, Cheniere’s Compensation Committee approved base salary increases for all of Cheniere’s executive officers, effective as of January 1, 2007. In addition, the Compensation Committee approved a bonus payment for each executive officer with respect to the year ended December 31, 2006 (the “2006 Bonus Amount”). The 2006 Bonus Amount will be paid in restricted shares of Cheniere’s common stock to be issued on January 12, 2007 (the “Date of Grant”). The number of restricted shares to be issued will be determined based on a 25% discount to the closing price of the Company’s common stock as reported on the American Stock Exchange on the Date of Grant. Vesting will occur for one-third of the restricted shares on each anniversary of the Date of Grant beginning on the first anniversary of the Date of Grant. The following table sets forth the 2007 annual base salary and the 2006 Bonus Amounts for each of Cheniere’s principal executive officer, principal financial officer and the other executive officers named in the Summary Compensation Table in our Proxy Statement filed in 2006:

Executive Officer	2007 Annual Base Salary	2006 Bonus Amount
Charif Souki Chairman and Chief Executive Officer	\$ 577,500	\$ 1,718,750
Stanley C. Horton President and Chief Operating Officer	\$ 446,250	\$ 1,062,500
Walter L. Williams Vice Chairman	\$ 262,500	\$ 468,750
Don A. Turkleson Senior Vice President and Chief Financial Officer	\$ 262,500	\$ 468,750
Keith M. Meyer Senior Vice President, Marketing	\$ 262,500	\$ 468,750

**NON-QUALIFIED STOCK OPTION GRANT
FOR EMPLOYEES AND CONSULTANTS
3-YEAR VESTING**

CHENIERE ENERGY, INC.
NON-QUALIFIED STOCK OPTION GRANT

Optionee: _____

I. Grant of Stock Option. As of the grant date (identified below), Cheniere Energy, Inc. (the "Company") hereby grants a non-qualified stock option (the "Option") to the undersigned Optionee (the "Optionee") to purchase the number of shares of the company's common stock, \$.003 par value per share, identified below (the "common stock"), subject to the terms and conditions of this grant (the "grant") and the Company's 2003 stock incentive plan, as amended (the "plan"), which is incorporated herein in its entirety by reference. The common stock, when issued to Optionee upon the exercise of the option, shall be fully paid and nonassessable. The option is not an "incentive stock option" as defined in section 422 of the internal revenue code.

II. Definitions and Other Terms. All capitalized terms used herein shall have the meanings set forth in the plan unless otherwise provided herein. The following capitalized terms shall have those meanings set forth opposite them:

- A. **Optionee:** _____
- B. **Grant date:** _____, 20__
- C. **Shares subject to options:** _____ shares of the Company's common stock.
- D. **Option price:** \$ _____ per share.
- E. **Option period:** _____, 2005 through _____, 2010 (until 12:00 p.m. Central).
- F. **Exercise:** the options may be exercise for _____ shares on the first anniversary of the grant date, and for _____ shares on each subsequent anniversary of the grant date until fully exercisable as follows:

Date	Options Exercisable
_____, 2006	_____
_____, 2007	_____
_____, 2008	_____
Total	_____

III. **Option period.** The option period shall begin on the grant date and terminate on the ___ day of _____, 20__ (the "option expiration date").

IV. **Forfeiture of options; acceleration of vesting.** If Optionee's employment or other service with the Company or any subsidiary shall be terminated for any reason, any options not then vested shall not vest (except as otherwise provided herein), shall be forfeited back to the company and shall be available for re-issuance under the plan; provided, however, that any such options not then vested shall vest upon (i) termination, removal or resignation of Optionee for any reason within one (1) year from the effective date of a change of control, or (ii) death or disability of Optionee. Optionee shall have six (6) months after termination from employment or service during which to exercise any options which are exercisable as of the date of termination whether through acceleration, as provided above, or through the vesting schedule applicable to this grant. Any options not exercised within such six-month period shall terminate, shall be forfeited back to the Company and shall be available for re-issuance under the plan.

V. **Withholding of taxes.** Any issuance of common stock pursuant to the exercise of an option shall not be made until appropriate arrangements satisfactory to the Company have been made for payment of any tax amounts (federal, state, local or other) that may be required to be withheld or paid by the Company with respect thereto.

IN WITNESS WHEREOF, this Non-Qualified Stock Option Grant is executed this ___ day of _____, 20__.

CHENIERE ENERGY, INC.

By: _____
Name: _____
Title: _____

717 Texas Avenue, Suite 3100
Houston, Texas 77002-4102

Accepted and agreed this ___ day of _____, 20__.

"OPTIONEE"

By: _____
Name: _____
Title: _____
Address: _____

NON-QUALIFIED STOCK OPTION GRANT
FOR EMPLOYEES AND CONSULTANTS
4-YEAR VESTING

CHENIERE ENERGY, INC.

NON-QUALIFIED STOCK OPTION GRANT

Optionee: _____

I. Grant Of Stock Option. As of the grant date (identified below), Cheniere Energy, Inc. (the “Company”) hereby grants a non-qualified stock option (the “option”) to the undersigned Optionee (the “Optionee”) to purchase the number of shares of the Company’s common stock, \$.003 par value per share, identified below (the “common stock”), subject to the terms and conditions of this grant (the “grant”) and the Company’s 2003 stock incentive plan, as amended (the “plan”), which is incorporated herein in its entirety by reference. The common stock, when issued to Optionee upon the exercise of the option, shall be fully paid and nonassessable. The option is not an “incentive stock option” as defined in section 422 of the internal revenue code.

II. Definitions and Other Terms. All capitalized terms used herein shall have the meanings set forth in the plan unless otherwise provided herein. The following capitalized terms shall have those meanings set forth opposite them:

- A. **Optionee:** _____.
- B. **Grant Date:** _____, 20__.
- C. **Shares subject to Options:** shares of the Company’s Common Stock.
- D. **Option Price:** \$ _____ per share.
- E. **Option Period:** _____, 2005 through _____, 2015 (until 12:00 p.m. central).
- F. **Exercise:** The Options may be exercise for _____ shares on the first anniversary of the Grant Date, and for _____ shares on each subsequent anniversary of the Grant Date until fully exercisable as follows:

Date	Options Exercisable
_____, 2006	_____
_____, 2007	_____
_____, 2008	_____
_____, 2009	_____
Total	_____

- III. **Option Period.** The option period shall begin on the grant date and terminate on the __ day of _____, 20__ (the “option expiration date”).
- IV. **Forfeiture of options; acceleration of vesting.** If Optionee’s employment or other service with the Company or any subsidiary shall be terminated for any reason, any options not then vested shall not vest (except as otherwise provided herein), shall be forfeited back to the Company and shall be available for re-issuance under the plan; provided, however, that any such options not then vested shall vest upon (i) termination, removal or resignation of Optionee for any reason within one (1) year from the effective date of a change of control, or (ii) death or disability of Optionee. Optionee shall have six (6) months after termination from employment or service during which to exercise any options which are exercisable as of the date of termination whether through acceleration, as provided above, or through the vesting schedule applicable to this grant. Any options not exercised within such six-month period shall terminate, shall be forfeited back to the Company and shall be available for re-issuance under the Plan.
- V. **Withholding of Taxes.** Any issuance of common stock pursuant to the exercise of an option shall not be made until appropriate arrangements satisfactory to the Company have been made for payment of any tax amounts (federal, state, local or other) that may be required to be withheld or paid by the Company with respect thereto.

IN WITNESS WHEREOF, this Non-Qualified Stock Option Grant is executed this __ day of _____, 20__.

CHENIERE ENERGY, INC.

By: _____
Name: _____
Title: _____

717 Texas Avenue, Suite 3100
Houston, Texas 77002-4102

Accepted and agreed this __ day of _____, 20__.

“OPTIONEE”

By: _____
Name: _____
Title: _____

Address: _____

NON-QUALIFIED STOCK OPTION GRANT
FOR NON-EMPLOYEES DIRECTORS

CHENIERE ENERGY, INC.
NON-QUALIFIED STOCK OPTION GRANT

Optionee: _____

- I. **Grant Of Stock Option.** As of the grant date (identified below), Cheniere Energy, Inc. (the "Company") hereby grants a non-qualified stock option (the "option") to the undersigned Optionee (the "Optionee") to purchase the number of shares of the Company's common stock, \$.003 par value per share, identified below (the "common stock"), subject to the terms and conditions of this grant (the "grant") and the Company's 2003 stock incentive plan, as amended (the "plan"), which is incorporated herein in its entirety by reference. The common stock, when issued to Optionee upon the exercise of the option, shall be fully paid and nonassessable. The option is not an "incentive stock option" as defined in section 422 of the internal revenue code.
- II. **Definitions and Other Terms.** All capitalized terms used herein shall have the meanings set forth in the plan unless otherwise provided herein. The following capitalized terms shall have those meanings set forth opposite them:
- B. **Optionee:** _____.
- C. **Grant Date:** _____, 20__.
- D. **Shares subject to Options:** _____ shares of the Company's Common Stock.
- E. **Option Price:** \$ _____ per share.
- F. **Option Period:** _____, 2005 through _____, 2010 (until 12:00 p.m. central).
- G. **Exercise:** The Options are fully vested upon the Grant Date and may be exercised immediately.
- III. **Option Period.** The option period shall begin on the grant date and terminate on the __ day of _____, 20__ (the "option expiration date").
- IV. **Withholding of Taxes.** Any issuance of common stock pursuant to the exercise of an option shall not be made until appropriate arrangements satisfactory to the Company have been made for payment of any tax amounts (federal, state, local or other) that may be required to be withheld or paid by the Company with respect thereto.

IN WITNESS WHEREOF, this Non-Qualified Stock Option Grant is executed this ___ day of _____, 20__.

CHENIERE ENERGY, INC.

By: _____
Name: _____
Title: _____

717 Texas Avenue, Suite 3100
Houston, Texas 77002-4102

Accepted and agreed this ___ day of _____, 20__.

“OPTIONEE”

By: _____
Name: _____
Title: _____

Address: _____

**RESTRICTED STOCK GRANT
FOR EMPLOYEES, CONSULTANTS AND NON-EMPLOYEE DIRECTORS
3-YEAR VESTING**

CHENIERE ENERGY, INC.

Amended and Restated

2003 STOCK INCENTIVE PLAN

RESTRICTED STOCK GRANT

1. Grant of Restricted Shares. Cheniere Energy, Inc., a Delaware corporation (the "Company"), hereby grants to _____ ("Participant") all rights, title and interest in the record and beneficial ownership of _____ (_____) shares (the "Restricted Shares") of common stock, \$0.03 par value per share, of the Company ("Common Stock"), subject to the conditions described in this grant of Restricted Stock (the "Grant") and in the Company's Amended and Restated 2003 Stock Incentive Plan (the "Plan"). The Restricted Shares are granted, effective as of the ___ day of _____, 200__ (the "Grant Date").

2. Issuance and Transferability. Restricted Stock awarded under the Plan may be evidenced in such manner as the Company shall deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock. The Participant shall have all the rights of a stockholder with respect to such shares, including the right to vote and the right to receive dividends or other distributions paid or made with respect to such shares. Such shares are not transferable except by will or the laws of descent and distribution or pursuant to a domestic relations order of the court in a divorce proceeding. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of Participant.

3. Risk of Forfeiture. Participant shall immediately forfeit all rights to any non-vested portion of the Restricted Shares in the event of termination, resignation or removal from employment with the Company under circumstances that do not cause Participant to become fully vested under the terms of the Plan or this Grant.

4. Vesting. Subject to Paragraph 3 hereof, Participant shall vest in his or her rights to the Restricted Shares and the restrictions shall lapse with respect to 33% of the Restricted Shares on the first

anniversary of the date hereof, and shall vest at 33% on the second anniversary of the date hereof with the remainder of the Restricted Shares vesting on the third anniversary of the date hereof, provided that Participant remains continuously employed by the Company until such dates. If Participant's employment or other service with the Company or any subsidiary shall be terminated for any reason, any Restricted Shares not then vested shall not vest (except as otherwise provided herein) and shall be forfeited back to the Company; provided, however, that any such Restricted Shares not then vested shall vest upon (i) termination, resignation or removal of a Participant for any reason within one (1) year from the effective date of a Change of Control, or (ii) death or Disability of Participant.

5. Ownership Rights. Subject to the restrictions set forth in this Grant and the Plan, Participant is entitled to all voting and ownership rights applicable to the Restricted Shares, including the right to receive any cash dividends that may be paid on the Restricted Shares.

6. Reorganization of the Company. The existence of this Grant shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; any merger or consolidation of the Company; any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Restricted Shares or the rights thereof; the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

7. Recapitalization Events. In the event of stock dividends, spin-offs of assets or other extraordinary dividends, stock splits, combinations of shares, recapitalizations, mergers, consolidations, reorganizations, liquidations, issuances of rights or warrants and similar transactions or events involving the Company ("Recapitalization Events"), then for all purposes references herein to Common Stock or to Restricted Shares shall mean and include all securities or other property (other than cash) that holders of Common Stock of the Company are entitled to receive in respect of Common Stock by reason of each successive Recapitalization Event, which securities or other property (other than cash) shall be treated in the same manner and shall be subject to the same restrictions as the underlying Restricted Shares.

8. Certain Restrictions. By executing this Grant, Participant acknowledges that he or she has received a copy of the Plan and agrees that Participant will enter into such written representations, warranties and agreements and execute such documents as the Company may reasonably request in order to comply with the securities law or any other applicable laws, rules or regulations, or with this document or the terms of the Plan.

9. Amendment and Termination. No amendment or termination of this Grant shall be made by the Company at any time without the written consent of Participant.

10. Withholding of Taxes. Participant agrees that, if he or she makes an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, with regard to the Restricted Shares, Participant will so notify the Company in writing within two (2) days after making such election, so as to enable the Company to timely comply with any applicable governmental reporting requirements. The Company shall have the right to take any action as may be necessary or appropriate to satisfy any federal, state or local tax withholding obligations.

11. No Guarantee of Tax Consequences. The Company makes no commitment or guarantee to Participant that any federal or state tax treatment will apply or be available to any person eligible for benefits under this Grant.

12. Severability. In the event that any provision of this Grant shall be held illegal, invalid, or unenforceable for any reason, such provision shall be fully severable and shall not affect the remaining provisions of this Grant, and the Grant shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never been included herein.

13. Governing Law. The Grant shall be construed in accordance with the laws of the State of Delaware to the extent that federal law does not supersede and preempt Delaware law.

Executed the ___ day of _____, 200__

COMPANY:

By: _____
Name: _____
Title: _____

Accepted the ___ day of _____, 200__

PARTICIPANT:

Address: _____

Social Security Number: _____

**RESTRICTED STOCK GRANT
FOR EMPLOYEES, CONSULTANTS AND NON-EMPLOYEE DIRECTORS
4-YEAR VESTING**

CHENIERE ENERGY, INC.

Amended and Restated

2003 STOCK INCENTIVE PLAN

RESTRICTED STOCK GRANT

1. Grant of Restricted Shares. Cheniere Energy, Inc., a Delaware corporation (the "Company"), hereby grants to ("Participant") all rights, title and interest in the record and beneficial ownership of () shares (the "Restricted Shares") of common stock, \$0.03 par value per share, of the Company ("Common Stock"), subject to the conditions described in this grant of Restricted Stock (the "Grant") and in the Company's Amended and Restated 2003 Stock Incentive Plan (the "Plan"). The Restricted Shares are granted, effective as of the ___ day of _____, 200__ (the "Grant Date").

2. Issuance and Transferability. Restricted Stock awarded under the Plan may be evidenced in such manner as the Company shall deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock. The Participant shall have all the rights of a stockholder with respect to such shares, including the right to vote and the right to receive dividends or other distributions paid or made with respect to such shares. Such shares are not transferable except by will or the laws of descent and distribution or pursuant to a domestic relations order of the court in a divorce proceeding. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of Participant.

3. Risk of Forfeiture. Participant shall immediately forfeit all rights to any non-vested portion of the Restricted Shares in the event of termination, resignation or removal from employment with the Company under circumstances that do not cause Participant to become fully vested under the terms of the Plan or this Grant.

4. Vesting. Subject to Paragraph 3 hereof, Participant shall vest in his rights under the Restricted Shares and the Company's right to repurchase such shares shall lapse with respect to 25% of the Restricted Shares on the first anniversary of _____ (the "Vesting Date"), and shall vest at 25% on the

second anniversary of the Vesting Date with another 25% on the third anniversary of the Vesting Date and with the remainder of the Restricted Shares vesting on the fourth anniversary of the Vesting Date, provided that Participant remains continuously employed by the Company until such dates. If Participant's employment or other service with the Company or any subsidiary shall be terminated for any reason, any Restricted Shares not then vested shall not vest (except as otherwise provided herein) and shall be forfeited back to the Company; provided, however, that any such Restricted Shares not then vested shall vest upon (i) termination, resignation or removal of a Participant for any reason within one (1) year from the effective date of a Change of Control, or (ii) death or Disability of Participant.

5. Ownership Rights. Subject to the restrictions set forth in this Grant and the Plan, Participant is entitled to all voting and ownership rights applicable to the Restricted Shares, including the right to receive any cash dividends that may be paid on the Restricted Shares.

6. Reorganization of the Company. The existence of this Grant shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; any merger or consolidation of the Company; any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Restricted Shares or the rights thereof; the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

7. Recapitalization Events. In the event of stock dividends, spin-offs of assets or other extraordinary dividends, stock splits, combinations of shares, recapitalizations, mergers, consolidations, reorganizations, liquidations, issuances of rights or warrants and similar transactions or events involving the Company ("Recapitalization Events"), then for all purposes references herein to Common Stock or to Restricted Shares shall mean and include all securities or other property (other than cash) that holders of Common Stock of the Company are entitled to receive in respect of Common Stock by reason of each successive Recapitalization Event, which securities or other property (other than cash) shall be treated in the same manner and shall be subject to the same restrictions as the underlying Restricted Shares.

8. Certain Restrictions. By executing this Grant, Participant acknowledges that he or she has received a copy of the Plan and agrees that Participant will enter into such written representations, warranties and agreements and execute such documents as the Company may reasonably request in order to comply with the securities law or any other applicable laws, rules or regulations, or with this document or the terms of the Plan.

9. Amendment and Termination. No amendment or termination of this Grant shall be made by the Company at any time without the written consent of Participant.

10. Withholding of Taxes. Participant agrees that, if he or she makes an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, with regard to the Restricted Shares, Participant will so notify the Company in writing within two (2) days after making such election, so as to enable the Company to timely comply with any applicable governmental reporting requirements. The Company shall have the right to take any action as may be necessary or appropriate to satisfy any federal, state or local tax withholding obligations.

11. No Guarantee of Tax Consequences. The Company makes no commitment or guarantee to Participant that any federal or state tax treatment will apply or be available to any person eligible for benefits under this Grant.

12. Severability. In the event that any provision of this Grant shall be held illegal, invalid, or unenforceable for any reason, such provision shall be fully severable and shall not affect the remaining provisions of this Grant, and the Grant shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never been included herein.

13. Governing Law. The Grant shall be construed in accordance with the laws of the State of Delaware to the extent that federal law does not supersede and preempt Delaware law.

Executed the ___ day of October, 2006.

COMPANY:

By: _____
Name: _____
Title: _____

Accepted the ___ day of October, 2006

PARTICIPANT:

Address: _____
Social Security Number: _____