



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

Fred L. Chevalier  
*Not admitted in Alabama*  
Direct Dial 225-248-2046  
Direct Fax 225-248-3046  
fchevalier@joneswalker.com

May 16, 2014

**Certified Mail # 7009 1680 0000 5096 1754**  
**Return Receipt Requested**

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

Re: Lake Charles Harbor and Terminal District, State of Louisiana vs. All taxpayers, property owners and citizens within the Harbor and Terminal District known as Lake Charles Harbor and Terminal District, State of Louisiana, and all nonresidents owning property or subject to taxation therein, and all other persons affected in any way by the issuance of the \$1,561,000,000 Lake Charles Harbor and Terminal District Revenue Bonds (Lake Charles Clean Energy, LLC Project) in Multiple Series, the means and security provided for the payment thereof and related covenants and matters  
Our Matter # 112213-00

To Whom It May Concern:

Notification of the initiation of bond validation proceedings in the enclosed matter must be made upon the State Bond Commission by registered or certified mail, with return receipt requested.

Enclosed please find a certified copy of a Motion for Judgment filed on May 6, 2014 by the Lake Charles Harbor and Terminal District.

This is an informational filing required by law.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Fred L. Chevalier".

Fred L. Chevalier

FLC/nl  
Enc.

{B0947371.1}

JONES WALKER LLP

ALABAMA · ARIZONA · CALIFORNIA · DISTRICT OF COLUMBIA · FLORIDA · GEORGIA · LOUISIANA · MISSISSIPPI · NEW YORK · TEXAS

LAKE CHARLES HARBOR AND  
TERMINAL DISTRICT,  
STATE OF LOUISIANA

NUMBER: 2014-1771 "G"

VERSUS

ALL TAXPAYERS, PROPERTY OWNERS, AND  
CITIZENS WITHIN THE HARBOR AND  
TERMINAL DISTRICT KNOWN AS THE LAKE  
CHARLES HARBOR AND TERMINAL  
DISTRICT, STATE OF LOUISIANA, AND ALL  
NONRESIDENTS OWNING PROPERTY OR  
SUBJECT TO TAXATION THEREIN, AND ALL  
OTHER PERSONS AFFECTED IN ANY WAY BY  
THE ISSUANCE OF THE \$1,561,000,000 LAKE  
CHARLES HARBOR AND TERMINAL DISTRICT  
REVENUE BONDS (LAKE CHARLES CLEAN  
ENERGY, LLC PROJECT) IN MULTIPLE SERIES,  
THE MEANS AND SECURITY PROVIDED FOR  
THE PAYMENT THEREOF AND RELATED  
COVENANTS AND MATTERS

14TH JUDICIAL DISTRICT COURT

PARISH OF CALCASIEU

STATE OF LOUISIANA

FILED  
MAY 06 2014  
CALCASIEU PARISH COURT  
Deputy Clerk of Court  
C. Thomet

**MOTION FOR JUDGMENT**

NOW INTO COURT, through undersigned counsel, comes the Lake Charles Harbor and Terminal District, State of Louisiana (the "Issuer" or "Plaintiff"), who respectfully represents:

1.

The Issuer is a harbor and terminal district, a body politic and corporate declared to be an agency and instrumentality of the State of Louisiana (the "State") pursuant to Part II of Chapter 1 of Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:201 through 218, inclusive) (the "District Act").

2.

The District Act, Section 340.2 of Title 34, Section 991 through 1001, inclusive, and Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, together with other constitutional and statutory authority (together with the District Act, the "Act") empower the Issuer to issue revenue bonds to further its purposes of promoting and encouraging industrial and commercial redevelopment and to stimulate the economy of the Issuer through renewed commerce and industry. The Issuer is also authorized to issue bonds in accordance with the provisions of the Gulf Opportunity Zone Act of 2005 (Public Law 109-135), as amended (the "GO Zone Act"), and in accordance with the provisions of Section 1400N(a) pursuant to certain provisions of the Heartland Disaster Tax Relief Act of 2008 (2008 P.L. 110-343) (the "Disaster Relief Act") pursuant to which the Issuer is a political subdivision of the State.

3.

The Act empowers the Issuer to pledge to the payment of such bonds all or any part of its revenues payable from any source available to the Issuer, including revenues derived from the operation of properties and facilities owned or maintained and operated by the Issuer and all other revenues received by the Issuer from other sources.

4.

Pursuant to the authority of the Act and the GO Zone Act, the Issuer adopted a resolution on November 26, 2007 (the "*Series 2008 Bond Resolution*") authorizing the issuance of its \$1,000,000,000 Lake Charles Harbor and Terminal District Revenue Bonds (Lake Charles Cogeneration LLC Project) Series 2008 (the "*Series 2008 Bonds*") for the purpose of providing financing for: (i) developing, acquiring, designing, engineering, permitting, equipping, constructing, installing, improving, commissioning, start-up and testing of a poly-generation gasification facility capable of producing chemicals, carbon dioxide, substitute natural gas, and other industrial products for the industrial commercial market to be located on land owned by the Issuer and leased to Lake Charles Clean Energy, LLC (the "*Company*"), (ii) funding a reserve fund, (iii) capitalizing a portion of the interest on the Bonds, and (iv) paying costs incurred with respect to the issuance of the Bonds, including the payment of a premium for a bond insurance policy, if any (the "*Project*"). The Series 2008 Bonds were issued by the Issuer on April 2, 2008 pursuant to that certain Trust Indenture dated as of April 1, 2008, as supplemented by that certain First Supplemental Trust Indenture dated as of March 16, 2009, as further supplemented by that certain Second Supplemental Trust Indenture dated as of February 1, 2010, as the same may be amended and restated or further supplemented and amended from time to time (collectively, the "*2008 Indenture*"), each by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Trustee*"). The Series 2008 Bonds are secured by and are payable from the Lease Payments (as hereinafter defined) to be received by the Issuer pursuant to a Financing and Lease Agreement dated as of March 14, 2008, as amended by the First Amendment to Financing and Lease Agreement dated as of March 16, 2009, as further amended by the Second Amendment to Financing and Lease Agreement dated as of November 1, 2010, as further amended by the Third Amendment to Financing and Lease Agreement dated as of December 1, 2010, as further amended by the Fourth Amendment to Financing and Lease Agreement dated as of March 1, 2011, as further amended by the Fifth Amendment to Financing

and Lease Agreement dated as of December 1, 2012, as further amended by the Sixth Amendment to Financing and Lease Agreement dated as of November 25, 2013 and as the same may be amended and restated or further supplemented and amended from time to time (collectively, the “*Agreement*”), each by and between the Issuer and the Company. The Agreement requires the Company to make or cause to be made payments sufficient in time and amount to pay when due the principal of and interest on all Bonds secured thereunder (the “*Lease Payments*”).

5.

Pursuant to the authority of the Act and the GO Zone Act, the Issuer adopted a resolution on May 24, 2010 (the “*Series 2010 Bond Resolution*”) authorizing the issuance of its \$90,000,000 Lake Charles Harbor and Terminal District Revenue Bonds (Lake Charles Cogeneration LLC Project) Series 2010 (the “*Series 2010 Bonds*”) for the purpose of providing additional financing for the Project. The Series 2010 Bonds were issued by the Issuer on December 2, 2010 pursuant to that certain Trust Indenture dated as of November 1, 2010 by and between the Issuer and the Trustee, as the same may be amended and restated or supplemented and amended from time to time (the “*2010 Indenture*”) and are also secured by and are payable from the revenues to be received by the Issuer pursuant to the Agreement.

6.

Pursuant to the authority of the Act and the GO Zone Act, the Issuer adopted a resolution on December 8, 2010 (the “*Series 2010A Bond Resolution*”) authorizing the issuance of its \$161,000,000 Lake Charles Harbor and Terminal District Revenue Bonds (Lake Charles Cogeneration LLC Project) Series 2010A (the “*Series 2010A Bonds*”) for the purpose of providing additional financing for the Project. The Series 2010A Bonds were issued by the Issuer on December 30, 2010 pursuant to that certain Trust Indenture dated as of December 1, 2010 by and between the Issuer and the Trustee, as the same may be amended and restated or supplemented and amended from time to time (the “*2010A Indenture*”) and are also secured by and are payable from the revenues to be received by the Issuer pursuant to the Agreement.

7.

Pursuant to the authority of the Act and the Disaster Relief Act, the Issuer adopted a resolution on May 24, 2010 (the “*Series 2011 Bond Resolution*”) authorizing the issuance of its \$1,000,000 Lake Charles Harbor and Terminal District Revenue Bonds (Lake Charles

Cogeneration LLC Project) Series 2011 (the “*Series 2011 Bonds*”) for the purpose of providing additional financing for the Project. The Series 2011 Bonds were issued by the Issuer on March 22, 2011 pursuant to that certain Trust Indenture dated as of March 1, 2011 by and between the Issuer and the Trustee, as the same may be amended and restated or supplemented and amended from time to time (the “*2011 Indenture*”) and are also secured by and are payable from the revenues to be received by the Issuer from the Agreement.

8.

Pursuant to the authority of the Act and the Disaster Relief Act, the Issuer adopted a resolution on September 24, 2012 (the “*Series 2012 Bond Resolution*” and together with the Series 2008 Bond Resolution, the Series 2010 Bond Resolution, the Series 2010A Bond Resolution, and the Series 2011 Bond Resolution, the “*Bond Resolution*”) authorizing the issuance of its \$309,000,000 Lake Charles Harbor and Terminal District Revenue Bonds (Lake Charles Clean Energy LLC Project) Series 2012 (the “*Series 2012 Bonds*” and together with the Series 2008 Bonds, the Series 2010 Bonds, the Series 2010A Bonds, and the Series 2011 Bonds, the “*Bonds*”) for the purpose of providing additional financing for the Project. The Series 2012 Bonds were issued by the Issuer on December 27, 2012 pursuant to that certain Trust Indenture dated as of December 1, 2012 by and between the Issuer and the Trustee, as the same may be amended and restated or supplemented and amended from time to time (the “*2012 Indenture*” and together with the 2008 Indenture, the 2010 Indenture, the 2010A Indenture, and the 2011 Indenture, the “*Indenture*”) and are also secured by and are payable from the revenues to be received by the Issuer pursuant to the Agreement.

9.

The Project is owned by and is located on certain immovable property owned by the Issuer located in Calcasieu Parish, Louisiana (the “*Project Site*”). Pursuant to Article VII, Section 21(A) of the Louisiana Constitution of 1974, as amended, all property owned by the Issuer and used for public purposes is exempt from *ad valorem* taxes. The Project is used for the public purposes of promoting and encouraging industrial and commercial redevelopment and stimulating the economy of the Issuer through renewed commerce and industry. The Project and the Project Site are exempt from *ad valorem* taxation while owned by the Issuer because the Project and the Project Site are considered public property used for public purposes.

10.

In the process of determining the appropriate location for the Project, the Company decided to locate the Project on the Project Site in large part due to its reliance on the *ad valorem* tax-exempt status of the Project as a result of the Issuer's ownership of the Project. The Agreement requires the Company to make or cause to be made payments in lieu of *ad valorem* taxes to the Calcasieu Parish School Board and to the Parish of Calcasieu, State of Louisiana (collectively, the "*PILOT Payments*").

11.

As required by the Act and prior to the issuance of the Bonds, the Issuer sought and obtained approvals to issue the Bonds from the State Bond Commission.

12.

The Issuer is authorized as a governmental unit of the State to bring this action under Part XVI of Chapter 32 of Title 13 (La. R.S. 13:5121 *et seq.*) of the Louisiana Revised Statutes of 1950, as amended (the "*Validation Act*"), to judicially determine the validity of (i) the Bonds, (ii) all proceedings taken in connection with the authorization or issuance of the Bonds, (iii) the validity of all leases, contracts, and other means provided for the payment of the Bonds, and (iv) the validity of the pledges of revenues and the covenants and provisions which constitute the contract between the Issuer and the holders of the Bonds, all in order to provide a uniform, expeditious, and equitable procedure with due regard for the public fisc and rights of persons in interest.

13.

The Issuer is duly authorized pursuant to the Act and the Validation Act to file and does hereby file this Motion for Judgment (this "*Motion*") against all defendants hereinafter stated in order to determine: (i) the legality and validity of the Bonds; (ii) the legality and validity of all actions and proceedings of the Issuer taken in connection with the authorization or issuance of the Bonds, including the Bond Resolution adopted by the Issuer authorizing the issuance of the Bonds and the terms and provisions thereof regarding the security and payment of the Bonds; (iii) the legality and validity of the Indenture and the Agreement, including all terms and provisions and compliance with the conditions thereof, including the provisions contained in the Agreement requiring the Company to pay the Lease Payments; (iv) the legality and validity of all

pledges of revenues and other means provided for the payment and security of the Bonds; (v) the legality and validity of the ownership of the Project by the Issuer, constituting the public purpose of economic development under State law, resulting in the exclusion of the Project from the *ad valorem* tax rolls of Calcasieu Parish and the requirement for the Company to pay the PILOT Payments in lieu of *ad valorem* taxes on the Project; and (vi) any other matters related to the validity or approvals related to the Bonds, or the security therefor, including but not limited to the Agreement and all covenants and provisions thereof.

14.

Made defendants herein, pursuant to the Validation Act, are all taxpayers, property owners, and citizens within the harbor and terminal district known as the Lake Charles Harbor and Terminal District, State of Louisiana, and nonresidents owning property or subject to taxation therein, and all other persons interested in or affected in any way by the issuance of the Bonds, the means provided for the payment and security thereof, and related matters.

15.

Plaintiff avers that the Bonds, the Indenture, and the transactions contemplated thereby and the Agreement and the transactions contemplated thereby will each be a valid, legal, and enforceable obligation of the parties thereto.

16.

Plaintiff has instituted this action in order to obtain an expedited determination of: (i) the legality and validity of the Bonds; (ii) the legality and validity of all actions and proceedings of the Issuer taken in connection with the authorization or issuance of the Bonds, including the Bond Resolution adopted by the Issuer authorizing the issuance of the Bonds and the terms and provisions thereof regarding the security and payment of the Bonds; (iii) the legality and validity of the Indenture and the Agreement, including all terms and provisions and compliance with the conditions thereof, including the provisions contained in the Agreement requiring the Company to pay the Lease Payments; (iv) the legality and validity of all pledges of revenues and other means provided for the payment and security of the Bonds; (v) the legality and validity of the ownership of the Project by the Issuer, constituting the public purpose of economic development under State law, resulting in the exclusion of the Project from the *ad valorem* tax rolls of Calcasieu Parish and the requirement for the Company to pay the PILOT Payments in lieu of *ad valorem* taxes on the Project; and (vi) any other matters related to the validity or approvals

related to the Bonds or the security therefor, including but not limited to the Agreement and all covenants and provisions thereof.

WHEREFORE, Plaintiff prays:

(1) That, pursuant to the Validation Act, this Court issue an order (the “Order”) directing the publication of this Motion two (2) times within a period of fifteen (15) consecutive calendar days from the date of the Order in *The American Press*, a newspaper published daily in Calcasieu Parish, Louisiana, being a newspaper of general circulation in the jurisdiction of the Issuer (the first publication of which is to be not later than eight (8) days from and after the date of issuance of the Order), and at the same time fix a time and place for hearing this cause, which time and place will be published with this Motion (the date fixed for hearing to be at least ten (10) days but not more than thirteen (13) days after the second publication of this Motion);

(2) That, at the time and place designated in said Order, this Court proceed to hear and determine all questions of law and fact in this cause, including, but not limited to: (i) the legality and validity of the Bonds; (ii) the legality and validity of all actions and proceedings of the Issuer taken in connection with the authorization or issuance of the Bonds, including the Bond Resolution adopted by the Issuer authorizing the issuance of the Bonds and the terms and provisions thereof regarding the security and payment of the Bonds; (iii) the legality and validity of the Indenture and the Agreement, including all terms and provisions and compliance with the conditions thereof, including the provisions contained in the Agreement requiring the Company to pay the Lease Payments; (iv) the legality and validity of all pledges of revenues and other means provided for the payment and security of the Bonds; (v) the legality and validity of the ownership of the Project by the Issuer, constituting the public purpose of economic development under State law, resulting in the exclusion of the Project from the *ad valorem* tax rolls of Calcasieu Parish and the requirement for the Company to pay the PILOT Payments in lieu of *ad valorem* taxes on the Project; and (vi) any other matters related to the validity or approvals related to the Bonds or the security therefor, including but not limited to the Agreement and all covenants and provisions thereof;

(3) That, after due proceedings, this Court render a judgment herein establishing and declaring: (i) the legality and validity of the Bonds; (ii) the legality and validity of all actions and proceedings of the Issuer taken in connection with the authorization or issuance of the Bonds, including the Bond Resolution adopted by the Issuer authorizing the issuance of the Bonds and

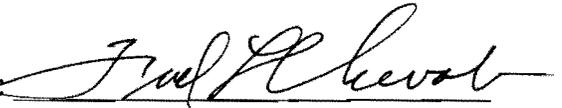
the terms and provisions thereof regarding the security and payment of the Bonds; (iii) the legality and validity of the Indenture and the Agreement, including all terms and provisions and compliance with the conditions thereof, including the provisions contained in the Agreement requiring the Company to pay the Lease Payments; (iv) the legality and validity of all pledges of revenues and other means provided for the payment and security of the Bonds; (v) the legality and validity of the ownership of the Project by the Issuer, constituting the public purpose of economic development under State law, resulting in the exclusion of the Project from the *ad valorem* tax rolls of Calcasieu Parish and the requirement for the Company to pay the PILOT Payments in lieu of *ad valorem* taxes on the Project; (vi) any other matters related to the validity or approvals related to the Bonds or the security therefor, including but not limited to the Agreement and all covenants and provisions thereof; and (vii) any other matters or objections adjudicated or that might have been called into question in this proceeding.

(4) That this Honorable Court issue a permanent injunction against the institution by any person of any action or proceeding contesting: (i) the legality and validity of the Bonds; (ii) the legality and validity of all actions and proceedings of the Issuer taken in connection with the authorization or issuance of the Bonds, including the Bond Resolution adopted by the Issuer authorizing the issuance of the Bonds and the terms and provisions thereof regarding the security and payment of the Bonds; (iii) the legality and validity of the Indenture and the Agreement, including all terms and provisions and compliance with the conditions thereof, including the provisions contained in the Agreement requiring the Company to pay the Lease Payments; (iv) the legality and validity of all pledges of revenues and other means provided for the payment and security of the Bonds; (v) the legality and validity of the ownership of the Project by the Issuer, constituting the public purpose of economic development under State law, resulting in the exclusion of the Project from the *ad valorem* tax rolls of Calcasieu Parish and the requirement for the Company to pay the PILOT Payments in lieu of *ad valorem* taxes on the Project; (vi) any other matters related to the validity or approvals related to the Bonds or the security therefor, including but not limited to the Agreement and all covenants and provisions thereof; and (vii) any other matters or objections adjudicated or that might have been called into question in this proceeding.

(5) For all equitable relief.

Respectfully submitted,

**LAKE CHARLES HARBOR AND  
TERMINAL DISTRICT,  
STATE OF LOUISIANA**

By: 

**Fred L. Chevalier (Bar # 4049)**  
**Matthew W. Kern (Bar # 31810)**  
**Lauren E. Ellis (Bar # 35411)**  
Jones Walker LLP  
8555 United Plaza Blvd., 5th Floor  
Baton Rouge, Louisiana 70809  
Telephone: (225) 248-2000

**Michael K. Dees (Bar #4796)**  
General Counsel  
P.O. Box 3753  
751 Bayou Pines East, Suite P  
Lake Charles, Louisiana 70602  
Telephone: (337) 493-3504