

MEMORANDUM OF UNDERSTANDING

between the

PANAMA CANAL AUTHORITY

and

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

This Memorandum of Understanding (**MOU**) is entered between the **Panama Canal Authority (ACP)**, an autonomous legal entity established by the Constitution of the Republic of Panama under public law and having its main offices in Balboa, Panama in the Republic of Panama and Lake Charles Harbor and Terminal District (**Port of Lake Charles**), port district governed by a Board of Commissioners, a public body created by the Louisiana Legislature, located on the U.S. Gulf Coast in southwest Louisiana, with facilities in Calcasieu Parish, with its principal office located at 751 Bayou Pines East, Suite P, Lake Charles, Louisiana (hereinafter collectively referred to as the "**parties**").

WHEREAS,

The **Port of Lake Charles**, a deep-water seaport of entry into the United States Gulf Coast, is a national leader in the petrochemical industry, due in great part to the productive development of mineral resources like natural gas, sulfur, and petroleum products. The Port District in which the Port of Lake Charles is located, encompasses 203 square miles in Calcasieu Parish, and accommodates some 5 million tons of cargo annually at its public facilities. In the coming years, several petrochemical companies have plans to build new liquefied natural gas (LNG) plants or expand their existing facilities and begin exporting overseas;

The **ACP** is the organization in charge of managing, operating and maintaining the Panama Canal, one of the main links of world commerce. The **ACP** is currently engaged in a multi-billion dollar expansion project that will double the waterway's capacity and will allow for the transit of larger and wider vessels. The expansion will result in economies of scale in shipping and an improved transportation system through Panama;

The **parties** recognize the importance of the flow of liquid bulk commodities through the Panama Canal each year, particularly in the trade route that joins the Gulf Coast of the United States with Asian ports;

The **parties** hereto believe it is in their mutual interest to establish an alliance of cooperation aimed at facilitating international trade and generating new business by promoting the all water

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route between Asia and the Gulf Coast of the United States through the **Port of Lake Charles** via the Panama Canal;

Such new business would help to increase the present level of economic growth by increasing job opportunities and revenues at the **Port of Lake Charles** and increasing revenues at the Panama Canal;

The **parties** are constantly undertaking a series of activities aimed at fostering the growth of global commerce and;

The **parties** desire to cooperate in sharing studies and market-related information that will allow them to project the future demand of liquid bulk-type commodities such as petrochemicals and LNG, shipped through the Panama Canal.

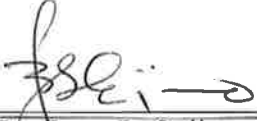
NOW, THEREFORE, the **parties** agree to:

1. Undertake joint initiatives, subject to their respective laws and regulations, to satisfy the above stated objectives which may include:
 - a. Joint Marketing Activities – As convenient, the **parties** may elect to undertake joint marketing efforts to generate awareness of the benefits of the Canal expansion and of the movements of liquid bulk commodities, such as petrochemicals and LNG, particularly in the predominant United States to Asia route. These joint marketing efforts may include, but are not limited to, joint advertising activities aimed at promoting the all water route; joint exhibitor booths at maritime events; joint press conferences; editorial placement and other public relations materials or activities of mutual interest.
 - b. Data Interchange - The **parties** may elect to share data that may be helpful in forecasting future trade flows, developing marketing strategies and obtaining additional knowledge about the shipping market. The **parties** may also exchange information on subjects of interest that may include, but is not limited to, transit information, types of commodities, export volumes, and future plans, among others.
 - c. Market Studies - The **parties** may elect to exchange information contained in studies performed by them or by their consultants or representatives that may be of interest to the other party. The information contained in the studies shall be treated in a confidential manner to the extent permitted by law. The **parties** may also elect to perform joint studies that address their areas of respective interest.
 - d. Modernization and Improvements - The **parties** may elect to share information regarding improvements and/or modernization efforts being undertaken and which may have as a purpose the need of satisfying an increase in demand or improved transportation services.
 - e. Training - The parties may elect to share information on training programs and may develop joint training seminars as well as cross-training activities.


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- f. Technological Interchange - The parties may elect to share their technological capabilities and programs as well as the information contained in them.
2. It is intended that this relationship will last for five years, renewable upon mutual agreement by both **parties**.
 3. Either party may terminate the relationship, by informing the other, in writing, and giving a thirty (30) day notice of termination of this Memorandum of Understanding.
 4. Both **parties** are free to form other partnerships, of a similar or identical nature, with other entities.
 5. This Memorandum sets forth the complete agreement of the **parties** with regard to this alliance of cooperation. It may be amended in writing only, and such amendment shall be signed and dated by both parties.
 6. It is the intention of this document to set forth the general intentions of the **parties**, and not to set forth any legally binding rights or obligations. This MOU will be effective upon signature by the authorized representative of each of the parties.

Panama Canal Authority


By: Jorge L. Quijano
Title: Administrator/CEO
Date: January 6, 2015

**Lake Charles Harbor and
Terminal District**


By: William J. Rase
Title: Executive Director
Date: Jan 6 2015

