Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

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Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. The following are some of the important factors that **should be considered when investing in us, as such risk factors** could **adversely** affect our **business,** financial ~~performance~~ **condition, results of operations** or **cash flows or have other adverse impacts and** could cause actual results to differ materially from estimates or expectations contained in our forward- looking statements. ~~We may encounter risks in addition to those described below.~~ Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may also ~~impair or~~ adversely affect our business, contracts, financial condition, operating results, cash flows, liquidity and prospects. The risk factors in this report are grouped into the following categories: • Risks Relating to Our Financial Matters; • Risks Relating to Our Operations and Industry; • Risks Relating to Regulations; • Risks Relating to Our Relationship with Our General Partner; • Risks Relating to an Investment in Us and Our Common Units; and • Risks Relating to Tax Matters. ~~Our existing level of~~ **An inability to source capital to supplement our available** cash resources and ~~significant debt~~ **existing revolving credit facilities** could cause us to have inadequate liquidity and could materially and adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. As of December 31, ~~2022~~ **2023** , we had **, on a consolidated basis,** $ ~~904~~ **575** million of cash and cash equivalents, $ ~~92~~ **56** million of restricted cash and cash equivalents, a total of $ 1. ~~6~~ **7** billion of available commitments under our credit facilities and $ 16. ~~3~~ **0** billion of total debt outstanding ~~on a consolidated basis~~ (before unamortized ~~premium,~~ discount and debt issuance costs). SPL and CQP operate with independent capital structures as further detailed in Note 11 — Debt of our Notes to Consolidated Financial Statements. We incur, and will incur, significant interest expense relating to financing the assets at the Sabine Pass LNG Terminal **, and we anticipate drawing on current committed facilities and / or incurring additional debt to finance the construction of the SPL Expansion Project if a positive FID is made** . Our ability to **fund our capital expenditures and** refinance our indebtedness will depend on our ability to access additional project financing as well as the debt and equity capital markets. A variety of factors beyond our control could impact the availability or cost of capital, including domestic or international economic conditions, increases in key benchmark interest rates and / or credit spreads, the adoption of new or amended banking or capital market laws or regulations **, lending institutions' evolving policies on financing businesses linked to fossil fuels** and the repricing of market risks and volatility in capital and financial markets. Our financing costs could increase or future borrowings or equity offerings may be unavailable to us or unsuccessful, which could cause us to be unable to pay or refinance our indebtedness or to fund our other liquidity needs. We also rely on borrowings under our credit facilities to fund our capital expenditures. If any of the lenders in the syndicates backing these facilities was unable to perform on its commitments, we may need to seek replacement financing, which may not be available as needed, or may be available in more limited amounts or on more expensive or otherwise unfavorable terms. Our ability to generate cash is substantially dependent upon the performance by customers under long- term contracts that we have entered into, and we could be materially and adversely affected if any significant customer fails to perform its contractual obligations for any reason. Our future results and liquidity are substantially dependent upon performance by our customers to make payments under long- term contracts. As of December 31, ~~2022~~ **2023** , we had SPAs with **initial** terms of 10 or more years with a total of 11 different third party customers. While substantially all of our long- term third party customer arrangements are executed with a creditworthy parent company or secured by a parent company guarantee or other form of collateral, we are nonetheless exposed to credit risk in the event of a customer default that requires us to seek recourse. Additionally, our long- term SPAs entitle the customer to terminate their contractual obligations upon the occurrence of certain events which include, but are not limited to: (1) if we fail to make available specified scheduled cargo quantities; (2) delays in the commencement of commercial operations; and (3) under the majority of our SPAs **,** upon the occurrence of certain events of force majeure. Although we have not had a history of material customer default or termination events, the occurrence of such events are largely outside of our control and may expose us to unrecoverable losses. We may not be able to replace these customer arrangements on desirable terms, or at all, if they are terminated. As a result, our business, contracts, financial condition, operating results, cash flow, liquidity and prospects could be materially and adversely affected. Our subsidiaries may be restricted under the terms of their indebtedness from making distributions to us under certain circumstances, which may limit our ability to pay or increase distributions to our unitholders and could materially and adversely affect the market price of our common units. The agreements governing our subsidiaries' indebtedness restrict payments that our subsidiaries can make to us in certain events ~~and limit the indebtedness that our subsidiaries can incur~~ . For example, SPL is restricted from making distributions under agreements governing its indebtedness generally ~~until~~ **unless** , among other requirements, appropriate reserves have been established for debt service using cash or letters of credit and a debt service coverage ratio of 1. 25: 1. 00 is satisfied. Our subsidiaries' inability to pay distributions to us ~~or to incur additional indebtedness~~ as a result of the foregoing restrictions in the agreements governing their indebtedness may inhibit our ability to pay or increase distributions to our unitholders, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Our efforts to manage commodity and financial risks through derivative instruments, including our IPM ~~agreement~~ **agreements** , could adversely affect our earnings reported under GAAP and ~~affect~~ our liquidity. We use derivative instruments to manage commodity, currency and financial market risks. The extent of our derivative position at any given time depends on our assessments of the markets for these commodities and related exposures. We currently account for our derivatives at fair value, with immediate recognition of changes in the fair value in earnings ~~, other than certain derivatives for which we have elected to apply accrual accounting~~ , as described in Note 3 — Summary of Significant Accounting Policies of our Notes to Consolidated Financial Statements. Such valuations are primarily valued based on estimated forward commodity prices and are more susceptible to variability particularly when markets are volatile **, which could have a significant adverse effect on our earnings reported under GAAP** . ~~As~~ **For example, as** described in Results of Operations in Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations, our net income for the year ended December 31, 2022 ~~includes~~ **included** $ 1. 1 billion of losses resulting from changes in **the** fair values of our derivatives, of which substantially all of such losses were related to commodity derivative instruments indexed to international LNG prices, mainly our IPM agreement **in force** . These transactions and other derivative transactions have and may continue to result in substantial volatility in results of operations reported under GAAP, particularly in periods of significant commodity, currency or financial market variability. For certain of these instruments, in the absence of actively quoted market prices and pricing information from external sources, the value of these financial instruments involves management' s judgment or use of estimates. Changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. In addition, our liquidity may be adversely impacted by the cash margin requirements of the commodities exchanges or the failure of a counterparty to perform in accordance with a contract. As of December 31, **2023 and** 2022 ~~and 2021~~ , we had collateral posted with counterparties by us of **zero and** $ 35 ~~million and $ 7~~ million, respectively, which are included in margin deposits in our Consolidated Balance Sheets. Restrictions in agreements governing our subsidiaries' indebtedness may prevent our subsidiaries from engaging in certain beneficial transactions, which could materially and adversely affect us. In addition to restrictions on the ability of us and SPL to make distributions or incur additional indebtedness, the agreements governing ~~their~~ **SPL' s** indebtedness also contain various other covenants that may prevent them from engaging in beneficial transactions, including limitations on their ability to: • make certain investments; • purchase, redeem or retire equity interests; • issue preferred stock; • sell or transfer assets; • incur liens; • enter into transactions with affiliates; • consolidate, merge, sell or lease all or substantially all of its assets; and • enter into sale and leaseback transactions. Any restrictions on the ability to engage in beneficial transactions could materially and adversely affect us. Catastrophic weather events or other disasters could result in an interruption of our operations, a delay in the construction of our Liquefaction Project, damage to our Liquefaction Project and increased insurance costs, all of which could adversely affect us. Weather events such as major hurricanes and winter storms have caused interruptions or temporary suspension in construction or operations at our facilities or caused minor damage to our facilities. In August 2020, SPL entered into an arrangement with its affiliate to provide the ability, in limited circumstances, to potentially fulfill commitments to LNG buyers from the other facility in the event operational conditions impact operations at the Sabine Pass LNG Terminal or at its affiliate' s terminal. During the year ended December 31, 2021, eight TBtu was loaded at affiliate facilities pursuant to this agreement. Our risk of loss related to weather events or other disasters is limited by contractual provisions in our SPAs, which can provide under certain circumstances relief from operational events, and partially mitigated by insurance we maintain. Aggregate direct and indirect losses associated with the aforementioned weather events, net of insurance reimbursements, have not historically been material to our Consolidated Financial Statements, and we believe our insurance coverages maintained, existence of certain protective clauses within our SPAs and other risk management strategies mitigate our exposure to material losses. However, future adverse weather events and collateral effects, or other disasters such as explosions, fires, floods or severe droughts, could cause damage to, or interruption of operations at our terminal or related infrastructure, which could impact our operating results, increase insurance premiums or deductibles paid and delay or increase costs associated with the construction and development of our other facilities. Our LNG terminal infrastructure and LNG facility located in or near Sabine Pass, Louisiana are designed in accordance with requirements of 49 Code of Federal Regulations Part 193, Liquefied Natural Gas Facilities: Federal Safety Standards, and all applicable industry codes and standards. Disruptions to the third party supply of natural gas to our pipeline and facilities could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. We depend upon third party pipelines and other facilities that provide gas delivery options to our Liquefaction Project and to and from the Creole Trail Pipeline. If any pipeline connection were to become unavailable for current or future volumes of natural gas due to repairs, damage to the facility, lack of capacity, failure to replace contracted firm pipeline transportation capacity on economic terms, or any other reason, our ability to receive natural gas volumes to produce LNG or to continue shipping natural gas from producing regions or to end markets could be adversely impacted. Such disruptions to our third party supply of natural gas may also be caused by weather events or other disasters described in the risk factor Catastrophic weather events or other disasters could result in an interruption of our operations, a delay in the construction of our Liquefaction Project, damage to our Liquefaction Project and increased insurance costs, all of which could adversely affect us. While certain contractual provisions in our SPAs can limit the potential impact of disruptions, and historical indirect losses incurred by us as a result of disruptions to our third party supply of natural gas have not been material, any significant disruption to our natural gas supply where we may not be protected could result in a substantial reduction in our revenues under our long- term SPAs or other customer arrangements, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. We may not be able to purchase or receive physical delivery of sufficient natural gas to satisfy our delivery obligations under the SPAs, which could have a material adverse effect on us. Under the SPAs with our customers, we are required to make available to them a specified amount of LNG at specified times. The supply of natural gas to our Liquefaction Project to meet our LNG production requirements timely and at sufficient quantities is critical to our operations and the fulfillment of our customer contracts. However, we may not be able to purchase or receive physical delivery of natural gas as a result of various factors, including non-delivery or untimely delivery by our suppliers, depletion of natural gas reserves within regional basins and disruptions to pipeline operations as described in the risk factor Disruptions to the third party supply of natural gas to our pipelines and facilities could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Our risk is in part mitigated by the diversification of our natural gas supply and ~~transport~~ **transportation** across suppliers and pipelines, and regionally across basins, and additionally, we have provisions within our supplier contracts that provide certain protections against non- performance. Further, provisions within our SPAs provide certain protection against force majeure events. While historically we have not incurred significant or prolonged disruptions to our natural gas supply that have resulted in a material adverse impact to our operations, due to the criticality of natural gas supply to our production of LNG, our failure to purchase or receive physical delivery of sufficient quantities of natural gas under circumstances where we may not be protected could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. We are subject to significant construction and operating hazards and uninsured risks, one or more of which may create significant liabilities and losses for us. The construction and operation of the Sabine Pass LNG Terminal and the operation of the Creole Trail Pipeline are, and will be, subject to the inherent risks associated with these types of operations as discussed throughout our risk factors, including explosions, breakdowns or failures of equipment, operational errors by vessel or tug operators, pollution, release of toxic substances, fires, hurricanes and adverse weather conditions and other hazards, each of which could result in significant delays in commencement or interruptions of operations and / or in damage to or destruction of our facilities or damage to persons and property. In addition, our operations and the facilities and vessels of third parties on which our operations are dependent face possible risks associated with acts of aggression or terrorism. We do not, nor do we intend to, maintain insurance against all of these risks and losses. We may not be able to maintain desired or required insurance in the future at rates that we consider reasonable. Although losses incurred as a result of self insured risk have not been material historically, the occurrence of a significant event not fully insured or indemnified against could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Cyclical or other changes in the demand for and price of LNG and natural gas may adversely affect our LNG business and the performance of our customers and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Our LNG business and the development of domestic LNG facilities and projects generally is based on assumptions about the future availability and price of natural gas and LNG and the prospects for international natural gas and LNG markets. Natural gas and LNG prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to one or more of the following factors: • competitive liquefaction capacity in North America; • insufficient or oversupply of natural gas liquefaction or receiving capacity worldwide; • insufficient LNG tanker capacity; • weather conditions, including temperature volatility resulting from climate change, and extreme weather events may lead to unexpected distortion in the balance of international LNG supply and demand; • reduced demand and lower prices for natural gas; • increased natural gas production deliverable by pipelines, which could suppress demand for LNG; • decreased oil and natural gas exploration activities which may decrease the production of natural gas, including as a result of any potential ban on production of natural gas through hydraulic fracturing; • cost improvements that allow competitors to provide natural gas liquefaction capabilities at reduced prices; • changes in supplies of, and prices for, alternative energy sources which may reduce the demand for natural gas; • changes in regulatory, tax or other governmental policies regarding imported LNG, natural gas or alternative energy sources, which may reduce the demand for imported LNG and / or natural gas; • political conditions in customer regions; • sudden decreases in demand for LNG as a result of natural disasters or public health crises, including the occurrence of a pandemic, and other catastrophic events; • adverse relative demand for LNG compared to other markets, which may decrease LNG ~~imports~~ **exports** from North America; and • cyclical trends in general business and economic conditions that cause changes in the demand for natural gas. Adverse trends or developments affecting any of these factors could result in decreases in the price of LNG and / or natural gas, which could materially and adversely affect **our LNG business and** the performance of our customers, and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Failure of exported LNG to be a long term competitive source of energy for international markets could adversely affect our customers and could materially and adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Operations of the Liquefaction Project are dependent upon the ability of our SPA customers to deliver LNG supplies from the United States, which is primarily dependent upon LNG being a competitive source of energy internationally. The success of our business plan is dependent, in part, on the extent to which LNG can, for significant periods and in significant volumes, be supplied from ~~North America~~ **the United States** and delivered to international markets at a lower cost than the cost of alternative energy sources. Through the use of improved exploration technologies, additional sources of natural gas may be discovered outside the United States, which could increase the available supply of natural gas outside the United States and could result in natural gas in those markets being available at a lower cost than LNG exported to those markets. Political instability in foreign countries that import or export natural gas, or strained relations between such countries and the United States, may also impede the willingness or ability of LNG purchasers or suppliers and merchants in such countries to import LNG from the United States. Furthermore, some foreign purchasers or suppliers of LNG may have economic or other reasons to obtain their LNG from, or direct their LNG to, non- U. S. markets or from or to our competitors' liquefaction facilities in the United States. As described in Market Factors and Competition, it is expected that global demand for natural gas and LNG will continue to increase as nations seek more abundant, reliable and environmentally cleaner fuel alternatives to alternative fossil fuel energy sources such as oil and coal. However, as a result of transitions globally from fossil- based systems of energy production and consumption to renewable energy sources, LNG may face increased competition from alternative, cleaner sources of energy as such alternative sources emerge. Additionally, LNG from the Liquefaction Project also competes with other sources of LNG, including LNG that is priced to indices other than Henry Hub. Some of these sources of energy may be available at a lower cost than LNG from the Liquefaction Project in certain markets. The cost of LNG supplies from the United States, including the Liquefaction Project, may also be impacted by an increase in natural gas prices in the United States. As described in Market Factors and Competition, we have contracted through our SPAs and IPM ~~agreements~~ - **agreement** approximately 85 % of the total **anticipated** production ~~capacity~~ from the

Liquefaction Project with approximately ~~15~~ **14** years of weighted average remaining life as of December 31, ~~2022~~ **2023 , excluding volumes that are contractually subject to additional liquefaction capacity beyond what is currently in construction or operation** . However, as a result of the factors described above and other factors, the LNG we produce may not remain a long term competitive source of energy internationally, particularly when our existing long term contracts begin to expire. Any significant impediment to the ability to continue to secure long term commercial contracts or deliver LNG from the United States could have a material adverse effect on our customers and on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. We face competition based upon the international market price for LNG. Our Liquefaction Project is subject to the risk of LNG price competition at times when we need to replace any existing SPA, whether due to natural expiration, default or otherwise, or enter into new SPAs. Factors relating to competition may prevent us from entering into a new or replacement SPA on economically comparable terms as existing SPAs, or at all. Such an event could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Factors which may negatively affect potential demand for LNG from our Liquefaction Project are diverse and include, among others: • increases in worldwide LNG production capacity and availability of LNG for market supply; • increases in demand for LNG but at levels below those required to maintain current price equilibrium with respect to supply; • increases in the cost to supply natural gas feedstock to our Liquefaction Project; • decreases in the cost of competing sources of natural gas or alternate fuels such as coal, heavy fuel oil and diesel; • decreases in the price of non- U. S. LNG, including decreases in price as a result of contracts indexed to lower oil prices; • increases in capacity and utilization of nuclear power and related facilities; and • displacement of LNG by pipeline natural gas or alternate fuels in locations where access to these energy sources is not currently available. A cyber attack involving our business, operational control systems or related infrastructure, or that of third party pipelines which supply the Liquefaction Project, could negatively impact our operations, result in data security breaches, impede the processing of transactions or delay financial or compliance reporting. These impacts could materially and adversely affect our business, contracts, financial condition, operating results, cash flow and liquidity. The pipeline and LNG industries are increasingly dependent on business and operational control technologies to conduct daily operations. We rely on control systems, technologies and networks to run our business and to control and manage our pipeline, liquefaction and shipping operations. Cyber attacks on businesses have escalated in recent years, including as a result of geopolitical tensions, and use of the internet, cloud services, mobile communication systems and other public networks exposes our business and that of other third parties with whom we do business to potential cyber attacks, including third party pipelines which supply natural gas to our Liquefaction Project. For example, in 2021 Colonial Pipeline suffered a ransomware attack that led to the complete shutdown of its pipeline system for six days. Should multiple of the third party pipelines which supply our Liquefaction Project suffer similar concurrent attacks, the Liquefaction Project may not be able to obtain sufficient natural gas to operate at full capacity, or at all. A cyber attack involving our business or operational control systems or related infrastructure, or that of third party pipelines with which we do business, could negatively impact our operations, result in data security breaches, impede the processing of transactions, or delay financial or compliance reporting. These impacts could materially and adversely affect our business, contracts, financial condition, operating results, cash flow and liquidity. Outbreaks of infectious diseases, such as ~~the outbreak of~~ COVID- 19, at our facilities could adversely affect our operations. Our facilities at the Sabine Pass LNG Terminal are critical infrastructure and continued to operate during the COVID- 19 pandemic through our implementation of workplace controls and pandemic risk reduction measures. While the COVID- 19 pandemic, including **subsequent** ~~the Delta and Omicron~~ variants, ~~has~~ had no adverse impact on our on- going operations, the risk of future variants **and other infectious diseases** is unknown. While we believe we can continue to mitigate any significant adverse impact to our employees and operations at our critical facilities related to the virus in its current form, the outbreak of a more potent variant or another infectious disease in the future at one or more of our facilities could adversely affect our operations. Failure to obtain and maintain approvals and permits from governmental and regulatory agencies with respect to the design, construction and operation of our facilities, the development and operation of our pipeline and the export of LNG could impede operations and construction and could have a material adverse effect on ~~us~~ **our business, contracts, financial condition, operating results, cash flow, liquidity and prospects** . The design, construction and operation of interstate natural gas pipelines, our LNG terminal, including the Liquefaction Project, **the SPL Expansion Project** and other facilities, as well as the ~~import and~~ export of LNG and the purchase and transportation of natural gas, are highly regulated activities. Approvals of the FERC and DOE under Section 3 and Section 7 of the NGA, as well as several other material governmental and regulatory approvals and permits, including several under the CAA and the CWA, are required in order to construct and operate an LNG facility and an interstate natural gas pipeline and export LNG. To date, the FERC has issued orders under Section 3 of the NGA authorizing the siting, construction and operation of the six Trains and related facilities of the Liquefaction Project, as well as orders under Section 7 of the NGA authorizing the construction and operation of the Creole Trail Pipeline **. In May 2023, certain of our subsidiaries entered the pre- filing review process with the FERC under the NEPA for the SPL Expansion Project** . To date, the DOE has also issued orders under Section 4 of the NGA authorizing SPL to export domestically produced LNG **. In January 2024, the Biden Administration announced a temporary pause on pending decisions on exports of LNG to non- FTA countries until the DOE can update the underlying analyses for authorizations. We do not believe such a pause will have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, or liquidity. We have no projects pending non- FTA export approval with the DOE at this time, although we would anticipate seeking non- FTA export authorization from the DOE on the SPL Expansion Project in the future, having entered the pre- filing review process with the FERC in May 2023** . Additionally, we hold certificates under Section 7 (c) of the NGA that grant us land use rights relating to the situation of our pipeline on land owned by third parties. If we were to lose these rights or be required to relocate our pipelines, our business could be materially and adversely affected. Authorizations obtained from the FERC, DOE and other federal and state regulatory agencies contain ongoing conditions that we must comply with. **Failure to**

comply ~~We are currently in compliance~~ with ~~such conditions; however, failure to comply~~ or our inability to obtain and maintain existing or newly imposed approvals ~~and~~ **,** permits ~~,~~ **and** filings **that** ~~, which~~ may arise due to factors outside of our control such as a U. S. government disruption or shutdown, political opposition or local community resistance to ~~the siting of LNG facilities due to safety, environmental or~~ **our operations** ~~security concerns,~~ could impede the operation and construction of our infrastructure. In addition, certain of these governmental permits, approvals and authorizations are or may be subject to rehearing requests, appeals and other challenges. There is no assurance that we will obtain and maintain these governmental permits, approvals and authorizations, or that we will be able to obtain them on a timely basis. Any impediment could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Our Creole Trail Pipeline and its FERC gas tariff are subject to FERC regulation. If we fail to comply with such regulation, we could be subject to substantial penalties and fines. The Creole Trail Pipeline is subject to regulation by the FERC under the NGA and the Natural Gas Policy Act of 1978 (the " NGPA "). The FERC regulates the purchase and transportation of natural gas in interstate commerce, including the construction and operation of pipelines, the rates, terms and conditions of service and abandonment of facilities. Under the NGA, the rates charged by our Creole Trail Pipeline must be just and reasonable, and we are prohibited from unduly preferring or unreasonably discriminating against any potential shipper with respect to pipeline rates or terms and conditions of service. If we fail to comply with all applicable statutes, rules, regulations and orders, our Creole Trail Pipeline could be subject to substantial penalties and fines. In addition, as a natural gas market participant, should we fail to comply with all applicable FERC- administered statutes, rules, regulations and orders, we could be subject to substantial penalties and fines. Under the EPAct, the FERC has civil penalty authority under the NGA and the NGPA to impose penalties for current violations of up to $ 1. ~~4~~ **5** million per day for each violation. Although the FERC has not imposed fines or penalties on us to date, we are exposed to substantial penalties and fines if we fail to comply with such regulations. Existing and future safety, environmental and similar laws and governmental regulations could result in increased compliance costs or additional operating costs or construction costs and restrictions. Our business is and will be subject to extensive federal, state and local laws, rules and regulations applicable to our construction and operation activities relating to, among other things, air quality, water quality, waste management, natural resources and health and safety. Many of these laws and regulations, such as the CAA, the Oil Pollution Act, the CWA and the RCRA, and analogous state laws and regulations, restrict or prohibit the types, quantities and concentration of substances that can be released into the environment in connection with the construction and operation of our facilities, and require us to maintain permits and provide governmental authorities with access to our facilities for inspection and reports related to our compliance. In addition, certain laws and regulations authorize regulators having jurisdiction over the construction and operation of our LNG terminal, docks and pipeline, including FERC, PHMSA, EPA and **the** United States Coast Guard, to issue regulatory enforcement actions, which may restrict or limit operations or increase compliance or operating costs. Violation of these laws and regulations could lead to substantial liabilities, compliance orders, fines and penalties, difficulty obtaining ~~or~~ **and** maintaining permits from regulatory agencies or ~~to~~ **increased** capital expenditures that could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Federal and state laws impose liability, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment. As the owner and operator of our facilities, we could be liable for the costs of cleaning up hazardous substances released into the environment at or from our facilities and for resulting damage to natural resources. The EPA has finalized or proposed multiple GHG regulations that impact our assets and supply chain **. On December 2, 2023, the EPA issued final rules to reduce methane and volatile organic compounds (" VOC ") emissions from new, existing and modified emission sources in the oil and gas sector. These regulations will require monitoring of methane and VOC emissions at our compressor stations** . Further, the IRA includes a charge on methane emissions above certain emissions thresholds employing empirical emissions data that will apply to our facilities beginning in calendar year 2024. In **January 2024, the EPA issued a proposed rule to impose and collect the methane emissions charge authorized under the IRA. In** addition, other international, federal and state initiatives may be considered in the future to address GHG emissions through treaty commitments, direct regulation, market- based regulations such as a GHG emissions tax or cap- and- trade programs or clean energy or performance- based standards. Such initiatives could affect the demand for or cost of natural gas, which we consume at our terminals, or could increase compliance costs for our operations. Revised, reinterpreted or additional guidance, laws and regulations at local, state, federal or international levels that result in increased compliance costs or additional operating or construction costs and restrictions could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. It is not possible at this time to predict how future regulations or legislation may address GHG emissions and impact our business. On February 28, 2022, the EPA removed a stay of formaldehyde standards in the NESHAP Subpart YYYY for stationary combustion turbines located at major sources of HAP emissions. Owners and operators of lean remix gas- fired turbines and diffusion flame gas- fired turbines at major sources of HAP that were installed after January 14, 2003 were required to comply with NESHAP Subpart YYYY by March 9, 2022 **and demonstrate initial compliance with those requirements by September 5, 2022** . We do not believe that our operations, or the construction and operations of our liquefaction facilities, will be materially and adversely affected by such regulatory actions. Other future legislation and regulations, such as those relating to the transportation and security of LNG imported to or exported from the Sabine Pass LNG Terminal or climate policies of destination countries in relation to their obligations under the Paris Agreement or other national climate change- related policies, could cause additional expenditures, restrictions and delays in our business and to our proposed construction activities, the extent of which cannot be predicted and which may require us to limit substantially, delay or cease operations in some circumstances. Total expenditures related to environmental and similar laws and governmental regulations, including capital expenditures, were immaterial to our Consolidated Financial Statements for the years ended December 31, **2023,** 2022 and 2021. Revised, reinterpreted or additional laws and regulations that result in increased compliance **,** ~~costs or additional~~ operating or construction costs ~~and~~ **or** restrictions could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Pipeline safety and compliance programs and repairs may impose significant costs and liabilities on us. The PHMSA requires pipeline operators to develop management programs to safely operate and maintain their pipelines and to comprehensively evaluate certain areas along their pipelines and take additional measures where necessary to protect pipeline segments located in " high or moderate consequence areas " where a leak or rupture could potentially do the most harm. As an operator, we are required to: • perform ongoing assessments of pipeline safety and compliance; • identify and characterize applicable threats to pipeline segments that could impact a high consequence area; • improve data collection, integration and analysis; • repair and remediate the pipeline as necessary; and • implement preventative and mitigating actions. We are required to utilize pipeline integrity management programs that are intended to maintain pipeline integrity. Any repair, remediation, preventative or mitigating actions may require significant capital and operating expenditures. ~~Although no fines or penalties have been imposed on us to date, should~~ **Should** we fail to comply with applicable statutes and the Office of Pipeline Safety' s rules and related regulations and orders, we could be subject to significant penalties and fines, which for certain violations can aggregate up to as high as $ 2. ~~6~~ **7** million. We are entirely dependent on our general partner, Cheniere, including employees of Cheniere and its subsidiaries, for key personnel, and the unavailability of skilled workers or Cheniere' s failure to attract and retain qualified personnel could adversely affect us. In addition, changes in our general partner' s senior management or other key personnel could affect our business results. As of December 31, ~~2022~~ **2023** , Cheniere and its subsidiaries had 1, ~~551~~ **605** full- time employees, including ~~517~~ **501** employees who directly supported the Sabine Pass LNG Terminal operations. We have contracted with subsidiaries of Cheniere to provide the personnel necessary for the operation, maintenance and management of the Sabine Pass LNG Terminal, the Creole Trail Pipeline and construction and operation of the Liquefaction Project. We depend on Cheniere' s subsidiaries hiring and retaining personnel sufficient to provide support for the Sabine Pass LNG Terminal. Cheniere competes with other liquefaction projects in the United States and globally, other energy companies and other employers to attract and retain qualified personnel with the technical skills and experience required to construct and operate our facilities and pipelines and to provide our customers with the highest quality service. We also compete with any other project Cheniere is developing, including its liquefaction project at Corpus Christi, Texas, for the time and expertise of Cheniere' s personnel. Further, we and Cheniere face competition for these highly skilled employees in the immediate vicinity of the Sabine Pass LNG Terminal and more generally from the Gulf Coast hydrocarbon processing and construction industries. The executive officers of our general partner are officers and employees of Cheniere and its affiliates. We do not maintain key person life insurance policies on any personnel, and our general partner does not have any employment contracts or other agreements with key personnel binding them to provide services for any particular term. The loss of the services of any of these individuals could have a material adverse effect on our business. In addition, our future success will depend in part on our general partner' s ability to engage, and Cheniere' s ability to attract and retain, additional qualified personnel. A shortage in the labor pool of skilled workers, remoteness of our site locations, ~~or other~~ general inflationary pressures, changes in applicable laws and regulations or labor disputes could make it more difficult to attract and retain qualified personnel and could require an increase in the wage and benefits packages that are offered, thereby increasing our operating costs **. In addition, we are also subject to increased competition for skilled workers from new entrants to the LNG market** . Any increase in our operating costs could materially and adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Our general partner and its affiliates have conflicts of interest and limited fiduciary duties, which may permit them to favor their own interests to the detriment of us and our unitholders. Cheniere owns and controls our general partner, which has sole responsibility for conducting our business and managing our operations. Some of our general partner' s directors are also directors of Cheniere, and certain of our general partner' s officers are officers of Cheniere. Therefore, conflicts of interest may arise between Cheniere and its affiliates, including our general partner, on the one hand, and us and our unitholders, on the other hand. In resolving these conflicts, our general partner may favor its own interests and the interests of its affiliates over the interests of us and our unitholders. These conflicts include, among others, the following situations: • neither our partnership agreement nor any other agreement requires Cheniere to pursue a business strategy that favors us. Cheniere' s directors and officers have a fiduciary duty to make these decisions in favor of the owners of Cheniere, which may be contrary to our interests: • our general partner controls the interpretation and enforcement of contractual obligations between us, on the one hand, and Cheniere, on the other hand, including provisions governing administrative services and acquisitions; • our general partner is allowed to take into account the interests of parties other than us, such as Cheniere and its affiliates, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to us and our unitholders; • our general partner has limited its liability and reduced its fiduciary duties under the partnership agreement, while also restricting the remedies available to our unitholders for actions that, without these limitations, might constitute breaches of fiduciary duty; • Cheniere is not limited in its ability to compete with us. Cheniere is not restricted from competing with us and is free to develop, operate and dispose of, and is currently developing, LNG facilities, pipelines and other assets without any obligation to offer us the opportunity to develop or acquire those assets; • our general partner determines the amount and timing of asset purchases and sales, capital expenditures, borrowings, issuances of additional partnership securities, and the establishment, increase or decrease in the amounts of reserves, each of which can affect the amount of cash that is distributed to our unitholders; • our general partner determines the amount and timing of any capital expenditures and whether a capital expenditure is a maintenance capital expenditure, which reduces operating surplus, or an expansion capital expenditure, which does not reduce operating surplus. This determination can affect the amount of cash that is distributed to our unitholders; • our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered on terms that are fair and reasonable to us or entering into additional contractual arrangements with any of these entities on our behalf; • our general partner intends to limit its liability regarding our contractual and other obligations and, in some circumstances, is entitled to be indemnified by us; • our general partner may exercise its limited right to call and purchase common units if it and its affiliates own more than 80 % of the common units; and • our general partner decides whether to retain separate counsel, accountants or others to perform services for us. We also have agreements to compensate and to reimburse expenses of affiliates of Cheniere. All of these agreements involve conflicts of interest between us, on the one hand, and Cheniere and its other affiliates, on the other hand. In addition, Cheniere is currently operating three Trains at a natural gas liquefaction facility near Corpus Christi, Texas and CCL has entered into fixed price SPAs with third- parties for the sale of LNG from this natural gas liquefaction facility, and may continue to enter in commercial arrangements with respect to this liquefaction facility that might otherwise have been entered into with respect to any **of our** future Trains. We **have or** ~~expect that there~~ will ~~be additional agreements or~~ **have numerous contracts and commercial** arrangements with Cheniere and its affiliates, including future **SPAs, transportation,** interconnection, ~~natural~~ **marketing and** gas balancing **arrangements** ~~and storage agreements with one or more Cheniere- affiliated natural gas pipelines, services agreements~~ , as well as **servicing and** other agreements and arrangements that cannot now be anticipated. In those circumstances where additional contracts with Cheniere and its affiliates may be necessary or desirable, additional conflicts of interest may be involved. In the event Cheniere favors its interests over our interests, we may have less available cash to make distributions on our units than we otherwise would have if Cheniere had favored our interests. Our partnership agreement limits our general partner' s fiduciary duties to our unitholders and restricts the remedies available to our unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty. Our partnership agreement contains provisions that reduce the standards to which our general partner would otherwise be held by state fiduciary duty law. For example, our partnership agreement: • permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner. This entitles our general partner to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or any limited partner. Examples include the exercise of its limited call right, the exercise of its rights to transfer or vote the units it owns, the exercise of its registration rights and its determination whether or not to consent to any merger or consolidation of the partnership or amendment to the partnership agreement; • provides that our general partner will not have any liability to us or our unitholders for decisions made in its capacity as general partner, as long as it acted in good faith, meaning that it believed the decision was in the best interests of our partnership, including in resolution of conflicts of interest; • generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of the board of directors of our general partner and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be " fair and reasonable " to us and that, in determining whether a transaction or resolution is " fair and reasonable, " our general partner may consider the totality of the relationships between the parties involved, including other transactions that may be particularly favorable or advantageous to us; • provides that our general partner, its affiliates and their officers and directors will not be liable for monetary damages to us or our limited partners for any acts or omissions unless there has been a final and non- appealable judgment entered by a court of competent jurisdiction determining that our general partner or those other persons acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that such conduct was criminal; and • provides that in resolving conflicts of interest, it will be presumed that in making its decision the conflicts committee or the general partner acted in good faith, and in any proceedings brought by or on behalf of any limited partner or us, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. By purchasing a common unit, a unitholder will become bound by the provisions of our partnership agreement, including the provisions described above. Holders of our common units have limited voting rights and are not entitled to elect our general partner or its directors, which could reduce the price at which our common units trade. Unlike the holders of common stock in a corporation, our unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management' s decisions regarding our business. Our unitholders have no right to elect our general partner or its board of directors on an annual or other continuing basis. The board of directors of our general partner is chosen entirely by affiliates of Cheniere. As a result, the price at which the common units trade could be diminished because of the absence or reduction of a control premium in the trading price. The vote of the holders of at least 66 2 / 3 % of all outstanding common units (including any units owned by our general partner and its affiliates), voting together as a single class is required to remove our general partner. Cheniere owns 48. 6 % of our outstanding common units, but it is contractually prohibited from voting our units that it holds in favor of the removal of our general partner. Additionally, our partnership agreement restricts unitholders' voting rights by providing that any units held by a person that owns 20 % or more of any class of units then outstanding, other than our general partner and its affiliates, their transferees and persons who acquired such units with the prior approval of the board of directors of our general partner, cannot vote on any matter. Our partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management. Any change of our general partner or the replacement of the board of directors or officers of our partnership, which can occur without the consent of our unitholders, can impact our future operations and have an adverse impact on the trading price of our common units. Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of our unitholders. Furthermore, our partnership agreement does not restrict the ability of the owners of our general partner from transferring all or a portion of their respective ownership interest in our general partner to a third party. The new owners of our general partner would then be in a position to replace the board of directors and officers of our general partner with its own choices and thereby influence the decisions taken by the board of directors and officers. Any change in our general partner or the replacement of the board of directors or officers of our partnership can impact our future operations and have an adverse impact on the trading price of our common units. Our partnership agreement prohibits a unitholder (other than our general partner and its affiliates) who acquires 15 % or more of our limited partner units without the approval of our general partner from engaging in a business combination with us for three years unless certain approvals are obtained. This provision could discourage a change of control that our unitholders may favor, which could negatively affect the price of our common units. Our partnership agreement effectively adopts Section 203 of the General Corporation Law of the State of Delaware (" DGCL "). Section 203 of the DGCL as it applies to us prevents an interested unitholder defined as a person (other than our general partner and its affiliates) who owns 15 % or more of our outstanding limited partner units from engaging in business combinations with us for three years following the time such person becomes an interested unitholder unless certain approvals are obtained. Section 203 broadly defines " business combination " to encompass a wide variety of transactions with or caused by an interested unitholder, including mergers, asset sales and other transactions in which the interested unitholder receives a benefit on other than a pro rata basis with other unitholders. This provision of our partnership agreement could have an anti-takeover effect with respect to transactions not approved in advance by our general partner, including discouraging takeover attempts that might result in a premium over the market price for our common units. Our unitholders may not have limited liability if a court finds that unitholder action constitutes control of our business. A general partner of a partnership generally has unlimited liability for the obligations of the partnership, except for contractual obligations of the partnership that are expressly made without recourse to the general partner. We are organized under Delaware law, and we conduct business in other states. As a limited partner in a partnership organized under Delaware law, holders of our common units could be held liable for our obligations to the same extent as a general partner if a court determined that the right or the exercise of the right by our unitholders as a group to remove or replace our general partner, to approve some amendments to our partnership agreement or to take other action under our partnership agreement constituted participation in the " control " of our business. In addition, limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in many jurisdictions. Our unitholders may have liability to repay distributions wrongfully made. Under certain circumstances, our unitholders may have to repay amounts wrongfully distributed to them. Under Section 17- 607 of the Delaware Revised Uniform Limited Partnership Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that, for a period of three years from the date of the impermissible distribution, partners who received such a distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the partnership for the distribution amount. Liabilities to partners on account of their partner interests and liabilities that are non- recourse to the partnership are not counted for purposes of determining whether a distribution is permitted. Affiliates of our general partner or affiliates of Blackstone Inc. (" Blackstone ") or Brookfield Asset Management Inc. (" Brookfield ") may sell limited partner units, which sales could have an adverse impact on the trading price of our common units. Sales by us or any of our affiliated unitholders or affiliates of Blackstone of a substantial number of our common units, or the perception that such sales might occur, could have a material adverse effect on the price of our common units or could impair our ability to obtain capital through an offering of equity securities. As of December 31, ~~2022~~ **2023** , Cheniere owned **approximately** 239 **. 9 million** ~~, 872, 502~~ of our common units. We also filed a registration statement for the resale of 202, 450, 687 common units owned by Blackstone and its affiliates in 2017. Any sales of these units could have an adverse impact on the price of our common units. Our tax treatment depends on our status as a partnership for federal income tax purposes, and our not being subject to a material amount of entity- level taxation by individual states. If we were treated as a corporation for federal income tax purposes or if we were to become subject to material additional amounts of entity- level taxation for state tax purposes, then our cash available for distribution to our unitholders would be substantially reduced. The anticipated after- tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. Despite the fact that we are a limited partnership under Delaware law, we will be treated as a corporation for federal income tax purposes unless we satisfy a " qualifying income " requirement. Based upon our current operations, we believe we satisfy the qualifying income requirement. Failing to meet the qualifying income requirement or a change in current law could cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to taxation as an entity. If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate and would likely pay state and local income taxes at varying rates. Distributions to our unitholders would generally be taxed again as corporate dividends, and no income, gains, losses or deductions would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, the cash available for distributions to our unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after- tax return to our unitholders, likely causing a substantial reduction in the value of our common units. At the state level, several states have been evaluating ways to subject partnerships to entity- level taxation through the imposition of state income, franchise and other forms of taxation. Imposition of such taxes on us in jurisdictions in which we operate, or to which we may expand our operations, may substantially reduce the cash available for distribution to our unitholders and, therefore, negatively impact the value of an investment in our common units. Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity- level taxation for federal, state or local income tax purposes, then the initial quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us. We prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month, instead of on the basis of the date a particular common unit is transferred. We prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first business day of each month, instead of on the basis of the date a particular unit is transferred. Although final Treasury Regulations allow publicly traded partnerships to use a similar monthly simplifying convention to allocate tax items among transferor and transferee unitholders, such tax items must be prorated on a daily basis and these regulations do not specifically authorize all aspects of the proration method we have adopted. If the IRS were to successfully challenge this method or new Treasury Regulations were issued, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders. A successful Internal Revenue

Service (" IRS ") contest of the federal income tax positions that we take, may adversely impact the market for our common units, and the costs of any contest will be borne by our unitholders and our general partner. The IRS may adopt positions that differ from the positions that we take, even positions taken with advice of counsel. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions that we take. A court may not agree with some or all of the positions that we take. Any contest with the IRS may adversely impact the taxable income reported to our unitholders and the income taxes they are required to pay. As a result, any such contest with the IRS may materially and adversely impact the market for our common units and the price at which our common units trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will result in a reduction in cash available for distribution to our unitholders and our general partner and thus will be borne indirectly by our unitholders and our general partner. If the IRS makes audit adjustments to our income tax returns for tax years beginning after December 31, 2017, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced. For tax years beginning after December 31, 2017, if the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us. To the extent possible under applicable rules, our general partner may pay such amounts directly to the IRS or, if we are eligible, elect to issue a revised Schedule K- 1 to each unitholder with respect to an audited and adjusted return. No assurances can be made that such election will be practical, permissible, or effective in all circumstances. As a result, our current unitholders may bear some or all of the economic burden resulting from such audit adjustment, even if such unitholders did not own units in us during the tax year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties and interest, our cash available for distribution to our unitholders might be substantially reduced. Our unitholders may be required to pay taxes on their share of our taxable income even if they do not receive any cash distributions from us. Our unitholders are required to pay any U. S. federal income taxes **and, in some cases, state and local income taxes,** on their share of our taxable income irrespective of whether they receive cash distributions from us. Unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax liability attributable to their share of our taxable income. Tax gain or loss on the disposition of our common units could be different than expected. If our unitholders sell any of their common units, they will recognize gain or loss equal to the difference between the amount realized and their tax basis in those common units. Because distributions in excess of the unitholders' allocable share of our net taxable income decrease the unitholders' tax basis in their common units, the amount, if any, of such prior excess distributions with respect to the units sold will, in effect, become taxable income to the unitholder if they sell such units at a price greater than their tax basis in those units, even if the price received is less than their original cost. A substantial portion of the amount realized, whether or not representing gain, may be ordinary income due to the potential recapture items, including depreciation recapture. In addition, because the amount realized may include a unitholder' s share of our nonrecourse liabilities, a unitholder that sells common units may incur a tax liability in excess of the amount of cash received from the sale. Tax- exempt entities face unique tax issues from owning common units that may result in adverse tax consequences to them. Investments in common units by tax- exempt entities, such as individual retirement accounts (known as IRAs), raises issues unique to them. For example, virtually all of our income allocated to unitholders who are organizations exempt from federal income tax, including individual retirement accounts and other retirement plans, will be unrelated business taxable income and will be taxable to them. Tax- exempt entities should consult a tax advisor before investing in our common units. Non- U. S. unitholders will be subject to U. S. taxes and withholding with respect to their income and gain from owning our common units. Non- U. S. unitholders are generally taxed and subject to income tax filing requirements by the United States on income effectively connected with a U. S. trade or business (" effectively connected income "). A unitholder' s share of our income, gain, loss and deduction, and any gain from the sale or disposition of our common units will generally be considered to be " effectively connected " with a U. S. trade or business and subject to U. S. federal income tax. As a result, distributions to a non- U. S. unitholder will be subject to withholding at the highest applicable effective tax rate and a non- U. S. unitholder who sells or otherwise disposes of a common unit will also be subject to U. S. federal income tax on the gain realized from the sale or disposition of that common unit. Moreover, upon the sale, exchange or other disposition of a common unit by a non- U. S. unitholder, withholding at a rate of 10 % may be required on the amount realized unless the disposing unitholder certifies that it is not a foreign person. Treasury regulations provide that the " amount realized " on a transfer of an interest in a publicly traded partnership, such as our common units, will generally be the amount of gross proceeds paid to the broker effecting the applicable transfer on behalf of the unitholder. Quarterly distributions made to our non- U. S. unitholders will also be subject to withholding under these rules to the extent a portion of a distribution is attributable to an amount in excess of our cumulative net income that has not previously been distributed. **We** ~~The determination of cumulative net income is complex and unclear in certain respects, and we~~ intend to treat all of our distributions as being in excess of our cumulative net income for such purposes and subject to the additional 10 % withholding tax. **For** ~~The Treasury regulations further provide that these rules will generally not apply to~~ transfers of, or distributions on, interests in a publicly traded partnership occurring before January 1, 2023, and after that date, if effected through a broker, the obligation to withhold is imposed on the transferor' s broker. Non- U. S. unitholders should consult their tax advisors regarding the impact of these rules on an investment in our common units. Our unitholders will likely be subject to state and local taxes and return filing requirements as a result of an investment in our common units. In addition to federal income taxes, our unitholders will likely be subject to other taxes, including state and local income taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property, even if the unitholder does not live in any of those jurisdictions. Our unitholders may be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Furthermore, our unitholders may be subject to penalties for failure to comply with those requirements. As we make acquisitions or expand our business, we may own property or conduct business in additional states or foreign countries that impose a personal tax or an entity level tax. Unitholders may be subject to penalties for failure to comply with those requirements. It is the responsibility of our unitholders to file all United States federal, state and local tax returns. We have adopted certain valuation methodologies in determining a unitholder’ s allocations of income, gain, loss and deduction. The IRS may challenge these methodologies or the resulting allocations, and such a challenge could adversely affect the value of our common units. In determining the items of income, gain, loss and deduction allocable to our unitholders, we must routinely determine the fair market value of our assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we make many fair market value estimates ourselves using a methodology based on the market value of our common units as a means to determine the fair market value of our assets. The IRS may challenge these valuation methods and the resulting allocations of income, gain, loss and deduction. A successful IRS challenge to these methods or allocations could adversely affect the timing or amount of taxable income or loss being allocated to our unitholders. It also could affect the amount of gain from our unitholders’ sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders’ tax returns without the benefit of additional deductions.