

BILL OF SALE

This Bill of Sale dated as of June 15, 2022 (the "Effective Date"), is being delivered pursuant to the Uplift Property Purchase and Sale Agreement, dated as of June 15, 2022 (the "Sale Agreement"), by and between Electric Reliability Council of Texas, Inc. (the "Seller") and Texas Electric Market Stabilization Funding N LLC (the "Issuer"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Sale Agreement. In consideration of the Issuer's delivery to or upon the order of the Seller of \$2,107,079,166.08 the Seller does hereby irrevocably sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse or warranty, except as set forth in the Sale Agreement, all right, title and interest of the Seller in and to the Uplift Property identified on Schedule 1 hereto (such sale, transfer, assignment, setting over and conveyance of the Uplift Property includes, to the fullest extent permitted by the Securitization Law, the right to impose, collect and receive Uplift Charges and the assignment of all revenues, collections, claims, rights, payments, money or proceeds of or arising from the Uplift Charges related to the Uplift Property, as the same may be adjusted from time to time). Such sale, transfer, assignment, setting over and conveyance is hereby expressly stated to be a sale and shall be treated as an absolute transfer of all of the Seller's right, title and interest in and to (as in a true sale), and not as a pledge or other financing of, the Uplift Property. The Seller and the Issuer agree that after giving effect to the sale, transfer, assignment, setting over and conveyance contemplated hereby the Seller has no right, title or interest in or to the Uplift Property to which a security interest could attach because (i) it has sold, transferred, assigned, set over and conveyed all right in and to the Uplift Property to the Issuer, (ii) as provided in Section 39.662 of the Securitization Law, such rights are only contract rights until the time of such sale, transfer, assignment, setting over and conveyance and (iii) appropriate notice has been filed and such transfer is perfected against all third parties, including subsequent judicial or other Lien creditors. If such sale, transfer, assignment, setting over and conveyance is held by any court of competent jurisdiction not to be a true sale, then such sale, transfer, assignment, setting over and conveyance shall be treated as a pledge of the Uplift Property and as the creation of a security interest (within the meaning of the UCC) in the Uplift Property and, without prejudice to its position that it has absolutely transferred all of its rights in the Uplift Property to the Issuer, the Seller hereby Grants a security interest in the Uplift Property to the Issuer (and, to the extent necessary to qualify the Grant as a security interest under the UCC, to the Indenture Trustee for the benefit of the Secured Parties to secure the right of the Issuer under the Basic Documents to receive the Uplift Charges and all other Uplift Property).

The Issuer does hereby purchase the Uplift Property from the Seller for the consideration set forth in the preceding paragraph.

The Seller and the Issuer each acknowledge and agree that the purchase price for the Uplift Property sold pursuant to this Bill of Sale and the Sale Agreement is equal to its fair market value at the time of sale.

The Seller confirms that (i) each of the representations and warranties on the part of the Seller contained in the Sale Agreement are true and correct in all respects on the date hereof as if made on the date hereof and (ii) each condition precedent that must be satisfied under Section 2.02 of the Sale Agreement has been satisfied upon or prior to the execution and delivery of this Bill of Sale by the Seller.

This Bill of Sale may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

THIS BILL OF SALE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAW.

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IN WITNESS WHEREOF, the Seller and the Issuer have duly executed this Bill of Sale to be effective as of the Effective Date.

**TEXAS ELECTRIC MARKET
STABILIZATION FUNDING N LLC,**

By: STh
**Sean Taylor
Vice President and Chief Financial Officer**

**ELECTRIC RELIABILITY COUNCIL OF
TEXAS, INC.,**

By: STh
**Sean Taylor
Vice President and Chief Financial Officer**

SCHEDULE 1
to
BILL OF SALE

UPLIFT PROPERTY

All of the Seller's right, title and interest in Uplift Property as defined in the Indenture.