

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TEXAS ELECTRIC MARKET STABILIZATION FUNDING N LLC
 TEXAS STABILIZATION NOTES,
 SERIES 2022

Tranche A-1

NO.: R-A-1-3

ORIGINAL PRINCIPAL AMOUNT: \$0.00

REGISTERED OWNER: CEDE & CO.

CUSIP NO. U8824D AA3

Authentication Date (date of delivery)	Interest Rate	Final Maturity Date
June 1, 2022	4.265%	August 1, 2036

Reference is made to the further provisions of this Tranche A-1 Series 2022 Bond set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Tranche A-1 Series 2022 Bond. See the reverse hereof for certain definitions.

Texas Electric Market Stabilization Funding N LLC, a Delaware limited liability company (herein referred to as the "Issuer"), for value received, hereby promises to pay to the above described registered owner, or registered assigns, the Original Principal Amount shown above in semi-annual installments on the Payment Dates and in the amounts specified on the reverse hereof or, if less, the amounts determined pursuant the Indenture, in each year, commencing on the date determined as provided on the reverse hereof and ending on or before the Final Maturity Date shown above and to pay interest, at the Interest Rate shown above, on Payment Dates commencing on the Initial Payment Date and continuing until the earlier of the payment in full of the principal hereof and the Final Maturity Date.

Interest on this Tranche A-1 Series 2022 Bond will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such Payment Date or, if no interest has yet been paid, from the date of issuance. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Tranche A-1 Series 2022 Bond shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Tranche A-1 Series 2022 Bond is payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Tranche A-1 Series 2022 Bond shall be applied first to interest due and payable on this Tranche A-1 Series 2022 Bond as provided above and then to the unpaid principal of and premium, if any, on this Tranche A-1 Series 2022 Bond, all in the manner set forth in the Indenture.

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL BOND, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR A REGULATION S PERMANENT GLOBAL BOND, ARE AS SPECIFIED IN THE INDENTURE. NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL BOND SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON, THIS BOND.

THE PRINCIPAL OF THIS TEXAS SELECT SEC MARKET STABILIZATION FUNDING LLC TEXAS STABILIZATION BONDS, TRANCHE A-1 SERIES 2022 BOND (THIS "TRANCHE A-1 SERIES 2022 BOND") WILL BE PAID IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS TRANCHE A-1 SERIES 2022 BOND AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ALL OBLIGATIONS OF THE ISSUER RELATING TO THE TRANCHE A-1 SERIES 2022 BONDS UNDER THE TERMS OF THE INDENTURE WILL BE RELEASED AND DISCHARGED UPON PAYMENT IN FULL HEREOF OR AS OTHERWISE PROVIDED IN THE INDENTURE. THE HOLDER OF THIS TRANCHE A-1 SERIES 2022 BOND HEREBY COVENANTS AND AGREES THAT PRIOR TO THE DATE WHICH IS ONE (1) YEAR AND ONE (1) DAY AFTER THE PAYMENT IN FULL OF THIS TRANCHE A-1 SERIES 2022 BOND, IT WILL NOT INSTITUTE AGAINST, OR JOIN ANY OTHER PERSON IN INSTITUTING AGAINST, THE ISSUER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS OR OTHER SIMILAR PROCEEDING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. NOTHING IN THIS PARAGRAPH SHALL PRECLUDE, OR BE DEEMED TO ESTOP, SUCH HOLDER (A) FROM TAKING OR OMITTING TO TAKE ANY ACTION PRIOR TO SUCH DATE IN (I) ANY CASE OR PROCEEDING VOLUNTARILY FILED OR COMMENCED BY OR ON BEHALF OF THE ISSUER UNDER OR PURSUANT TO ANY SUCH LAW OR (II) ANY INVOLUNTARY CASE OR PROCEEDING PERTAINING TO THE ISSUER WHICH IS FILED OR COMMENCED BY OR ON BEHALF OF A PERSON OTHER THAN SUCH HOLDER AND IS NOT JOINED IN BY SUCH HOLDER (OR ANY PERSON TO WHICH SUCH HOLDER SHALL HAVE ASSIGNED, TRANSFERRED OR OTHERWISE CONVEYED ANY PART OF THE OBLIGATIONS OF THE ISSUER HEREUNDER) UNDER OR PURSUANT TO ANY SUCH LAW, OR (B) FROM COMMENCING OR PROSECUTING ANY LEGAL ACTION WHICH IS NOT AN INVOLUNTARY CASE OR PROCEEDING UNDER OR PURSUANT TO ANY SUCH LAW AGAINST THE ISSUER OR ANY OF ITS PROPERTIES.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Tranche A-1 Series 2022 Bond shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Signature Page Follows]

SPECIMEN

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Responsible Officer.

Date: June 15, 2022

ISSUER:

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

a Delaware limited liability company

By: _____

SA Taylor
Vice President and Chief Financial Officer

SPECIMEN

[SIGNATURE PAGE TO TRANCHE A-1 SERIES 2022 BOND]

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is a Tranche A-1 Series 2022 Bond, designated above and referred to in the within-mentioned Indenture.

Date: JUNE 15, 2022

INDENTURE TRUSTEE:

**U.S. BANK TRUST COMPANY NATIONAL
ASSOCIATION**

a National Banking Association

By: [Signature]
Authorized Signatory

SPECIMEN

REVERSE OF TEXAS STABILIZATION N BOND

This Tranche A-1 Texas Electric Market Stabilization Funding N LLC Texas Stabilization N Bond, Series 2022 Bond is one of a duly authorized issue of the Issuer (the "Tranche A-1 Series 2022 Bonds"), issued under that certain Indenture dated as of June 15, 2022, (as supplemented by the Series Supplement (as defined below), the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association in its capacity as indenture trustee (the "Indenture Trustee", which term includes any successor indenture trustee under the Indenture) and U.S. Bank National Association in its capacity as a securities intermediary (the "Securities Intermediary", which term includes any successor securities intermediary under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee, the Securities Intermediary, and the Holders of the Tranche A-1 Series 2022 Bonds. For purposes herein, "Series Supplement" means that certain Series Supplement dated as of June 15, 2022 between the Issuer and the Indenture Trustee. All terms used in this Tranche A-1 Series 2022 Bond that are defined in the Indenture, as amended, restated, supplemented, or otherwise modified from time to time, shall have the meanings assigned to such terms in the Indenture.

The Tranche A-1 Series 2022 Bonds, the other tranches of Issuer's Texas Stabilization N Bonds issued under the Indenture (all of such tranches being referred to herein as "Texas Stabilization N Bonds") are and will be equally and ratably secured by the Texas Stabilization N Bond Collateral pledged as security therefor as provided in the Indenture and in the Series Supplement.

The principal of this Tranche A-1 Series 2022 Bond shall be payable on each Payment Date only to the extent that amounts in the Collection Account are available therefor, and only until the outstanding principal balance thereof on the preceding Payment Date (after

giving effect to all payments of principal, if any, made on the preceding Payment Date) has been reduced to the principal balance specified in the Expected Outstanding Principal Balance Schedule which is attached to the Series Supplement as Schedule A unless payable earlier because an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Bondholders representing not less than a majority of the outstanding amount of the Texas Stabilization N Bonds have declared the Texas Stabilization N Bonds to be immediately due and payable in accordance the Indenture (unless such declaration shall have been rescinded and annulled in accordance with the Indenture). However, actual principal payments may be made in lesser than expected amounts and at later than expected times as determined pursuant to the Indenture. The entire unpaid principal amount of this Tranche A-1 Series 2022 Bond shall be due and payable on the Final Maturity Date hereof. Notwithstanding the foregoing, the entire unpaid principal amount of Texas Stabilization N Bonds shall be due and payable, if not then previously paid, on the date on which an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders of the Texas Stabilization N Bonds representing not less than a majority of the Outstanding Amount of the Texas Stabilization N Bonds have declared the Texas Stabilization N Bonds to be immediately due and payable in the manner provided in the Indenture (unless such declaration shall have been rescinded and annulled in accordance with the Indenture). All principal payments on the Tranche A-1 Series 2022 Bonds shall be made pro rata to the Holders entitled thereto based on the respective principal amounts of the Tranche A-1 Series 2022 Bonds held by them.

Payments of interest on this Tranche A-1 Series 2022 Bond due and payable on each Payment Date, together with the installment of principal or premium, if any, shall be made by wire transfer to an account maintained by the Person whose name appears as the Registered

Owner of this Tranche A-1 Series 2022 Bond (or one or more Predecessor Texas Stabilization N Bonds) on the Texas Stabilization N Bond Register as of the close of business on the Record Date or in such other manner as may be provided in the Indenture or the Series Supplement, except that while this Tranche A-1 Series 2022 Bond is held in Book-Entry Form, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Texas Stabilization N Bond evidencing this Tranche A-1 Series 2022 Bond unless and until such Global Texas Stabilization N Bond is exchanged for Definitive Texas Stabilization N Bonds (in which event payments shall be made as provided above), and except for the final installment of principal and premium, if any, payable with respect to this Tranche A-1 Series 2022 Bond on a Payment Date which shall be payable as provided below. Any reduction in the principal amount of this Tranche A-1 Series 2022 Bond (or any one or more Predecessor Texas Stabilization N Bonds) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Tranche A-1 Series 2022 Bond and of any Texas Stabilization N Bond issued upon the registration of transfer hereof, in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Tranche A-1 Series 2022 Bond on a Payment Date, then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Owner hereof as of the Record Date preceding such Payment Date by notice mailed no later than five (5) days prior to such final Payment Date and shall specify which final installment will be payable only upon presentation and surrender of this Tranche A-1 Series 2022 Bond and shall specify the place where this Tranche A-1 Series 2022 Bond may be presented and surrendered for payment of such installment.

The Issuer shall pay interest on overdue installments of interest at the Texas Stabilization N Bond Interest Rate to the extent lawful.

Principal and interest due and payable on this Tranche A-1 Series 2022 Bond are a nonrecourse debt secured solely by Uplift Property created and established by the Debt Obligation Order obtained from the Public Utilities Commission of Texas pursuant to the Securitization Law. Uplift Property consists of the rights and interests of the Seller in the Debt Obligation Order, including the right to impose, collect and receive certain charges (defined in the Securitization Law as "uplift charges") to be assessed and collected from Responsible QSEs, or their successors or assigns, as more fully described in the Debt Obligation Order.

The Securitization Law provides that: "The state pledges, however, for the benefit and protection of financing parties and [ERCOT] that it will not take or permit any action that would impair the value of Uplift Property, or reduce, alter, or impair the Uplift Charges to be assessed, collected, and remitted to financing parties, or the principal, interest and premium, and any other charges incurred and contracts to be performed in connection with the related debt obligations have been paid and performed in full. Any party issuing a debt obligation under [the Securitization Law] is authorized to include this pledge in any documentation relating to the obligation."

The Securitization Law further provides that: "Debt obligations issued pursuant to [the Securitization Law], including any bonds, are not a debt or obligation of the state and are not a charge on its full faith and credit or taxing power."

The Issuer hereby acknowledges that the purchase of this Tranche A-1 Series 2022 Bond by the Holder hereof or the purchase of any beneficial interest herein by any Person are made in reliance on the foregoing pledge.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Tranche A-1 Series 2022 Bond may be registered on the Texas Stabilization N Bond Register upon surrender of this Tranche A-1 Series 2022 Bond for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by (A) a written instrument of

transfer in form satisfactory to the Indenture Trustee duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution which is a member of one of the following recognized Signature Guaranty Programs: (I) The Securities Transfer Agent Medallion Program (STAMP); (II) The New York Stock Exchange Medallion Program (MSP); (III) The Stock Exchange Medallion Program (SEMP); or (IV) in such other guarantee program acceptable to the Indenture Trustee, and (B) such other documents as the Indenture Trustee may require, and thereupon one or more new Tranche A-1 Series 2022 Bond of Minimum Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Tranche A-1 Series 2022 Bond, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges pursuant to the terms of the Indenture not involving any transfer.

Each Texas Stabilization N Bond holder, by acceptance of a Texas Stabilization N Bond, covenants and agrees that nonrecourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Indenture Trustee on the Texas Stabilization N Bonds, under the Indenture or any certificate or other writing delivered in connection herewith, against (I) any owner or membership interest in the Issuer (including ERCOT) or (II) any shareholder, partner, owner, beneficiary, agent, officer or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including ERCOT) in its respective individual or corporate capacities, or of any successor or assign of any of them in their individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Texas Stabilization N Bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver

and release are part of the consideration for issuance of the Texas Stabilization N Bonds.

Prior to the due presentment for registration of transfer of this Tranche A-1 Series 2022 Bond, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Tranche A-1 Series 2022 Bond is registered (as of the day of determination) as the owner hereof for the purpose of receiving payment of principal of and premium, if any, and interest on this Tranche A-1 Series 2022 Bond and for all other purposes whatsoever, when such person has not this Tranche A-1 Series 2022 Bond and is not overdue, and neither the Issuer, the Indenture Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment hereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Texas Stabilization N Bonds under the Indenture at any time by the Issuer with the consent of the Bondholders representing not less than a majority of the Outstanding Amount of all Texas Stabilization N Bonds at the time outstanding of each Tranche to be affected. The Indenture also contains provisions permitting the Bondholders representing specified percentages of the Outstanding Amount of the Texas Stabilization N Bonds, on behalf of the Holders of all the Texas Stabilization N Bonds, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Tranche A-1 Series 2022 Bond (or any one of more Predecessor Texas Stabilization N Bonds) shall be conclusive and binding upon such Holder and upon all future Holders of this Tranche A-1 Series 2022 Bond and of any Texas Stabilization N Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Tranche A-1 Series 2022 Bond. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture

without the consent of Holders of the Texas Stabilization N Bonds issued thereunder.

The Indenture contains provisions for defeasance at any time of (A) the entire indebtedness of the Issuer on this Tranche A-1 Series 2022 Bond and (B) certain restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth herein, which provisions apply to this Tranche A-1 Series 2022 Bond.

The term "Issuer" as used in this Tranche A-1 Series 2022 Bond includes any successor to the Issuer under the Indenture. The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee and the Bondholders under the Indenture.

This Tranche A-1 Series 2022 Bond is issuable only in registered form in denominations as provided in the Indenture and the Series Supplement subject to certain limitations therein set forth.

THIS TRANCHE A-1 SERIES 2022 BOND, SHALL BE GOVERNED BY AND 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 LAWS.

No reference herein to the Indenture and no provision of this Tranche A-1 Series 2022 Bond or of the Indenture shall alter or impair the obligation, which is absolute and unconditional, to pay the principal of and interest on this Tranche A-1 Series 2022 Bond at the times, place, and rate, and in the coin or currency herein prescribed.

The Issuer and the Indenture Trustee, by entering into the Indenture, and the Holders and any Persons holding a beneficial interest in any Tranche A-1 Series 2022 Bond, by acquiring Tranche A-1 Series 2022 Bond, and any interest therein, (I) expressly intend that, solely for the purpose of federal taxes, and, to the extent consistent with applicable state, local and other tax law, solely for the purpose of state, local and other taxes, this Tranche A-1 Series 2022 Bond qualified under applicable tax law as indebtedness of the sole owner of the Issuer secured by the Texas Stabilization N Bond Collateral and (II) solely for purposes of federal taxes, and, to the extent consistent with applicable state, local and other tax law, solely for purposes of state, local and other taxes, so long as any of Tranche A-1 Series 2022 Bond is outstanding, agree to treat this Tranche A-1 Series 2022 Bond as indebtedness of the sole owner of the Issuer secured by the Texas Stabilization N Bond Collateral unless otherwise required by appropriate taxing authorities.

* * *

FORM OF ASSIGNMENT

The following abbreviations, when used in the inscription of the face of this Tranche A-1 Series 2022 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS

MIN ACT - _____ Custodian
 _____ (Custodian) _____ (Minor)
 Under Uniform Gifts to Minor Act (_____)
 (State)

Additional abbreviations may also be used though not on the above list.
FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

Name of Assignee:

Address of Assignee:

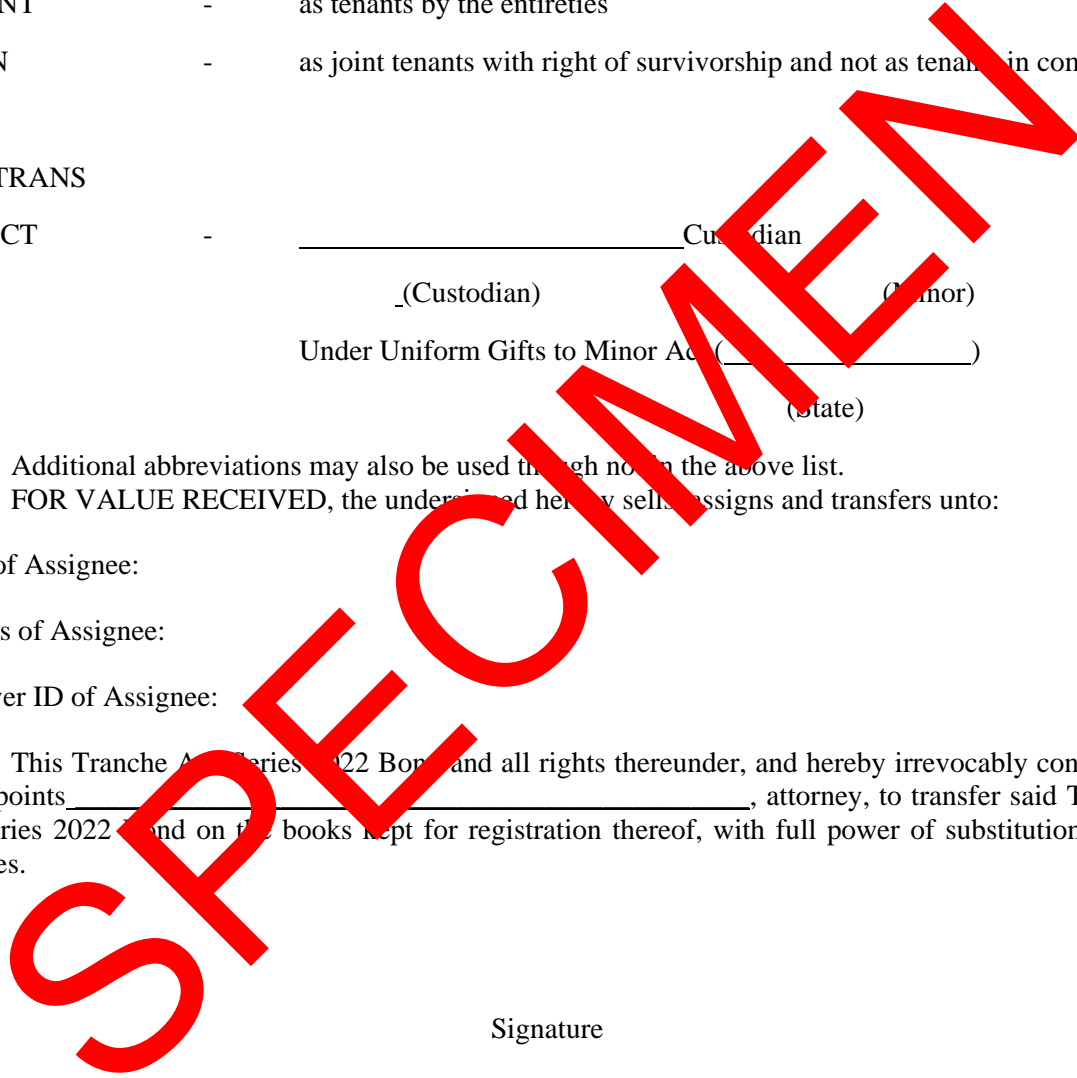
Taxpayer ID of Assignee:

This Tranche A-1 Series 2022 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Tranche A-1 Series 2022 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular word without alteration or enlargement or any change whatsoever.



In connection with any transfer of any of the Tranche A-1 Series 2022 Bond evidenced by this certificate, the undersigned confirms that such Tranche A-1 Series 2022 Bond is being:

CHECK ONE OPTION BELOW

- (1) exchanged for the undersigned's own account without transfer; or
- (2) transferred to a person whom the undersigned reasonably believes to be a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933 who is purchasing this Tranche A-1 Series 2022 Bond for such buyer's own account or the account of a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A under the Securities Act of 1933 and any applicable securities laws of any state of the United States or any other jurisdiction; or
- (3) exchanged or transferred pursuant to and in compliance with Rule 903 or 904 of Regulation S under the Securities Act of 1933; or
- (4) transferred to the Issuer or an "affiliate" (as defined in Rule 144 under the Securities Act) of the Issuer; or
- (5) transferred pursuant to another available exemption from the registration requirements of the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any Tranche A-1 Series 2022 Bond evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if box (3), (4) or (5) is checked, the Issuer may require, prior to registering any such transfer of this Tranche A-1 Series 2022 Bond, such legal opinions, certifications and other information as the Issuer has reasonably requested to confirm that such transfers being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144A under such Act; provided, further, that if box (2) is checked, the transferee must also certify that it is a qualified institutional buyer as defined in Rule 144A.

Signature Guaranteed

NOTICE: The signature to this Assignment must be guaranteed by an institution that is a participant in (i) The Securities Transfer Agent Medallion Program (STAMP), (ii) The New York Stock Exchange Medallion Program (MSP), (iii) the Stock Exchange Medallion Program (SEMP) or (iv) such other guarantee program acceptable to the Indenture Trustee.

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Tranche A-1 Series 2022 Bond for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned’s foregoing representations in order to claim the exemption from registration provided by Rule 144A.

SIGNATURE GUARANTEE

Date: _____

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: To be executed by an executive officer.

SPECIMEN

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TEXAS ELECTRIC MARKET STABILIZATION FUNDING N LLC
 TEXAS STABILIZATION NOTES,
 SERIES 2022

Tranche A-2

NO.: R-A-2-3

ORIGINAL PRINCIPAL AMOUNT: \$0.00

REGISTERED OWNER: CEDE & CO.

CUSIP NO. U8824D AB1

Authentication Date (date of delivery)	Interest Rate	Final Maturity Date
June 1, 2022	4.966%	February 1, 2044

Reference is made to the further provisions of this Tranche A-2 Series 2022 Bond set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Tranche A-2 Series 2022 Bond. See the reverse hereof for certain definitions.

Texas Electric Market Stabilization Funding N LLC, a Delaware limited liability company (herein referred to as the "Issuer"), for value received, hereby promises to pay to the above described registered owner, or registered assigns, the Original Principal Amount shown above in semi-annual installments on the Payment Dates and in the amounts specified on the reverse hereof or, if less, the amounts determined pursuant the Indenture, in each year, commencing on the date determined as provided on the reverse hereof and ending on or before the Final Maturity Date shown above and to pay interest, at the Interest Rate shown above, on Payment Dates commencing on the Initial Payment Date and continuing until the earlier of the payment in full of the principal hereof and the Final Maturity Date.

Interest on this Tranche A-2 Series 2022 Bond will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such Payment Date or, if no interest has yet been paid, from the date of issuance. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Tranche A-2 Series 2022 Bond shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Tranche A-2 Series 2022 Bond is payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Tranche A-2 Series 2022 Bond shall be applied first to interest due and payable on this Tranche A-2 Series 2022 Bond as provided above and then to the unpaid principal of and premium, if any, on this Tranche A-2 Series 2022 Bond, all in the manner set forth in the Indenture.

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL BOND, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR A REGULATION S PERMANENT GLOBAL BOND, ARE AS SPECIFIED IN THE INDENTURE. NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL BOND SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON, THIS BOND.

THE PRINCIPAL OF THIS TEXAS SELECT SEC MARKET STABILIZATION FUNDING LLC TEXAS STABILIZATION BONDS, TRANCHE A-2 SERIES 2022 BOND (THIS "TRANCHE A-2 SERIES 2022 BOND") WILL BE PAID IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS TRANCHE A-2 SERIES 2022 BOND AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ALL OBLIGATIONS OF THE ISSUER RELATING TO THE TRANCHE A-2 SERIES 2022 BONDS UNDER THE TERMS OF THE INDENTURE WILL BE RELEASED AND DISCHARGED UPON PAYMENT IN FULL HEREOF OR AS OTHERWISE PROVIDED IN THE INDENTURE. THE HOLDER OF THIS TRANCHE A-2 SERIES 2022 BOND HEREBY COVENANTS AND AGREES THAT PRIOR TO THE DATE WHICH IS ONE (1) YEAR AND ONE (1) DAY AFTER THE PAYMENT IN FULL OF THIS TRANCHE A-2 SERIES 2022 BOND, IT WILL NOT INSTITUTE AGAINST, OR JOIN ANY OTHER PERSON IN INSTITUTING AGAINST, THE ISSUER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS OR OTHER SIMILAR PROCEEDING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. NOTHING IN THIS PARAGRAPH SHALL PRECLUDE, OR BE DEEMED TO ESTOP, SUCH HOLDER (A) FROM TAKING OR OMITTING TO TAKE ANY ACTION PRIOR TO SUCH DATE IN (I) ANY CASE OR PROCEEDING VOLUNTARILY FILED OR COMMENCED BY OR ON BEHALF OF THE ISSUER UNDER OR PURSUANT TO ANY SUCH LAW OR (II) ANY INVOLUNTARY CASE OR PROCEEDING PERTAINING TO THE ISSUER WHICH IS FILED OR COMMENCED BY OR ON BEHALF OF A PERSON OTHER THAN SUCH HOLDER AND IS NOT JOINED IN BY SUCH HOLDER (OR ANY PERSON TO WHICH SUCH HOLDER SHALL HAVE ASSIGNED, TRANSFERRED OR OTHERWISE CONVEYED ANY PART OF THE OBLIGATIONS OF THE ISSUER HEREUNDER) UNDER OR PURSUANT TO ANY SUCH LAW, OR (B) FROM COMMENCING OR PROSECUTING ANY LEGAL ACTION WHICH IS NOT AN INVOLUNTARY CASE OR PROCEEDING UNDER OR PURSUANT TO ANY SUCH LAW AGAINST THE ISSUER OR ANY OF ITS PROPERTIES.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Tranche A-2 Series 2022 Bond shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Signature Page Follows]

SPECIMEN

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Responsible Officer.

Date: June 15, 2022

ISSUER:

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

a Delaware limited liability company

By: 

Scott Taylor
Vice President and Chief Financial Officer

SPECIMEN

[SIGNATURE PAGE TO TRANCHE A-2 SERIES 2022 BOND]

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is a Tranche A-2 Series 2022 Bond, designated above and referred to in the within-mentioned Indenture.

Date: JUNE 15, 2022

INDENTURE TRUSTEE

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**

a National Banking Association

By: 
Authorized Signatory

SPECIMEN

REVERSE OF TEXAS STABILIZATION N BOND

This Tranche A-2 Texas Electric Market Stabilization Funding N LLC Texas Stabilization N Bond, Series 2022 Bond is one of a duly authorized issue of the Issuer (the "Tranche A-2 Series 2022 Bonds"), issued under that certain Indenture dated as of June 15, 2022, (as supplemented by the Series Supplement (as defined below), the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association in its capacity as indenture trustee (the "Indenture Trustee", which term includes any successor indenture trustee under the Indenture) and U.S. Bank National Association in its capacity as a securities intermediary (the "Securities Intermediary", which term includes any successor securities intermediary under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee, the Securities Intermediary, and the Holders of the Tranche A-2 Series 2022 Bonds. For purposes herein, "Series Supplement" means that certain "Series Supplement" dated as of June 15, 2022 between the Issuer and the Indenture Trustee. All terms used in this Tranche A-2 Series 2022 Bond that are defined in the Indenture, as amended, restated, supplemented, or otherwise modified from time to time, shall have the meanings assigned to such terms in the Indenture.

The Tranche A-2 Series 2022 Bonds, the other tranches of Issuer's Texas Stabilization N Bonds issued under the Indenture (all of such tranches being referred to herein as "Texas Stabilization N Bonds") are and will be equally and ratably secured by the Texas Stabilization N Bond Collateral pledged as security therefor as provided in the Indenture and in the Series Supplement.

The principal of this Tranche A-2 Series 2022 Bond shall be payable on each Payment Date only to the extent that amounts in the Collection Account are available therefor, and only until the outstanding principal balance thereof on the preceding Payment Date (after

giving effect to all payments of principal, if any, made on the preceding Payment Date) has been reduced to the principal balance specified in the Expected Outstanding Principal Balance Schedule which is attached to the Series Supplement as Schedule A unless payable earlier because an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Bondholders representing not less than a majority of the outstanding amount of the Texas Stabilization N Bonds have declared the Texas Stabilization N Bonds to be immediately due and payable in accordance the Indenture (unless such declaration shall have been rescinded and annulled in accordance with the Indenture). However, actual principal payments may be made in lesser than expected amounts and at later than expected times as determined pursuant to the Indenture. The entire unpaid principal amount of this Tranche A-2 Series 2022 Bond shall be due and payable on the Final Maturity Date hereof. Notwithstanding the foregoing, the entire unpaid principal amount of Texas Stabilization N Bonds shall be due and payable, if not then previously paid, on the date on which an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders of the Texas Stabilization N Bonds representing not less than a majority of the Outstanding Amount of the Texas Stabilization N Bonds have declared the Texas Stabilization N Bonds to be immediately due and payable in the manner provided in the Indenture (unless such declaration shall have been rescinded and annulled in accordance with the Indenture). All principal payments on the Tranche A-2 Series 2022 Bonds shall be made pro rata to the Holders entitled thereto based on the respective principal amounts of the Tranche A-2 Series 2022 Bonds held by them.

Payments of interest on this Tranche A-2 Series 2022 Bond due and payable on each Payment Date, together with the installment of principal or premium, if any, shall be made by wire transfer to an account maintained by the Person whose name appears as the Registered

Owner of this Tranche A-2 Series 2022 Bond (or one or more Predecessor Texas Stabilization N Bonds) on the Texas Stabilization N Bond Register as of the close of business on the Record Date or in such other manner as may be provided in the Indenture or the Series Supplement, except that while this Tranche A-2 Series 2022 Bond is held in Book-Entry Form, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Texas Stabilization N Bond evidencing this Tranche A-2 Series 2022 Bond unless and until such Global Texas Stabilization N Bond is exchanged for Definitive Texas Stabilization N Bonds (in which event payments shall be made as provided above), and except for the final installment of principal and premium, if any, payable with respect to this Tranche A-2 Series 2022 Bond on a Payment Date which shall be payable as provided below. Any reduction in the principal amount of this Tranche A-2 Series 2022 Bond (or any one or more Predecessor Texas Stabilization N Bonds) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Tranche A-2 Series 2022 Bond and of any Texas Stabilization N Bond issued upon the registration of transfer hereof, in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Tranche A-2 Series 2022 Bond on a Payment Date, then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Owner hereof as of the Record Date preceding such Payment Date by notice mailed no later than five (5) days prior to such final Payment Date and shall specify which final installment will be payable only upon presentation and surrender of this Tranche A-2 Series 2022 Bond and shall specify the place where this Tranche A-2 Series 2022 Bond may be presented and surrendered for payment of such installment.

The Issuer shall pay interest on overdue installments of interest at the Texas Stabilization N Bond Interest Rate to the extent lawful.

Principal and interest due and payable on this Tranche A-2 Series 2022 Bond are a nonrecourse debt secured solely by Uplift Property created and established by the Debt Obligation Order obtained from the Public Utilities Commission of Texas pursuant to the Securitization Law. Uplift Property consists of the rights and interests of the Seller in the Debt Obligation Order, including the right to impose, collect and receive certain charges (defined in the Securitization Law as "uplift charges") to be assessed and collected from Responsible QSEs, or their successors or assigns, as more fully described in the Debt Obligation Order.

The Securitization Law provides that: "The state pledges, however, for the benefit and protection of financing parties and [ERCOT] that it will not take or permit any action that would impair the value of Uplift Property, or reduce, alter, or impair the Uplift Charges to be assessed, collected, and remitted to financing parties, or the principal, interest and premium, and any other charges incurred and contracts to be performed in connection with the related debt obligations have been paid and performed in full. Any party issuing a debt obligation under [the Securitization Law] is authorized to include this pledge in any documentation relating to the obligation."

The Securitization Law further provides that: "Debt obligations issued pursuant to [the Securitization Law], including any bonds, are not a debt or obligation of the state and are not a charge on its full faith and credit or taxing power."

The Issuer hereby acknowledges that the purchase of this Tranche A-2 Series 2022 Bond by the Holder hereof or the purchase of any beneficial interest herein by any Person are made in reliance on the foregoing pledge.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Tranche A-2 Series 2022 Bond may be registered on the Texas Stabilization N Bond Register upon surrender of this Tranche A-2 Series 2022 Bond for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by (A) a written instrument of

transfer in form satisfactory to the Indenture Trustee duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution which is a member of one of the following recognized Signature Guaranty Programs: (I) The Securities Transfer Agent Medallion Program (STAMP); (II) The New York Stock Exchange Medallion Program (MSP); (III) The Stock Exchange Medallion Program (SEMP); or (IV) in such other guarantee program acceptable to the Indenture Trustee, and (B) such other documents as the Indenture Trustee may require, and thereupon one or more new Tranche A-2 Series 2022 Bond of Minimum Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Tranche A-2 Series 2022 Bond, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges pursuant to the terms of the Indenture not involving any transfer.

Each Texas Stabilization N Bond holder, by acceptance of a Texas Stabilization N Bond, covenants and agrees that nonrecourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Indenture Trustee on the Texas Stabilization N Bonds, under the Indenture or any certificate or other writing delivered in connection herewith, against (I) any owner or membership interest in the Issuer (including ERCOT) or (II) any shareholder, partner, owner, beneficiary, agent, officer or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including ERCOT) in its respective individual or corporate capacities, or of any successor or assign of any of them in their individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Texas Stabilization N Bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver

and release are part of the consideration for issuance of the Texas Stabilization N Bonds.

Prior to the due presentment for registration of transfer of this Tranche A-2 Series 2022 Bond, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Tranche A-2 Series 2022 Bond is registered (as of the day of determination) as the owner hereof for the purpose of receiving payment of principal of and premium, if any, and interest on this Tranche A-2 Series 2022 Bond and for all other purposes whatsoever, when such person has not this Tranche A-2 Series 2022 Bond and is not overdue, and neither the Issuer, the Indenture Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment hereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Texas Stabilization N Bonds under the Indenture at any time by the Issuer with the consent of the Bondholders representing not less than a majority of the Outstanding Amount of all Texas Stabilization N Bonds at the time outstanding of each Tranche to be affected. The Indenture also contains provisions permitting the Bondholders representing specified percentages of the Outstanding Amount of the Texas Stabilization N Bonds, on behalf of the Holders of all the Texas Stabilization N Bonds, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Tranche A-2 Series 2022 Bond (or any one of more Predecessor Texas Stabilization N Bonds) shall be conclusive and binding upon such Holder and upon all future Holders of this Tranche A-2 Series 2022 Bond and of any Texas Stabilization N Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Tranche A-2 Series 2022 Bond. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture

without the consent of Holders of the Texas Stabilization N Bonds issued thereunder.

The Indenture contains provisions for defeasance at any time of (A) the entire indebtedness of the Issuer on this Tranche A-2 Series 2022 Bond and (B) certain restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth herein, which provisions apply to this Tranche A-2 Series 2022 Bond.

The term "Issuer" as used in this Tranche A-2 Series 2022 Bond includes any successor to the Issuer under the Indenture. The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee and the Bondholders under the Indenture.

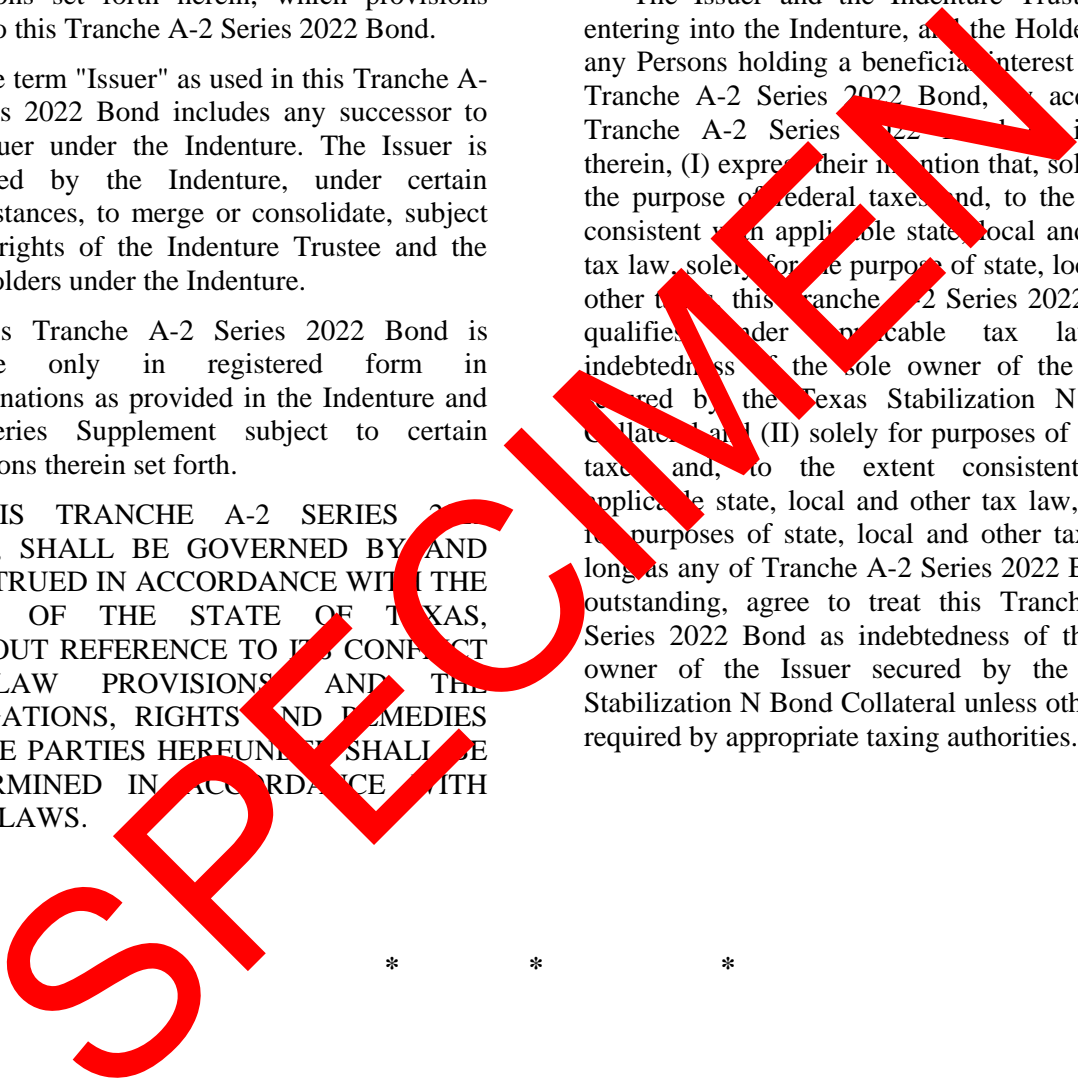
This Tranche A-2 Series 2022 Bond is issuable only in registered form in denominations as provided in the Indenture and the Series Supplement subject to certain limitations therein set forth.

THIS TRANCHE A-2 SERIES 2022 BOND, SHALL BE GOVERNED BY AND 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 LAWS.

No reference herein to the Indenture and no provision of this Tranche A-2 Series 2022 Bond or of the Indenture shall alter or impair the obligation, which is absolute and unconditional, to pay the principal of and interest on this Tranche A-2 Series 2022 Bond at the times, place, and rate, and in the coin or currency herein prescribed.

The Issuer and the Indenture Trustee, by entering into the Indenture, and the Holders and any Persons holding a beneficial interest in any Tranche A-2 Series 2022 Bond, by acquiring Tranche A-2 Series 2022 Bond, and any interest therein, (I) expressly intend that, solely for the purpose of federal taxes, and, to the extent consistent with applicable state, local and other tax law, solely for the purpose of state, local and other taxes, this Tranche A-2 Series 2022 Bond qualified under applicable tax law as indebtedness of the sole owner of the Issuer secured by the Texas Stabilization N Bond Collateral and (II) solely for purposes of federal taxes, and, to the extent consistent with applicable state, local and other tax law, solely for purposes of state, local and other taxes, so long as any of Tranche A-2 Series 2022 Bond is outstanding, agree to treat this Tranche A-2 Series 2022 Bond as indebtedness of the sole owner of the Issuer secured by the Texas Stabilization N Bond Collateral unless otherwise required by appropriate taxing authorities.

* * *



FORM OF ASSIGNMENT

The following abbreviations, when used in the inscription of the face of this Tranche A-2 Series 2022 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS

MIN ACT - _____ Custodian
 _____ (Custodian) _____ (Minor)
 Under Uniform Gifts to Minor Act (_____)
 _____ (State)

Additional abbreviations may also be used though not on the above list.
 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

Name of Assignee:

Address of Assignee:

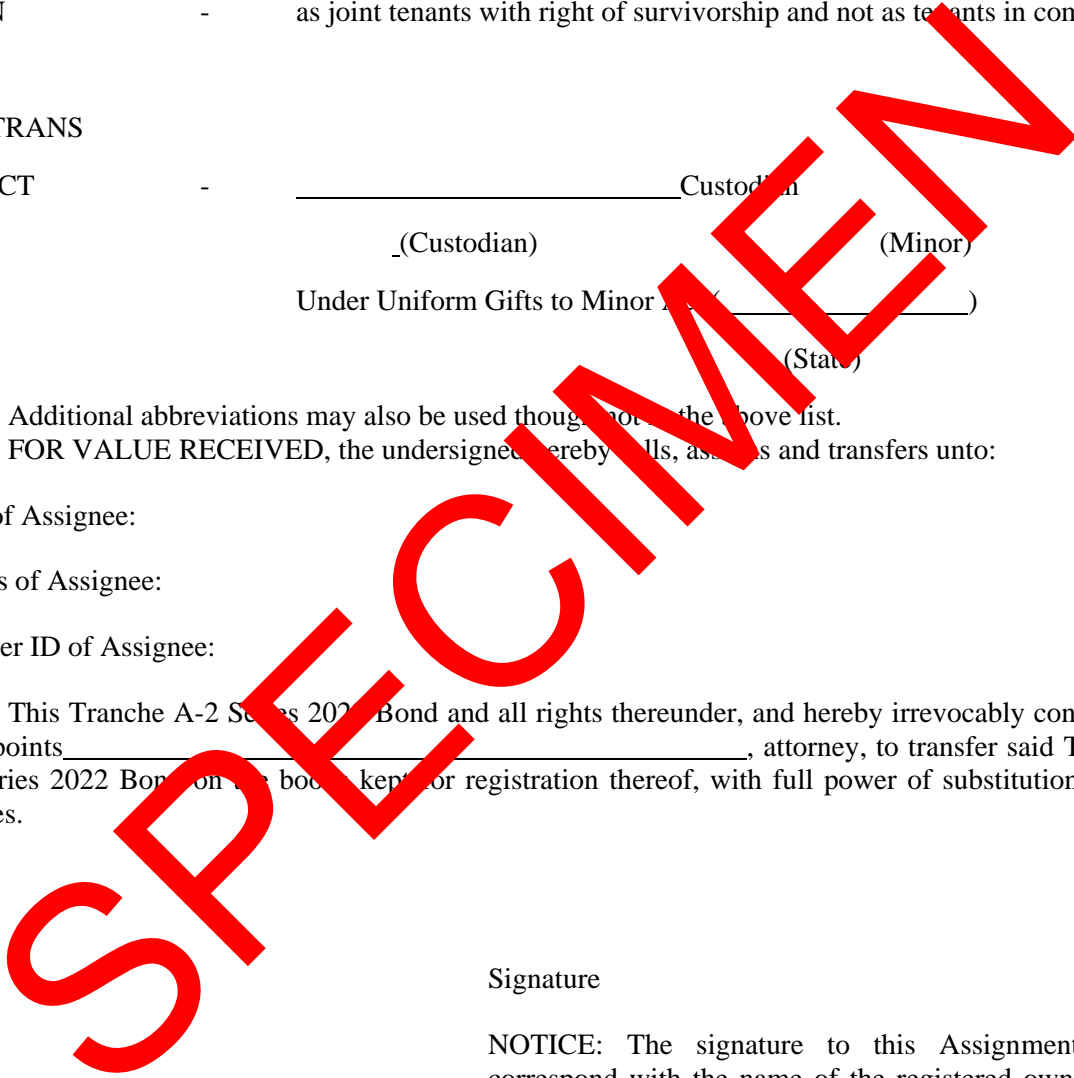
Taxpayer ID of Assignee:

This Tranche A-2 Series 2022 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Tranche A-2 Series 2022 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular word without alteration or enlargement or any change whatsoever.



In connection with any transfer of any of the Tranche A-2 Series 2022 Bond evidenced by this certificate, the undersigned confirms that such Tranche A-2 Series 2022 Bond is being:

CHECK ONE OPTION BELOW

- (1) exchanged for the undersigned's own account without transfer; or
- (2) transferred to a person whom the undersigned reasonably believes to be a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933 who is purchasing this Tranche A-2 Series 2022 Bond for such buyer's own account or the account of a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A under the Securities Act of 1933 and any applicable securities laws of any state of the United States or any other jurisdiction; or
- (3) exchanged or transferred pursuant to and in compliance with Rule 903 or 904 of Regulation S under the Securities Act of 1933; or
- (4) transferred to the Issuer or an "affiliate" (as defined in Rule 144 under the Securities Act) of the Issuer; or
- (5) transferred pursuant to another available exemption from the registration requirements of the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any Tranche A-2 Series 2022 Bond evidenced by this certificate in the name of any person other than the registered Holder thereof. However, if box (3), (4) or (5) is checked, the Issuer may require, prior to registering any such transfer of this Tranche A-2 Series 2022 Bond, such legal opinions, certifications and other information as the Issuer has reasonably requested to confirm that such transfers being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144A under such Act; provided, further, that if box (2) is checked, the transferee must also certify that it is a qualified institutional buyer as defined in Rule 144A.

Signature Guaranteed

NOTICE: The signature to this Assignment must be guaranteed by an institution that is a participant in (i) The Securities Transfer Agent Medallion Program (STAMP), (ii) The New York Stock Exchange Medallion Program (MSP), (iii) the Stock Exchange Medallion Program (SEMP) or (iv) such other guarantee program acceptable to the Indenture Trustee.

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Tranche A-2 Series 2022 Bond for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned’s foregoing representations in order to claim the exemption from registration provided by Rule 144A.

SIGNATURE GUARANTEE

Date: _____

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: To be executed by an executive officer.

SPECIMEN

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TEXAS ELECTRIC MARKET STABILIZATION FUNDING N LLC
 TEXAS STABILIZATION NOTES,
 SERIES 2022

Tranche A-3

NO.: R-A-3-2

ORIGINAL PRINCIPAL AMOUNT: \$0.00

REGISTERED OWNER: CEDE & CO.

CUSIP NO. U8824D AC9

Authentication Date (date of delivery)	Interest Rate	Final Maturity Date
June 1, 2022	5.057%	August 1, 2048

Reference is made to the further provisions of this Tranche A-3 Series 2022 Bond set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Tranche A-3 Series 2022 Bond. See the reverse hereof for certain definitions.

Texas Electric Market Stabilization Funding N LLC, a Delaware limited liability company (herein referred to as the "Issuer"), for value received, hereby promises to pay to the above described registered owner, or registered assigns, the Original Principal Amount shown above in semi-annual installments on the Payment Dates and in the amounts specified on the reverse hereof or, if less, the amounts determined pursuant the Indenture, in each year, commencing on the date determined as provided on the reverse hereof and ending on or before the Final Maturity Date shown above and to pay interest, at the Interest Rate shown above, on Payment Dates commencing on the Initial Payment Date and continuing until the earlier of the payment in full of the principal hereof and the Final Maturity Date.

Interest on this Tranche A-3 Series 2022 Bond will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such Payment Date or, if no interest has yet been paid, from the date of issuance. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Tranche A-3 Series 2022 Bond shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Tranche A-3 Series 2022 Bond is payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Tranche A-3 Series 2022 Bond shall be applied first to interest due and payable on this Tranche A-3 Series 2022 Bond as provided above and then to the unpaid principal of and premium, if any, on this Tranche A-3 Series 2022 Bond, all in the manner set forth in the Indenture.

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL BOND, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR A REGULATION S PERMANENT GLOBAL BOND, ARE AS SPECIFIED IN THE INDENTURE. NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL BOND SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON, THIS BOND.

THE PRINCIPAL OF THIS TEXAS SELECT SEC MARKET STABILIZATION FUNDING N LLC TEXAS STABILIZATION N BONDS, TRANCHE A-3 SERIES 2022 BOND (THIS "TRANCHE A-3 SERIES 2022 BOND") WILL BE PAID IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS TRANCHE A-3 SERIES 2022 BOND AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ALL OBLIGATIONS OF THE ISSUER RELATING TO THE TRANCHE A-3 SERIES 2022 BONDS UNDER THE TERMS OF THE INDENTURE WILL BE RELEASED AND DISCHARGED UPON PAYMENT IN FULL HEREOF OR AS OTHERWISE PROVIDED IN THE INDENTURE. THE HOLDER OF THIS TRANCHE A-3 SERIES 2022 BOND HEREBY COVENANTS AND AGREES THAT PRIOR TO THE DATE WHICH IS ONE (1) YEAR AND ONE (1) DAY AFTER THE PAYMENT IN FULL OF THIS TRANCHE A-3 SERIES 2022 BOND, IT WILL NOT INSTITUTE AGAINST, OR JOIN ANY OTHER PERSON IN INSTITUTING AGAINST, THE ISSUER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS OR OTHER SIMILAR PROCEEDING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. NOTHING IN THIS PARAGRAPH SHALL PRECLUDE, OR BE DEEMED TO ESTOP, SUCH HOLDER (A) FROM TAKING OR OMITTING TO TAKE ANY ACTION PRIOR TO SUCH DATE IN (I) ANY CASE OR PROCEEDING VOLUNTARILY FILED OR COMMENCED BY OR ON BEHALF OF THE ISSUER UNDER OR PURSUANT TO ANY SUCH LAW OR (II) ANY INVOLUNTARY CASE OR PROCEEDING PERTAINING TO THE ISSUER WHICH IS FILED OR COMMENCED BY OR ON BEHALF OF A PERSON OTHER THAN SUCH HOLDER AND IS NOT JOINED IN BY SUCH HOLDER (OR ANY PERSON TO WHICH SUCH HOLDER SHALL HAVE ASSIGNED, TRANSFERRED OR OTHERWISE CONVEYED ANY PART OF THE OBLIGATIONS OF THE ISSUER HEREUNDER) UNDER OR PURSUANT TO ANY SUCH LAW, OR (B) FROM COMMENCING OR PROSECUTING ANY LEGAL ACTION WHICH IS NOT AN INVOLUNTARY CASE OR PROCEEDING UNDER OR PURSUANT TO ANY SUCH LAW AGAINST THE ISSUER OR ANY OF ITS PROPERTIES.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Tranche A-3 Series 2022 Bond shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Signature Page Follows]

SPECIMEN

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Responsible Officer.

Date: June 15, 2022

ISSUER:

TEXAS ELECTRIC MARKET STABILIZATION
FUNDING N LLC,

a Delaware limited liability company

By: S. Taylor
S. Taylor
Vice President and Chief Financial Officer

SPECIMEN

[SIGNATURE PAGE TO TRANCHE A-3 SERIES 2022 BOND]

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is a Tranche A-3 Series 2022 Bond, designated above and referred to in the within-mentioned Indenture.

Date: JUNE 15, 2022

INDENTURE TRUSTEE

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**

a National Banking Association

By: [Signature]
Authorized Signatory

SPECIMEN

REVERSE OF TEXAS STABILIZATION N BOND

This Tranche A-3 Texas Electric Market Stabilization Funding N LLC Texas Stabilization N Bond, Series 2022 Bond is one of a duly authorized issue of the Issuer (the "Tranche A-3 Series 2022 Bonds"), issued under that certain Indenture dated as of June 15, 2022, (as supplemented by the Series Supplement (as defined below), the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association in its capacity as indenture trustee (the "Indenture Trustee", which term includes any successor indenture trustee under the Indenture) and U.S. Bank National Association in its capacity as a securities intermediary (the "Securities Intermediary", which term includes any successor securities intermediary under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee, the Securities Intermediary, and the Holders of the Tranche A-3 Series 2022 Bonds. For purposes herein, "Series Supplement" means that certain Series Supplement dated as of June 15, 2022 between the Issuer and the Indenture Trustee. All terms used in this Tranche A-3 Series 2022 Bond that are defined in the Indenture, as amended, restated, supplemented, or otherwise modified from time to time, shall have the meanings assigned to such terms in the Indenture.

The Tranche A-3 Series 2022 Bonds, the other tranches of Issuer's Texas Stabilization N Bonds issued under the Indenture (all of such tranches being referred to herein as "Texas Stabilization N Bonds") are and will be equally and ratably secured by the Texas Stabilization N Bond Collateral pledged as security therefor as provided in the Indenture and in the Series Supplement.

The principal of this Tranche A-3 Series 2022 Bond shall be payable on each Payment Date only to the extent that amounts in the Collection Account are available therefor, and only until the outstanding principal balance thereof on the preceding Payment Date (after

giving effect to all payments of principal, if any, made on the preceding Payment Date) has been reduced to the principal balance specified in the Expected Outstanding Principal Balance Schedule which is attached to the Series Supplement as Schedule A unless payable earlier because an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Bondholders representing not less than a majority of the outstanding amount of the Texas Stabilization N Bonds have declared the Texas Stabilization N Bonds to be immediately due and payable in accordance the Indenture (unless such declaration shall have been rescinded and annulled in accordance with the Indenture). However, actual principal payments may be made in lesser than expected amounts and at later than expected times as determined pursuant to the Indenture. The entire unpaid principal amount of this Tranche A-3 Series 2022 Bond shall be due and payable on the Final Maturity Date hereof. Notwithstanding the foregoing, the entire unpaid principal amount of Texas Stabilization N Bonds shall be due and payable, if not then previously paid, on the date on which an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders of the Texas Stabilization N Bonds representing not less than a majority of the Outstanding Amount of the Texas Stabilization N Bonds have declared the Texas Stabilization N Bonds to be immediately due and payable in the manner provided in the Indenture (unless such declaration shall have been rescinded and annulled in accordance with the Indenture). All principal payments on the Tranche A-3 Series 2022 Bonds shall be made pro rata to the Holders entitled thereto based on the respective principal amounts of the Tranche A-3 Series 2022 Bonds held by them.

Payments of interest on this Tranche A-3 Series 2022 Bond due and payable on each Payment Date, together with the installment of principal or premium, if any, shall be made by wire transfer to an account maintained by the Person whose name appears as the Registered

Owner of this Tranche A-3 Series 2022 Bond (or one or more Predecessor Texas Stabilization N Bonds) on the Texas Stabilization N Bond Register as of the close of business on the Record Date or in such other manner as may be provided in the Indenture or the Series Supplement, except that while this Tranche A-3 Series 2022 Bond is held in Book-Entry Form, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Texas Stabilization N Bond evidencing this Tranche A-3 Series 2022 Bond unless and until such Global Texas Stabilization N Bond is exchanged for Definitive Texas Stabilization N Bonds (in which event payments shall be made as provided above), and except for the final installment of principal and premium, if any, payable with respect to this Tranche A-3 Series 2022 Bond on a Payment Date which shall be payable as provided below. Any reduction in the principal amount of this Tranche A-3 Series 2022 Bond (or any one or more Predecessor Texas Stabilization N Bonds) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Tranche A-3 Series 2022 Bond and of any Texas Stabilization N Bond issued upon the registration of transfer hereof, in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Tranche A-3 Series 2022 Bond on a Payment Date, then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Owner hereof as of the Record Date preceding such Payment Date by notice mailed no later than five (5) days prior to such final Payment Date and shall specify which final installment will be payable only upon presentation and surrender of this Tranche A-3 Series 2022 Bond and shall specify the place where this Tranche A-3 Series 2022 Bond may be presented and surrendered for payment of such installment.

The Issuer shall pay interest on overdue installments of interest at the Texas Stabilization N Bond Interest Rate to the extent lawful.

Principal and interest due and payable on this Tranche A-3 Series 2022 Bond are a nonrecourse debt secured solely by Uplift Property created and established by the Debt Obligation Order obtained from the Public Utilities Commission of Texas pursuant to the Securitization Law. Uplift Property consists of the rights and interests of the Seller in the Debt Obligation Order, including the right to impose, collect and receive certain charges (defined in the Securitization Law as "uplift charges") to be assessed and collected from Responsible QSEs, or their successors or assigns, as more fully described in the Debt Obligation Order.

The Securitization Law provides that: "The state pledges, however, for the benefit and protection of financing parties and [ERCOT] that it will not take or permit any action that would impair the value of Uplift Property, or reduce, alter, or impair the Uplift Charges to be assessed, collected, and remitted to financing parties, or the principal, interest and premium, and any other charges incurred and contracts to be performed in connection with the related debt obligations have been paid and performed in full. Any party issuing a debt obligation under [the Securitization Law] is authorized to include this pledge in any documentation relating to the obligation."

The Securitization Law further provides that: "Debt obligations issued pursuant to [the Securitization Law], including any bonds, are not a debt or obligation of the state and are not a charge on its full faith and credit or taxing power."

The Issuer hereby acknowledges that the purchase of this Tranche A-3 Series 2022 Bond by the Holder hereof or the purchase of any beneficial interest herein by any Person are made in reliance on the foregoing pledge.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Tranche A-3 Series 2022 Bond may be registered on the Texas Stabilization N Bond Register upon surrender of this Tranche A-3 Series 2022 Bond for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by (A) a written instrument of

transfer in form satisfactory to the Indenture Trustee duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution which is a member of one of the following recognized Signature Guaranty Programs: (I) The Securities Transfer Agent Medallion Program (STAMP); (II) The New York Stock Exchange Medallion Program (MSP); (III) The Stock Exchange Medallion Program (SEMP); or (IV) in such other guarantee program acceptable to the Indenture Trustee, and (B) such other documents as the Indenture Trustee may require, and thereupon one or more new Tranche A-3 Series 2022 Bond of Minimum Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Tranche A-3 Series 2022 Bond, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges pursuant to the terms of the Indenture not involving any transfer.

Each Texas Stabilization N Bond holder, by acceptance of a Texas Stabilization N Bond, covenants and agrees that nonrecourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Indenture Trustee on the Texas Stabilization N Bonds, under the Indenture or any certificate or other writing delivered in connection herewith, against (I) any owner or membership interest in the Issuer (including ERCOT) or (II) any shareholder, partner, owner, beneficiary, agent, officer or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including ERCOT) in its respective individual or corporate capacities, or of any successor or assign of any of them in their individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Texas Stabilization N Bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver

and release are part of the consideration for issuance of the Texas Stabilization N Bonds.

Prior to the due presentment for registration of transfer of this Tranche A-3 Series 2022 Bond, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Tranche A-3 Series 2022 Bond is registered (as of the day of determination) as the owner hereof for the purpose of receiving payment of principal of and premium, if any, and interest on this Tranche A-3 Series 2022 Bond and for all other purposes whatsoever, when such person has not this Tranche A-3 Series 2022 Bond and is not overdue, and neither the Issuer, the Indenture Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment hereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Texas Stabilization N Bonds under the Indenture at any time by the Issuer with the consent of the Bondholders representing not less than a majority of the Outstanding Amount of all Texas Stabilization N Bonds at the time outstanding of each Tranche to be affected. The Indenture also contains provisions permitting the Bondholders representing specified percentages of the Outstanding Amount of the Texas Stabilization N Bonds, on behalf of the Holders of all the Texas Stabilization N Bonds, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Tranche A-3 Series 2022 Bond (or any one of more Predecessor Texas Stabilization N Bonds) shall be conclusive and binding upon such Holder and upon all future Holders of this Tranche A-3 Series 2022 Bond and of any Texas Stabilization N Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Tranche A-3 Series 2022 Bond. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture

without the consent of Holders of the Texas Stabilization N Bonds issued thereunder.

The Indenture contains provisions for defeasance at any time of (A) the entire indebtedness of the Issuer on this Tranche A-3 Series 2022 Bond and (B) certain restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth herein, which provisions apply to this Tranche A-3 Series 2022 Bond.

The term "Issuer" as used in this Tranche A-3 Series 2022 Bond includes any successor to the Issuer under the Indenture. The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee and the Bondholders under the Indenture.

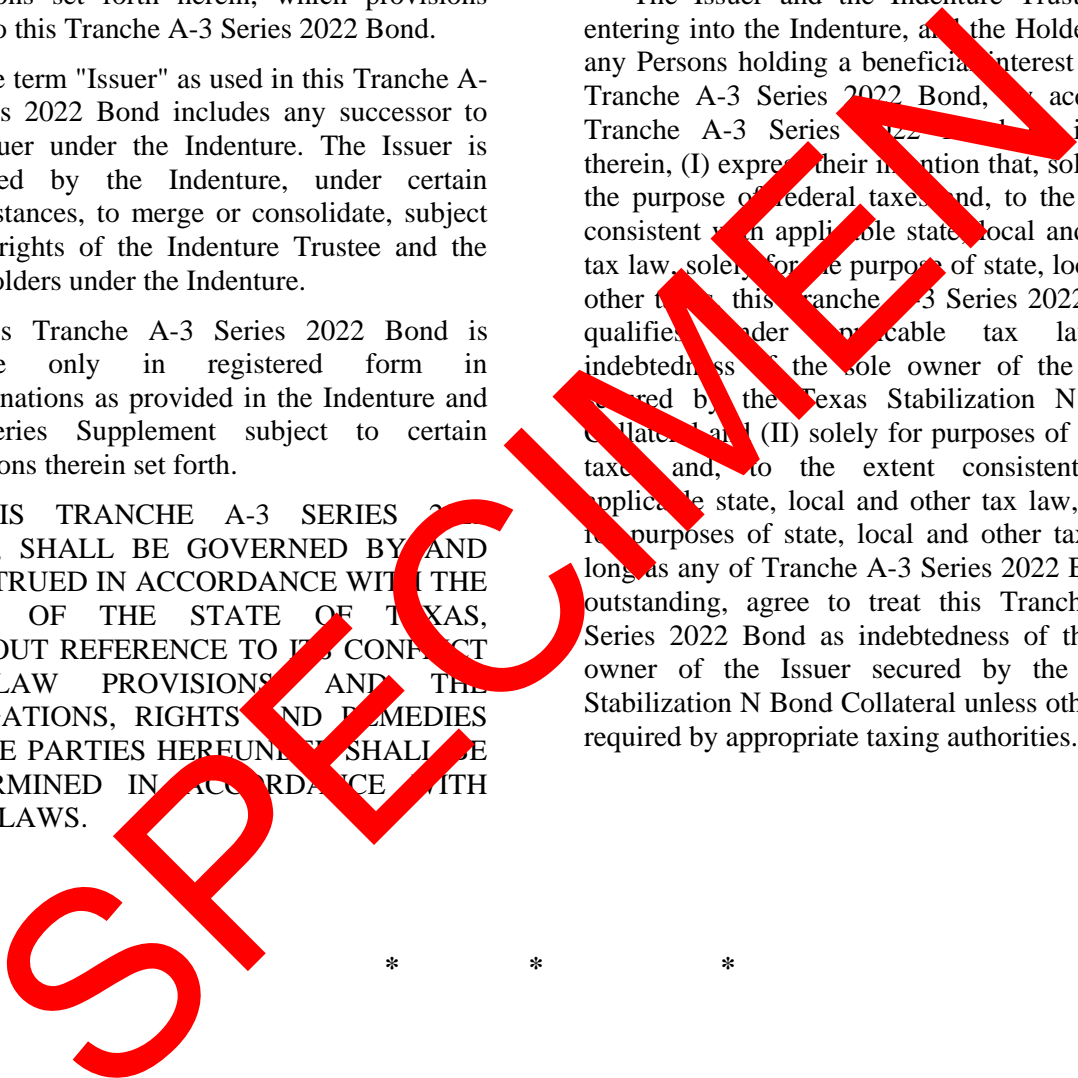
This Tranche A-3 Series 2022 Bond is issuable only in registered form in denominations as provided in the Indenture and the Series Supplement subject to certain limitations therein set forth.

THIS TRANCHE A-3 SERIES 2022 BOND, SHALL BE GOVERNED BY AND 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 LAWS.

No reference herein to the Indenture and no provision of this Tranche A-3 Series 2022 Bond or of the Indenture shall alter or impair the obligation, which is absolute and unconditional, to pay the principal of and interest on this Tranche A-3 Series 2022 Bond at the times, place, and rate, and in the coin or currency herein prescribed.

The Issuer and the Indenture Trustee, by entering into the Indenture, and the Holders and any Persons holding a beneficial interest in any Tranche A-3 Series 2022 Bond, by acquiring Tranche A-3 Series 2022 Bond, and any interest therein, (I) expressly intend that, solely for the purpose of federal taxes, and, to the extent consistent with applicable state, local and other tax law, solely for the purpose of state, local and other taxes, this Tranche A-3 Series 2022 Bond qualified under applicable tax law as indebtedness of the sole owner of the Issuer secured by the Texas Stabilization N Bond Collateral and (II) solely for purposes of federal taxes, and, to the extent consistent with applicable state, local and other tax law, solely for purposes of state, local and other taxes, so long as any of Tranche A-3 Series 2022 Bond is outstanding, agree to treat this Tranche A-3 Series 2022 Bond as indebtedness of the sole owner of the Issuer secured by the Texas Stabilization N Bond Collateral unless otherwise required by appropriate taxing authorities.

* * *



FORM OF ASSIGNMENT

The following abbreviations, when used in the inscription of the face of this Tranche A-3 Series 2022 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS

MIN ACT - _____ Custodian
 _____ (Custodian) _____ (Minor)
 Under Uniform Gifts to Minor Act (_____)
 _____ (State)

Additional abbreviations may also be used though not on the above list.
 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

Name of Assignee:

Address of Assignee:

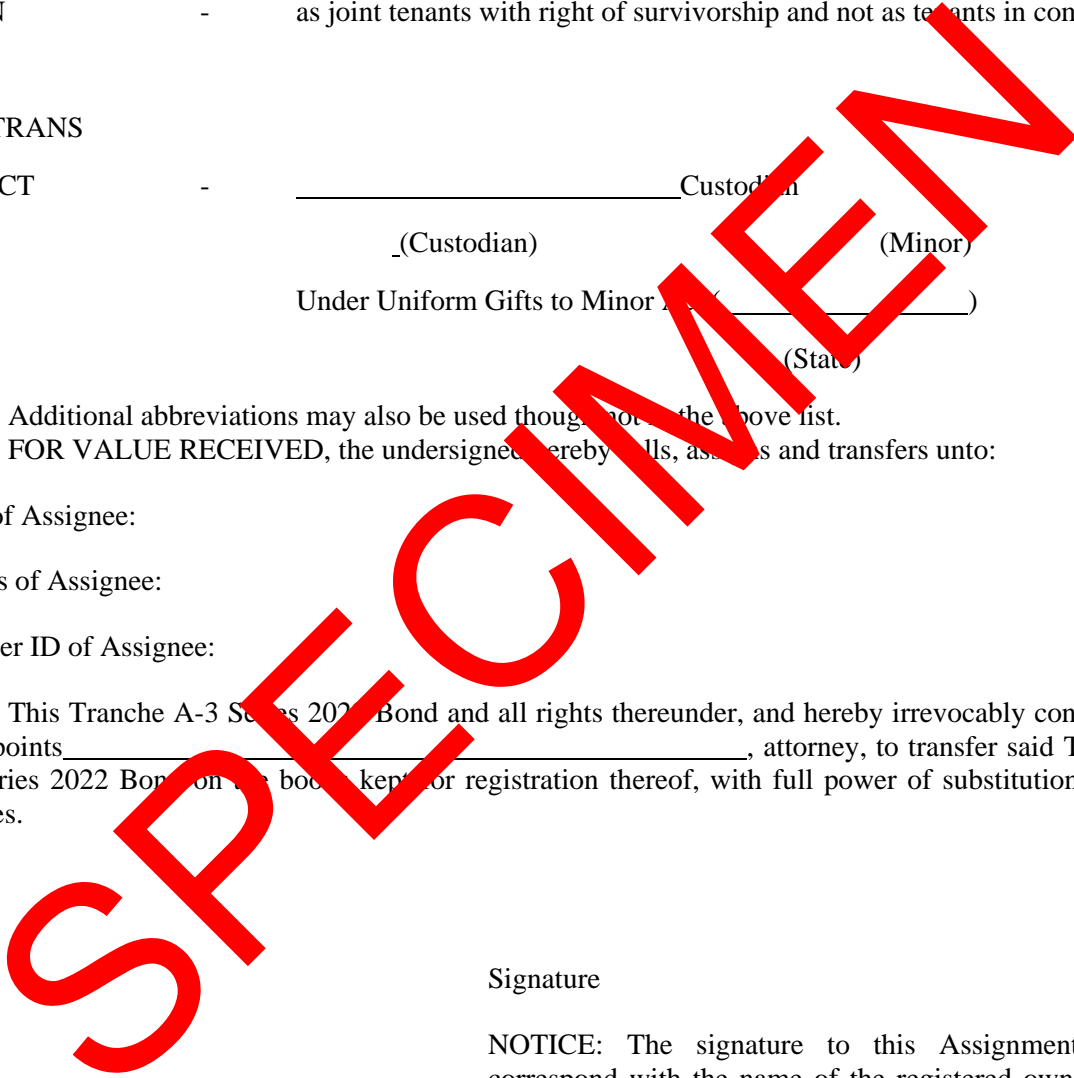
Taxpayer ID of Assignee:

This Tranche A-3 Series 2022 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Tranche A-3 Series 2022 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular word without alteration or enlargement or any change whatsoever.



In connection with any transfer of any of the Tranche A-3 Series 2022 Bond evidenced by this certificate, the undersigned confirms that such Tranche A-3 Series 2022 Bond is being:

CHECK ONE OPTION BELOW

- (1) exchanged for the undersigned's own account without transfer; or
- (2) transferred to a person whom the undersigned reasonably believes to be a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933 who is purchasing this Tranche A-3 Series 2022 Bond for such buyer's own account or the account of a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A under the Securities Act of 1933 and any applicable securities laws of any state of the United States or any other jurisdiction; or
- (3) exchanged or transferred pursuant to and in compliance with Rule 903 or 904 of Regulation S under the Securities Act of 1933; or
- (4) transferred to the Issuer or an "affiliate" (as defined in Rule 144 under the Securities Act) of the Issuer; or
- (5) transferred pursuant to another available exemption from the registration requirements of the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any Tranche A-3 Series 2022 Bond evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if box (3), (4) or (5) is checked, the Issuer may require, prior to registering any such transfer of this Tranche A-3 Series 2022 Bond, such legal opinions, certifications and other information as the Issuer has reasonably requested to confirm that such transfers being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144A under such Act; provided, further, that if box (2) is checked, the transferee must also certify that it is a qualified institutional buyer as defined in Rule 144A.

Signature Guaranteed

NOTICE: The signature to this Assignment must be guaranteed by an institution that is a participant in (i) The Securities Transfer Agent Medallion Program (STAMP), (ii) The New York Stock Exchange Medallion Program (MSP), (iii) the Stock Exchange Medallion Program (SEMP) or (iv) such other guarantee program acceptable to the Indenture Trustee.

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Tranche A-3 Series 2022 Bond for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned’s foregoing representations in order to claim the exemption from registration provided by Rule 144A.

SIGNATURE GUARANTEE

Date: _____

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: To be executed by an executive officer.

SPECIMEN

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TEXAS ELECTRIC MARKET STABILIZATION FUNDING N LLC
TEXAS STABILIZATION NOTES,
SERIES 2022

Tranche A-4

NO.: R-A-4-2

ORIGINAL PRINCIPAL AMOUNT: \$0.00

REGISTERED OWNER: CEDE & CO.

CUSIP NO. U8824D AD7

Authentication Date (date of delivery)	Interest Rate	Final Maturity Date
June 1, 2022	5.167%	February 1, 2052

Reference is made to the further provisions of this Tranche A-4 Series 2022 Bond set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Tranche A-4 Series 2022 Bond. See the reverse hereof for certain definitions.

Texas Electric Market Stabilization Funding N LLC, a Delaware limited liability company (herein referred to as the "Issuer"), for value received, hereby promises to pay to the above described registered owner, or registered assigns, the Original Principal Amount shown above in semi-annual installments on the Payment Dates and in the amounts specified on the reverse hereof or, if less, the amounts determined pursuant the Indenture, in each year, commencing on the date determined as provided on the reverse hereof and ending on or before the Final Maturity Date shown above and to pay interest, at the Interest Rate shown above, on Payment Dates commencing on the Initial Payment Date and continuing until the earlier of the payment in full of the principal hereof and the Final Maturity Date.

Interest on this Tranche A-4 Series 2022 Bond will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such Payment Date or, if no interest has yet been paid, from the date of issuance. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Tranche A-4 Series 2022 Bond shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Tranche A-4 Series 2022 Bond is payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Tranche A-4 Series 2022 Bond shall be applied first to interest due and payable on this Tranche A-4 Series 2022 Bond as provided above and then to the unpaid principal of and premium, if any, on this Tranche A-4 Series 2022 Bond, all in the manner set forth in the Indenture.

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL BOND, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR A REGULATION S PERMANENT GLOBAL BOND, ARE AS SPECIFIED IN THE INDENTURE. NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL BOND SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON, THIS BOND.

THE PRINCIPAL OF THIS TEXAS SELECT SEC MARKET STABILIZATION FUNDING LLC TEXAS STABILIZATION BONDS, TRANCHE A-4 SERIES 2022 BOND (THIS "TRANCHE A-4 SERIES 2022 BOND") WILL BE PAID IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS TRANCHE A-4 SERIES 2022 BOND AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ALL OBLIGATIONS OF THE ISSUER RELATING TO THE TRANCHE A-4 SERIES 2022 BONDS UNDER THE TERMS OF THE INDENTURE WILL BE RELEASED AND DISCHARGED UPON PAYMENT IN FULL HEREOF OR AS OTHERWISE PROVIDED IN THE INDENTURE. THE HOLDER OF THIS TRANCHE A-4 SERIES 2022 BOND HEREBY COVENANTS AND AGREES THAT PRIOR TO THE DATE WHICH IS ONE (1) YEAR AND ONE (1) DAY AFTER THE PAYMENT IN FULL OF THIS TRANCHE A-4 SERIES 2022 BOND, IT WILL NOT INSTITUTE AGAINST, OR JOIN ANY OTHER PERSON IN INSTITUTING AGAINST, THE ISSUER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS OR OTHER SIMILAR PROCEEDING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. NOTHING IN THIS PARAGRAPH SHALL PRECLUDE, OR BE DEEMED TO ESTOP, SUCH HOLDER (A) FROM TAKING OR OMITTING TO TAKE ANY ACTION PRIOR TO SUCH DATE IN (I) ANY CASE OR PROCEEDING VOLUNTARILY FILED OR COMMENCED BY OR ON BEHALF OF THE ISSUER UNDER OR PURSUANT TO ANY SUCH LAW OR (II) ANY INVOLUNTARY CASE OR PROCEEDING PERTAINING TO THE ISSUER WHICH IS FILED OR COMMENCED BY OR ON BEHALF OF A PERSON OTHER THAN SUCH HOLDER AND IS NOT JOINED IN BY SUCH HOLDER (OR ANY PERSON TO WHICH SUCH HOLDER SHALL HAVE ASSIGNED, TRANSFERRED OR OTHERWISE CONVEYED ANY PART OF THE OBLIGATIONS OF THE ISSUER HEREUNDER) UNDER OR PURSUANT TO ANY SUCH LAW, OR (B) FROM COMMENCING OR PROSECUTING ANY LEGAL ACTION WHICH IS NOT AN INVOLUNTARY CASE OR PROCEEDING UNDER OR PURSUANT TO ANY SUCH LAW AGAINST THE ISSUER OR ANY OF ITS PROPERTIES.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Tranche A-4 Series 2022 Bond shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Signature Page Follows]

SPECIMEN

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Responsible Officer.

Date: June 15, 2022

ISSUER:

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

a Delaware limited liability company

By: _____

Scott Taylor
Vice President and Chief Financial Officer

SPECIMEN

[SIGNATURE PAGE TO TRANCHE A-4 SERIES 2022 BOND]

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is a Tranche A-4 Series 2022 Bond, designated above and referred to in the within-mentioned Indenture.

Date: JUNE 15, 2022

INDENTURE TRUSTEE

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**

a National Banking Association

By: [Signature]
Authorized Signatory

SPECIMEN

REVERSE OF TEXAS STABILIZATION N BOND

This Tranche A-4 Texas Electric Market Stabilization Funding N LLC Texas Stabilization N Bond, Series 2022 Bond is one of a duly authorized issue of the Issuer (the "Tranche A-4 Series 2022 Bonds"), issued under that certain Indenture dated as of June 15, 2022, (as supplemented by the Series Supplement (as defined below), the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association in its capacity as indenture trustee (the "Indenture Trustee", which term includes any successor indenture trustee under the Indenture) and U.S. Bank National Association in its capacity as a securities intermediary (the "Securities Intermediary", which term includes any successor securities intermediary under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee, the Securities Intermediary, and the Holders of the Tranche A-4 Series 2022 Bonds. For purposes herein, "Series Supplement" means that certain Series Supplement dated as of June 15, 2022 between the Issuer and the Indenture Trustee. All terms used in this Tranche A-4 Series 2022 Bond that are defined in the Indenture, as amended, restated, supplemented, or otherwise modified from time to time, shall have the meanings assigned to such terms in the Indenture.

The Tranche A-4 Series 2022 Bonds, the other tranches of Issuer's Texas Stabilization N Bonds issued under the Indenture (all of such tranches being referred to herein as "Texas Stabilization N Bonds") are and will be equally and ratably secured by the Texas Stabilization N Bond Collateral pledged as security therefor as provided in the Indenture and in the Series Supplement.

The principal of this Tranche A-4 Series 2022 Bond shall be payable on each Payment Date only to the extent that amounts in the Collection Account are available therefor, and only until the outstanding principal balance thereof on the preceding Payment Date (after

giving effect to all payments of principal, if any, made on the preceding Payment Date) has been reduced to the principal balance specified in the Expected Outstanding Principal Balance Schedule which is attached to the Series Supplement as Schedule A unless payable earlier because an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Bondholders representing not less than a majority of the outstanding amount of the Texas Stabilization N Bonds have declared the Texas Stabilization N Bonds to be immediately due and payable in accordance the Indenture (unless such declaration shall have been rescinded and annulled in accordance with the Indenture). However, actual principal payments may be made in lesser than expected amounts and at later than expected times as determined pursuant to the Indenture. The entire unpaid principal amount of this Tranche A-4 Series 2022 Bond shall be due and payable on the Final Maturity Date hereof. Notwithstanding the foregoing, the entire unpaid principal amount of Texas Stabilization N Bonds shall be due and payable, if not then previously paid, on the date on which an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders of the Texas Stabilization N Bonds representing not less than a majority of the Outstanding Amount of the Texas Stabilization N Bonds have declared the Texas Stabilization N Bonds to be immediately due and payable in the manner provided in the Indenture (unless such declaration shall have been rescinded and annulled in accordance with the Indenture). All principal payments on the Tranche A-4 Series 2022 Bonds shall be made pro rata to the Holders entitled thereto based on the respective principal amounts of the Tranche A-4 Series 2022 Bonds held by them.

Payments of interest on this Tranche A-4 Series 2022 Bond due and payable on each Payment Date, together with the installment of principal or premium, if any, shall be made by wire transfer to an account maintained by the Person whose name appears as the Registered

Owner of this Tranche A-4 Series 2022 Bond (or one or more Predecessor Texas Stabilization N Bonds) on the Texas Stabilization N Bond Register as of the close of business on the Record Date or in such other manner as may be provided in the Indenture or the Series Supplement, except that while this Tranche A-4 Series 2022 Bond is held in Book-Entry Form, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Texas Stabilization N Bond evidencing this Tranche A-4 Series 2022 Bond unless and until such Global Texas Stabilization N Bond is exchanged for Definitive Texas Stabilization N Bonds (in which event payments shall be made as provided above), and except for the final installment of principal and premium, if any, payable with respect to this Tranche A-4 Series 2022 Bond on a Payment Date which shall be payable as provided below. Any reduction in the principal amount of this Tranche A-4 Series 2022 Bond (or any one or more Predecessor Texas Stabilization N Bonds) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Tranche A-4 Series 2022 Bond and of any Texas Stabilization N Bond issued upon the registration of transfer hereof, in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Tranche A-4 Series 2022 Bond on a Payment Date, then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Owner hereof as of the Record Date preceding such Payment Date by notice mailed no later than five (5) days prior to such final Payment Date and shall specify which final installment will be payable only upon presentation and surrender of this Tranche A-4 Series 2022 Bond and shall specify the place where this Tranche A-4 Series 2022 Bond may be presented and surrendered for payment of such installment.

The Issuer shall pay interest on overdue installments of interest at the Texas Stabilization N Bond Interest Rate to the extent lawful.

Principal and interest due and payable on this Tranche A-4 Series 2022 Bond are a nonrecourse debt secured solely by Uplift Property created and established by the Debt Obligation Order obtained from the Public Utilities Commission of Texas pursuant to the Securitization Law. Uplift Property consists of the rights and interests of the Seller in the Debt Obligation Order, including the right to impose, collect and receive certain charges (defined in the Securitization Law as "uplift charges") to be assessed and collected from Responsible QSEs, or their successors or assigns, as more fully described in the Debt Obligation Order.

The Securitization Law provides that: "The state pledges, however, for the benefit and protection of financing parties and [ERCOT] that it will not take or permit any action that would impair the value of Uplift Property, or reduce, alter, or impair the Uplift Charges to be assessed, collected, and remitted to financing parties, or the principal, interest and premium, and any other charges incurred and contracts to be performed in connection with the related debt obligations have been paid and performed in full. Any party issuing a debt obligation under [the Securitization Law] is authorized to include this pledge in any documentation relating to the obligation."

The Securitization Law further provides that: "Debt obligations issued pursuant to [the Securitization Law], including any bonds, are not a debt or obligation of the state and are not a charge on its full faith and credit or taxing power."

The Issuer hereby acknowledges that the purchase of this Tranche A-4 Series 2022 Bond by the Holder hereof or the purchase of any beneficial interest herein by any Person are made in reliance on the foregoing pledge.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Tranche A-4 Series 2022 Bond may be registered on the Texas Stabilization N Bond Register upon surrender of this Tranche A-4 Series 2022 Bond for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by (A) a written instrument of

transfer in form satisfactory to the Indenture Trustee duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution which is a member of one of the following recognized Signature Guaranty Programs: (I) The Securities Transfer Agent Medallion Program (STAMP); (II) The New York Stock Exchange Medallion Program (MSP); (III) The Stock Exchange Medallion Program (SEMP); or (IV) in such other guarantee program acceptable to the Indenture Trustee, and (B) such other documents as the Indenture Trustee may require, and thereupon one or more new Tranche A-4 Series 2022 Bond of Minimum Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Tranche A-4 Series 2022 Bond, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges pursuant to the terms of the Indenture not involving any transfer.

Each Texas Stabilization N Bond holder, by acceptance of a Texas Stabilization N Bond, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Indenture Trustee on the Texas Stabilization N Bonds, under the Indenture or any certificate or other writing delivered in connection therewith, against (I) any owner or membership interest in the Issuer (including ERCOT) or (II) any shareholder, partner, owner, beneficiary, agent, officer or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including ERCOT) in its respective individual or corporate capacities, or of any successor or assign of any of them in their individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Texas Stabilization N Bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver

and release are part of the consideration for issuance of the Texas Stabilization N Bonds.

Prior to the due presentment for registration of transfer of this Tranche A-4 Series 2022 Bond, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Tranche A-4 Series 2022 Bond is registered (as of the day of determination) as the owner hereof for the purpose of receiving payment of principal of and premium, if any, and interest on this Tranche A-4 Series 2022 Bond and for all other purposes whatsoever, when such Tranche A-4 Series 2022 Bond is not this Tranche A-4 Series 2022 Bond and is overdue, and neither the Issuer, the Indenture Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment hereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Texas Stabilization N Bonds under the Indenture at any time by the Issuer with the consent of the Bondholders representing not less than a majority of the Outstanding Amount of all Texas Stabilization N Bonds at the time outstanding of each Tranche to be affected. The Indenture also contains provisions permitting the Bondholders representing specified percentages of the Outstanding Amount of the Texas Stabilization N Bonds, on behalf of the Holders of all the Texas Stabilization N Bonds, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Tranche A-4 Series 2022 Bond (or any one of more Predecessor Texas Stabilization N Bonds) shall be conclusive and binding upon such Holder and upon all future Holders of this Tranche A-4 Series 2022 Bond and of any Texas Stabilization N Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Tranche A-4 Series 2022 Bond. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture

without the consent of Holders of the Texas Stabilization N Bonds issued thereunder.

The Indenture contains provisions for defeasance at any time of (A) the entire indebtedness of the Issuer on this Tranche A-4 Series 2022 Bond and (B) certain restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth herein, which provisions apply to this Tranche A-4 Series 2022 Bond.

The term "Issuer" as used in this Tranche A-4 Series 2022 Bond includes any successor to the Issuer under the Indenture. The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee and the Bondholders under the Indenture.

This Tranche A-4 Series 2022 Bond is issuable only in registered form in denominations as provided in the Indenture and the Series Supplement subject to certain limitations therein set forth.

THIS TRANCHE A-4 SERIES 2022 BOND, SHALL BE GOVERNED BY AND 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 LAWS.

No reference herein to the Indenture and no provision of this Tranche A-4 Series 2022 Bond or of the Indenture shall alter or impair the obligation, which is absolute and unconditional, to pay the principal of and interest on this Tranche A-4 Series 2022 Bond at the times, place, and rate, and in the coin or currency herein prescribed.

The Issuer and the Indenture Trustee, by entering into the Indenture, and the Holders and any Persons holding a beneficial interest in any Tranche A-4 Series 2022 Bond, by acquiring Tranche A-4 Series 2022 Bond interest therein, (I) expressly intend that, solely for the purpose of federal taxes, and, to the extent consistent with applicable state, local and other tax law, solely for the purpose of state, local and other taxes, this Tranche A-4 Series 2022 Bond qualified under applicable tax law as indebtedness of the sole owner of the Issuer secured by the Texas Stabilization N Bond Collateral and (II) solely for purposes of federal taxes, and, to the extent consistent with applicable state, local and other tax law, solely for purposes of state, local and other taxes, so long as any of Tranche A-4 Series 2022 Bond is outstanding, agree to treat this Tranche A-4 Series 2022 Bond as indebtedness of the sole owner of the Issuer secured by the Texas Stabilization N Bond Collateral unless otherwise required by appropriate taxing authorities.

* * *

FORM OF ASSIGNMENT

The following abbreviations, when used in the inscription of the face of this Tranche A-4 Series 2022 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS

MIN ACT - _____ Custodian
 _____ (Custodian) _____ (Minor)
 Under Uniform Gifts to Minor Act (_____)
 _____ (State)

Additional abbreviations may also be used though not on the above list.
 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

Name of Assignee:

Address of Assignee:

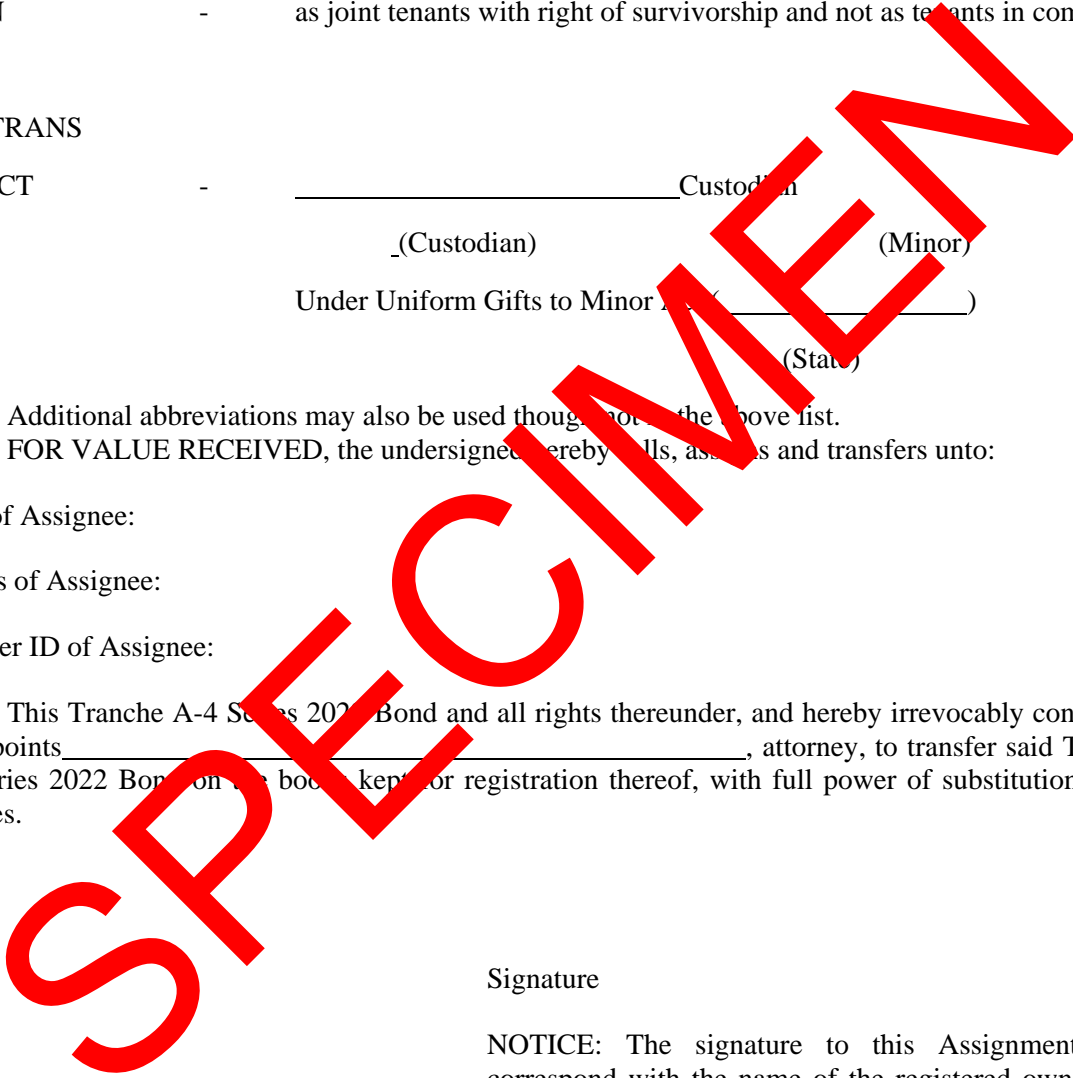
Taxpayer ID of Assignee:

This Tranche A-4 Series 2022 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Tranche A-4 Series 2022 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular word without alteration or enlargement or any change whatsoever.



In connection with any transfer of any of the Tranche A-4 Series 2022 Bond evidenced by this certificate, the undersigned confirms that such Tranche A-4 Series 2022 Bond is being:

CHECK ONE OPTION BELOW

- (1) exchanged for the undersigned's own account without transfer; or
- (2) transferred to a person whom the undersigned reasonably believes to be a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933 who is purchasing this Tranche A-4 Series 2022 Bond for such buyer's own account or the account of a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A under the Securities Act of 1933 and any applicable securities laws of any state of the United States or any other jurisdiction; or
- (3) exchanged or transferred pursuant to and in compliance with Rule 903 or 904 of Regulation S under the Securities Act of 1933; or
- (4) transferred to the Issuer or an "affiliate" (as defined in Rule 144 under the Securities Act) of the Issuer; or
- (5) transferred pursuant to another available exemption from the registration requirements of the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any Tranche A-4 Series 2022 Bond evidenced by this certificate in the name of any person other than the registered Holder thereof. However, if box (3), (4) or (5) is checked, the Issuer may require, prior to registering any such transfer of this Tranche A-4 Series 2022 Bond, such legal opinions, certifications and other information as the Issuer has reasonably requested to confirm that such transfers being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144A under such Act; provided, further, that if box (2) is checked, the transferee must also certify that it is a qualified institutional buyer as defined in Rule 144A.

Signature Guaranteed

NOTICE: The signature to this Assignment must be guaranteed by an institution that is a participant in (i) The Securities Transfer Agent Medallion Program (STAMP), (ii) The New York Stock Exchange Medallion Program (MSP), (iii) the Stock Exchange Medallion Program (SEMP) or (iv) such other guarantee program acceptable to the Indenture Trustee.

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Tranche A-4 Series 2022 Bond for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned’s foregoing representations in order to claim the exemption from registration provided by Rule 144A.

SIGNATURE GUARANTEE

Date: _____

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: To be executed by an executive officer.

SPECIMEN