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06/13/2022 08:00 AM

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

FILED
TEXAS
SECRETARY OF STATE
SOS
115574940004

A. NAME & PHONE OF CONTACT AT FILER (optional) Angie Garcia, Paralegal (713) 650-2463	
B. E-MAIL CONTACT AT FILER (optional) agarcia@winstead.com	
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	
	Return Acknowledgement to: Capitol Services, Inc. PO Box 1831 Austin, TX 78767 800.345.4647 1304732

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.						
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 8000 Metropolis Dr (BLDG'E), Suite 100, Attn: General Counsel			CITY Austin	STATE TX	POSTAL CODE 78744	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Indenture Trustee						
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 190 S. LaSalle Street, 7th Floor			CITY Chicago	STATE IL	POSTAL CODE 60603	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:
Uplift Property, including the right to collect Uplift Charges, proceeds thereof and other related assets, all as more fully described on Exhibit A attached hereto and made a part hereof.

THE DEBTOR IS A TRANSMITTING UTILITY.

5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, item 17. and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative	
6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input checked="" type="checkbox"/> A Debtor is a Transmitting Utility	6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input checked="" type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor	
8. OPTIONAL FILER REFERENCE DATA: TX Secretary of State (47733-83) Doc No. 4891-2853-9939	

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: - Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

10c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR-SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME
TEXAS ELECTRIC MARKET STABILIZATION FUNDING N LLC

OR

11b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

8000 Metropolis Dr (BLDG E), Suite 100, Attn: General Counsel Austin TX 78744 USA

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. This FINANCING STATEMENT, is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable).

14. This FINANCING STATEMENT:
 covers timber to be cut covers as-extracted collateral is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

**EXHIBIT A TO
UCC FINANCING STATEMENT**

DEBTOR/SELLER:

Electric Reliability Council of Texas, Inc.
8000 Metropolis Drive (Building E), Suite 100
Austin, Texas 78744
Attn: General Counsel

**SECURED PARTY/
PURCHASER/ASSIGNOR:**

Texas Electric Market Stabilization
Funding N LLC
8000 Metropolis Drive (Building E), Suite 100
Austin, Texas 78744
Attn: Chief Financial Officer

ASSIGNEE OF SECURED PARTY:

U.S. Bank Trust Company, National Association,
as Indenture Trustee
190 S. LaSalle Street, 7th Floor
Chicago, Illinois 60603

COLLATERAL DESCRIPTION:

All of the Debtor's right, title and interest (whether now owned or hereafter acquired or arising) in and to (a) the Uplift Property created under and pursuant to the Debt Obligation Order, and transferred by the Seller to the Issuer pursuant to the Sale Agreement (including, to the fullest extent permitted by law, the right to impose, collect and receive Uplift Charges, all revenues and collections, arising from the Uplift Charges authorized in the Debt Obligation Order and any contractual rights to collect such Uplift Charges from Responsible QSEs representing Obligated LSEs); (b) all Uplift Charges related to the Uplift Property; (c) the Sale Agreement and the Bill of Sale executed in connection therewith and all property and interests in property transferred under the Sale Agreement and the Bill of Sale with respect to the Uplift Property and the Series 2022 Bonds; (d) the Servicing Agreement, the Administration Agreement, the Intercreditor Agreement, and any subservicing, agency, administration or collection agreements executed in connection therewith, to the extent related to the foregoing Uplift Property and the Series 2022 Bonds; (e) the Collection Account, all subaccounts thereof and all amounts of cash, instruments, investment property or other assets on deposit therein or credited thereto from time to time and all Financial Assets and securities entitlements carried therein or credited thereto; (f) all rights to compel the Servicer to adjust the Uplift Charges in accordance with Section 39.657 of the Securitization Law and the Debt Obligation Order; (g) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, whether such claims, demands, causes and choses in action constitute Uplift Property, accounts, general intangibles, instruments, contract rights, chattel paper or proceeds of such items or any other form of property; (h) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing; and (i) all payments on or under, and all proceeds in respect of, any or all of the foregoing (collectively, the "Texas Stabilization N Bond Collateral"); it being understood that the following do not constitute Texas Stabilization N Bond Collateral: (i) cash that has been released following retirement of all Outstanding Series 2022 Bonds, and cash that has been released pursuant to Section 8.02(e)(xii) of the Indenture, and (ii) amounts deposited with the Issuer on the Closing Date, for payment of costs of issuance with respect to the Series 2022 Bonds (together with any interest earnings thereon), it being understood that such amounts described in clauses (i) through (ii) above shall not be subject to Section 3.17 of the Indenture.

The following terms used herein shall have the following meanings:

"Administration Agreement" means the Administration Agreement, dated as of June 15, 2022, by and between ERCOT and the Issuer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Basic Documents" means the Indenture, the Administration Agreement, the Sale Agreement and the Bill of Sale, the Certificate of Formation, the LLC Agreement, the Servicing Agreement, the Intercreditor Agreement, the Series 2022 Bonds Series Supplement, the Letter of Representations, the Bond Purchase Agreement and all other documents and certificates delivered in connection therewith.

"Bill of Sale" means a bill of sale substantially in the form of Exhibit A to the Sale Agreement.

"Bond Purchase Agreement" means the Purchase Agreement, dated as of June 8, 2022, by and among ERCOT, the representatives of the several Initial Purchasers named therein and the Issuer, as the same may be amended, supplemented or modified from time to time.

"Book-Entry Form" means, with respect to any Texas Stabilization N Bond, that such Texas Stabilization N Bond is not certificated and the ownership and transfers thereof shall be made through book entries by a Clearing Agency as described in Section 2.11 of the Indenture and the Series Supplement pursuant to which such Texas Stabilization N Bond was issued.

"Book-Entry Texas Stabilization N Bonds" means any Texas Stabilization N Bonds issued in Book-Entry Form; provided, however, that after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Texas Stabilization N Bonds are to be issued to the Holder of such Texas Stabilization N Bonds, such Texas Stabilization N Bonds shall no longer be "Book-Entry Texas Stabilization N Bonds".

"Certificate of Formation" means the Certificate of Formation filed with the Secretary of State of the State of Delaware on December 2, 2021, pursuant to which the Issuer was formed.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Closing Date" means June 15, 2022, the date on which the Series 2022 Bonds are to be originally issued in accordance with Section 2.10 of the Indenture and a Series 2022 Bonds Series Supplement.

"Collection Account" means one or more segregated trust accounts opened in the Indenture Trustee's name for the deposit of Uplift Charges Collections and all other amounts received with respect to the Texas Stabilization N Bond Collateral, in accordance with Section 8.02(a) of the Indenture.

"Corporate Trust Office" means the office of the Indenture Trustee or Securities Intermediary at which, at any particular time, its corporate trust business shall be administered, which office (for all purposes other than registration of transfer of Texas Stabilization N Bonds) as of the Closing Date is located at 190 S. LaSalle Street, 7th Floor, Chicago, IL 60603, Attention: Corporate Trust Services-TX Stabilization N

Bonds and for registration of transfers of Texas Stabilization N Bonds, the office as of the Closing Date is located at 111 E. Fillmore Avenue, St. Paul, Minnesota 55107, Attention: Bondholder Services, or at such other address as the Indenture Trustee or Securities Intermediary may designate from time to time by notice to the Holders of Texas Stabilization N Bonds and the Issuer, or the principal corporate trust office of any successor trustee by like notice.

"Debt Obligation Order" means the Final Debt Obligation Order dated October 13, 2021, issued by the PUCT pursuant to the Securitization Law, Docket No. 52322 authorizing the creation of the Uplift Property.

"ERCOT" means the Electric Reliability Council of Texas or any successor thereto.

"ERCOT's Protocols" means the protocols, procedures and protocols adopted by ERCOT, including any attachments or exhibits referenced therein, as amended from time to time, including the ERCOT's Protocols relating to the allocation, assessment and collection of Uplift Charges, as amended from time to time.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Final" means, with respect to the Debt Obligation Order, that the Debt Obligation Order has become final, is not being appealed and that the time for filing an appeal therefrom has expired.

"Financial Asset" means "financial asset" as set forth in Section 8.102(a)(9) of the TX UCC.

"Governmental Authority" means any nation or government, any federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative function of government.

"Holder" means the Person in whose name a Texas Stabilization N Bond is registered on the Texas Stabilization N Bond Register.

"Indenture" means the Indenture, dated as of June 15, 2022, by and between the Issuer, U.S. Bank Trust Company, National Association, a national banking association, as Indenture Trustee and U.S. Bank National Association, a national banking association, as Securities Intermediary, as originally executed and as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Intercreditor Agreement" means the Intercreditor Agreement dated as of June 15, 2022, by and among the Issuer, ERCOT, the Indenture Trustee, Texas Electric Market Stabilization Funding M, LLC, and the indenture trustee with respect to the M Bonds (as defined therein) as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Issuer" means Texas Electric Market Stabilization Funding N LLC, a Delaware limited liability company, named as such in the Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained in the Indenture and required by the TIA, each other obligor on the Texas Stabilization N Bonds.

"Member" has the meaning specified in the first paragraph of the LLC Agreement.

"Letter of Representations" means any applicable agreement between the Issuer and the applicable Clearing Agency, with respect to such Clearing Agency's rights and obligations (in its capacity as a Clearing Agency) with respect to any Book-Entry Texas Stabilization N Bonds, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"LLC Agreement" means the Limited Liability Company Agreement of Texas Electric Market Stabilization Funding N LLC, dated as of December 1, 2021, and amended on June 7, 2022, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Manager" means each manager of the Issuer under the LLC Agreement.

"Obligated LSEs" means obligated load-serving entities.

"Outstanding" means, as of the date of determination, all Texas Stabilization N Bonds theretofore authenticated and delivered under the Indenture except:

- (a) Texas Stabilization N Bonds theretofore canceled by the Texas Stabilization N Bond Registrar or delivered to the Texas Stabilization N Bond Registrar for cancellation;
- (b) Texas Stabilization N Bonds or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Holders of such Texas Stabilization N Bonds; and
- (c) Texas Stabilization N Bonds in exchange for or in lieu of other Texas Stabilization N Bonds which have been issued pursuant to the Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Texas Stabilization N Bonds are held by a Protected Purchaser;

provided that in determining whether the Holders of the requisite Outstanding Amount of the Texas Stabilization N Bonds or any Tranche thereof have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Basic Document, Texas Stabilization N Bonds owned by the Issuer, any other obligor upon the Texas Stabilization N Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Texas Stabilization N Bonds that a Responsible Officer of the Indenture Trustee actually knows to be so owned shall be so disregarded. Texas Stabilization N Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Texas Stabilization N Bonds and that the pledgee is not the Issuer, any other obligor upon the Texas Stabilization N Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons.

"Outstanding Amount" means the aggregate principal amount of all Texas Stabilization N Bonds or, if the context requires, all Texas Stabilization N Bonds of a series or a Tranche, Outstanding at the date of determination.

"Paying Agent" means with respect to the Indenture, the U.S. Bank Trust Company, National Association and any other Person appointed as a paying agent for the Texas Stabilization N Bonds pursuant to the Indenture.

"Person" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or government or any agency or political subdivision thereof.

"Protected Purchaser" has the meaning specified in Section 8.303 of the TX UCC.

"PUCT" means the Public Utility Commission of Texas, or any Governmental Authority succeeding to the duties of such agency.

"QSE" means a qualified scheduling entity, as defined in ERCOT's Protocols.

"Responsible Officer" means with respect to (a) the Issuer, any Manager or any duly authorized officer; (b) the Indenture Trustee and Securities Intermediary, any officer within the Corporate Trust Office of such trustee or securities intermediary (including the President, any Vice President, Assistant Vice President, Secretary or Assistant Treasurer, Trust Officer, Assistant Trust Officer or any other officer of the Indenture Trustee or Securities Intermediary customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively who at such time shall be such officers) and also means with respect to a particular corporate trust matter relating to this Indenture, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject, and who, in each case, has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject; (c) any corporation (other than the Indenture Trustee), the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Treasurer, the Assistant Treasurer or any other duly authorized officer of such Person who has been authorized to act in the circumstances; (d) any partnership, any general partner thereof; and (e) any other Person (other than an individual or the Indenture Trustee), any duly authorized officer or member of such Person, as the context may require, who is authorized to act in matters relating to such Person.

"Responsible QSEs" means QSEs, representing Obligated LSEs, responsible for the assessment, collection and payment of Uplift Charges.

"Sale Agreement" means the Uplift Property Purchase and Sale Agreement, dated as of June 15, 2022, by and between Electric Reliability Council of Texas, Inc. as Seller and the Issuer as Buyer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Securities Intermediary" means U.S. Bank National Association, a national banking association, solely in the capacity of a "securities intermediary" as defined in the TX UCC and 31 C.F.R. Part 357 et seq. (Department of Treasury) or any successor securities intermediary under the Indenture.

"Securitization Law" means Subchapter N of Chapter 39 of the Texas Utilities Code §§ 39.651 – 39.664, in each case as amended from time to time.

"Seller" means Electric Reliability Council of Texas, Inc., a Texas non-profit corporation.

"Series 2022 Bonds" means the Issuer's Texas Stabilization N Bonds authorized and issued pursuant to the Series 2022 Issuer Order as more fully described in the Series 2022 Bonds Series Supplement.

"Series 2022 Bonds Series Supplement" means the Series Supplement relating to the Series 2022 Bonds, attached to the Indenture as Exhibit B.

"Series 2022 Issuer Order" means the Issuer Order adopted by the Issuer on June 15, 2022, authorizing the issuance of the Series 2022 Bonds.

"Series Supplement" means any indenture supplemental to the Indenture authorizing the issuance of Texas Stabilization N Bonds.

"Servicer" means ERCOT, as Servicer under the Servicing Agreement, or any successor Servicer to the extent permitted under the Servicing Agreement.

"Servicing Agreement" means the Uplift Property Servicing Agreement, dated as of June 15, 2022, by and between the Issuer and ERCOT, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Texas Stabilization N Bond Register" means the register maintained pursuant to Section 2.05 of the Indenture, providing for the registration of the Texas Stabilization N Bonds and transfers and exchanges thereof.

"Texas Stabilization N Bond Registrar" means the registrar at any time of the Texas Stabilization N Bond Register, appointed pursuant to Section 2.05 of the Indenture.

"Texas Stabilization N Bonds" means the Texas Stabilization N Bonds authorized by the Debt Obligation Order and issued under the Indenture, including any refinancing thereof authorized by the Debt Obligation Order.

"TIA" means the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, as in force on the Closing Date, unless otherwise specifically provided.

"Tranche" means any one of the tranches of Texas Stabilization N Bonds.

"TX UCC" means the Uniform Commercial Code as in effect on the Closing Date, in the State of Texas.

"Uplift Charges" means any uplift charges authorized by the PUCT to be assessed and collected from Responsible QSEs by ERCOT pursuant to the Securitization Law and the Debt Obligation Order, as more fully described in the Debt Obligation Order.

"Uplift Charges Collections" means Uplift Charges received by the Servicer to be remitted to the Collection Account.

"Uplift Property" means all uplift property pertaining to the Texas Stabilization N Bonds and created, sold, assigned, or pledged pursuant to the terms of the Indenture and the Basic Documents, as the same has been authorized to be created by the PUCT pursuant to the Securitization Law and the Debt Obligation Order, including the right to impose, collect and receive the Uplift Charges. As used in the Basic Documents, the term "Uplift Property" when used with respect to ERCOT includes the contract rights of ERCOT that exist prior to the time that such rights are first transferred in connection with the issuance of the Texas Stabilization N Bonds, at which time they become Uplift Property in accordance with Section 39.662 of the Securitization Law.

THIS FILING IS FOR PRECAUTIONARY PURPOSES ONLY. DEBTOR/SELLER IS TRANSFERRING THIS PROPERTY TO SECURED PARTY/PURCHASER/ASSIGNOR PURSUANT TO THE SALE AGREEMENT AND THE FILING HEREOF WILL NOT BE DEEMED TO CHANGE THE NATURE OF THE TRANSACTION TO BE ANYTHING OTHER THAN A TRUE SALE. WITHOUT CHANGING THE NATURE OF SUCH TRUE SALE, THIS FILING ALSO EVIDENCES A CURRENT GRANT OF A SECURITY INTEREST BY THE DEBTOR/SELLER TO SECURED PARTY/PURCHASER/ASSIGNOR OF ALL OF ITS RIGHT, TITLE AND INTEREST IN AND TO THE UPLIFT PROPERTY AND OTHER PROPERTY DESCRIBED IN THIS FILING IF FOR ANY REASON SUCH SALE IS LATER HELD NOT TO BE A TRUE SALE.

THE ASSIGNMENT FROM SECURED PARTY/PURCHASER/ASSIGNOR TO ASSIGNEE EVIDENCED BY THIS FILING CONSTITUTES A COLLATERAL ASSIGNMENT ONLY AND ASSIGNEE IS NOT INTENDED TO BE THE OWNER OF THE UPLIFT PROPERTY OR OTHER PROPERTY DESCRIBED IN THIS FILING.

THIS FILING IS ALSO PRECAUTIONARY IN THE EVENT ERCOT MEETS THE DEFINITION OF A TRANSMITTING UTILITY.