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**ONCOR MANAGEMENT  
INVESTMENT LLC**

By: ONCOR ELECTRIC DELIVERY  
COMPANY LLC, its Managing Member

By: /s/ David M. Davis

Name: David M. Davis

Title: Chief Financial Officer

**FIRST AMENDMENT**  
**TO**  
**DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING**  
**by**  
**ONCOR ELECTRIC DELIVERY COMPANY LLC,**  
**as Grantor**  
**to and for the benefit of**  
**THE BANK OF NEW YORK MELLON,**  
**as Collateral Agent**  
**Dated as of March 2, 2009**  
**THIS INSTRUMENT GRANTS A SECURITY INTEREST BY A UTILITY.**  
**THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS.**

**FIRST AMENDMENT  
TO  
DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING**

THIS FIRST AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (this "**Amendment**") is executed to be dated as of March 2, 2009, by **ONCOR ELECTRIC DELIVERY COMPANY LLC**, a Delaware limited liability company ("**Grantor**"), having an organizational identification number of 4435668 and an office at Energy Plaza, 1601 Bryan Street, Dallas, Texas 75201, Attention: Treasurer, to and for the benefit of **THE BANK OF NEW YORK MELLON** (formerly The Bank of New York), a New York banking corporation, as Collateral Agent and Trustee ("**Collateral Agent**" and "**DOT Trustee**") under the Deed of Trust (as defined below), whose address is The Bank of New York Mellon, c/o Corporate Trust Administration, 101 Barclay Street, Floor 8W, New York, New York 10286.

**RECITALS:**

A. Grantor executed and delivered that certain Deed of Trust, Security Agreement and Fixture Filing dated as of May 15, 2008 (the "**Deed of Trust**") to the Collateral Agent, which was filed of record with the Texas Secretary of State pursuant to Section 35.02 of the Texas Business and Commerce Code on May 15, 2008 under file number 08-0016750724.

B. Pursuant to Section 7.1(e) of the Deed of Trust, Grantor wishes to amend the Deed of Trust to correct the figure set forth therein with respect to Available Bond Credits.

C. Grantor has furnished to the Collateral Agent an Officer's Certificate and an Opinion of Counsel pursuant to Section 25 of the Deed of Trust.

D. Grantor has duly authorized the execution and delivery of this Amendment and hereby requests the Collateral Agent to execute and deliver this Amendment.

E. All things necessary to make this Amendment a valid and binding agreement of the Grantor and an amendment to the Deed of Trust in accordance with its terms have been done and performed.

**AGREEMENT:**

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor and Collateral Agent hereby agree as follows:

1. **Definitions.** Capitalized terms used in this Amendment shall have the same meaning as ascribed to such terms in the Deed of Trust unless defined otherwise herein.

2. **Amendment.** The definition of "Available Bond Credits" in Section 1 of the Deed of Trust is hereby deleted in its entirety and the following is inserted in lieu thereof:

**"Available Bond Credits"** as of the Execution Date equals \$2,241,394,604. Thereafter, Available Bond Credits shall be (a) increased by the principal amount of Obligations (other than Deed of Trust Obligations) paid, retired or cancelled or for the payment of which money has been deposited with the applicable Secured Party Representative, and (b) decreased by the principal amount of Additional Obligations secured pursuant to Section 22 hereof.

3. Ratification. Except as expressly set forth herein, this Amendment shall not alter, amend, modify or otherwise affect the terms, provisions and conditions of the Credit Documents, and Grantor hereby ratifies, confirms and agrees that the Credit Documents and all liens, security interests, assignments, powers, indemnities, waivers and other rights created for Collateral Agent's benefit thereunder, including, without limitation, the lien created by the Deed of Trust, as amended by this Amendment, shall continue to secure, in the same manner, in the same priority and to the same extent set forth therein, the payment and performance of the Obligations, and all of same are hereby renewed, extended, carried forward, ratified and confirmed and shall be deemed for all purposes in full force and effect.

4. No Waiver. The execution and/or acceptance of this Amendment by Grantor shall not be deemed or construed as: (a) a novation or an accord and satisfaction of any of Grantor's duties, obligations and liabilities contained in the Credit Documents, as amended; (b) a waiver, modification, restriction or limitation of any and all of the Collateral Agent's rights and benefits arising under the Credit Documents by operation of law, or otherwise, to demand full, complete and strict performance of the duties, obligations and liabilities contained in the Credit Documents, as amended; or (c) an obligation of the Collateral Agent to grant Grantor any future or further modification, renewal, extension and/or amendment to the Deed of Trust, as amended hereby, or any or all of the other Credit Documents.

5. Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts with the same effect as if the signature thereto and hereto were upon the same instrument, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

6. Severability. In the event any one or more of the provisions contained in this Deed of Trust shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included.

7. Entire Agreement. This Amendment and the Credit Documents as amended in writing and signed by the parties represent the entire agreement of the parties with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by any party relative to the subject matter hereof not expressly set forth or referred to herein or therein.

8. Further Amendment. Neither this Amendment nor any terms hereof may be amended, supplemented or modified except by a written instrument executed by the parties in accordance with the terms and conditions of the Deed of Trust. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

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9. Authority. The Grantor and the respective representative thereof executing this Amendment on its behalf, each represents that such representative has full power, authority and legal right to execute and deliver this Amendment and that the same constitutes a valid and binding obligation of such party.

10. Collateral Agent. The Collateral Agent shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Amendment or for or in respect of the recitals contained herein, all of which recitals are made solely by the Grantor.

11. Governing Law. This Amendment shall be governed by and construed and interpreted in accordance with the laws of the State of Texas, except that Grantor expressly acknowledges that all of the rights, benefits, privileges, immunities and obligations of the Collateral Agent under this Amendment shall be governed and construed in accordance with the laws of the State of New York.

[Signature Page Follows.]

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This Amendment has been duly executed by Grantor as of the date first above written and is intended to be effective as of such date.

**ONCOR ELECTRIC DELIVERY COMPANY LLC**, a  
Delaware limited liability company

By: /s/ John M. Casey  
John M. Casey, Treasurer

STATE OF TEXAS           §  
                                  §  
COUNTY OF DALLAS     §

This instrument was acknowledged before me this 27th day of February 2009, by John M. Casey, Treasurer of ONCOR ELECTRIC DELIVERY COMPANY LLC, a Delaware limited liability company, on behalf of said limited liability company.

/s/ Anna R. Hines  
Notary Public in and for the State of Texas

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This Amendment has been duly executed by Collateral Agent as of the date first above written and is intended to be effective as of such date.

**THE BANK OF NEW YORK MELLON**, a New York  
banking corporation, as Collateral Agent

By: /s/ Kimberly P. Davidson

STATE OF NEW YORK           §  
  §  
COUNTY OF NEW YORK       §

This instrument was acknowledged before me this 2 day of March 2009, by Kimberly P. Davidson, a Vice President of THE BANK OF NEW YORK MELLON, a New York banking corporation, on behalf of said banking corporation.

/s/ Carlos R. Luciano  
Notary Public in and for the State of New York

FORM OF  
DIRECTOR STOCKHOLDER'S AGREEMENT

Oncor Management Investment LLC  
Oncor Electric Delivery Company LLC

This Stockholder's Agreement (this "Agreement") is effective as of \_\_\_\_\_, among Oncor Management Investment LLC (the "Company"), a Delaware limited liability company, Oncor Electric Delivery Company LLC, a Delaware limited liability company ("Oncor"), and the undersigned person (the "Stockholder") (the Company, Oncor and the Stockholder being hereinafter collectively referred to as the "Parties"). All capitalized terms not immediately defined are hereinafter defined in Section 5(b) of this Agreement.

WHEREAS, in consideration for the services that Stockholder will provide to the Company and Oncor, the managing member of the Company, as a member of the board of directors of Oncor (the "Board"), the Company and Oncor agreed, among other things, to allow the Stockholder (i) to be permitted to transfer to the Company cash in exchange for Class B Membership Interests (the "Management Units") in the Company (the "Purchased Units"), such Purchased Units issued pursuant to the terms set forth below and the terms of the 2008 Equity Interests Plan for Key Employees of Oncor Delivery Company LLC and its Affiliates; and/or (ii) to receive the right to certain payments from Oncor corresponding to appreciation of the Oncor Units (the "Stock Appreciation Rights") pursuant to the terms set forth below and the terms of the Oncor Electric Delivery Company LLC Director Stock Appreciation Rights Plan (the "Stock Appreciation Rights Plan") and any Award Letter entered into by and between Oncor and the Stockholder (the "Stock Appreciation Rights Agreement");

WHEREAS, this Agreement is one of several other agreements which concurrently with the execution hereof or in the future will be entered into between the Company and other individuals who are or will be directors or key employees of the Company or one of its subsidiaries;

NOW THEREFORE, to implement the foregoing and in consideration of the mutual agreements contained herein, the Parties agree as follows:

1. Issuance of Purchased Units and Stock Appreciation Rights.

(a) Subject to the terms and conditions hereinafter set forth, the Stockholder hereby subscribes for and shall purchase, as of the date hereof, and the Company shall issue and deliver to the Stockholder as of the date hereof, the number of Purchased Units, in each case as set forth on Schedule I hereto at a \$10.00 per unit purchase price (the "Base Price"), which Base Price is equal to the effective per unit fair market value of the Purchased Units, taking into account the concurrent issuance of membership interests in Oncor to Texas Transmission Investment LLC pursuant to the Contribution and Subscription Agreement, dated as of August 12, 2008, between Oncor and Texas Transmission Investment LLC (the "Minority Sale"), as determined in good faith by the Managing Member of the Company (the "Managing Member").

(b) Subject to certain terms and conditions, including those hereinafter set forth and as set forth in the Stock Appreciation Rights Plan, which may include the Stockholder's acquisition of the Purchased Units, Oncor may grant Stock Appreciation Rights, based on a determination by the Organization and Compensation Committee of the Board, to the Stockholder, at an initial exercise price equal to the Base Price, to participate in the economic equivalent of the appreciation of the Oncor Units as set forth in the Stock Appreciation Rights Plan.

(c) The Company shall have no obligation to sell any Purchased Units to any person who (i) is a resident or citizen of a state or other jurisdiction in which the sale of the Purchased Units to him or her would constitute a violation of the securities or "blue sky" laws of such jurisdiction or (ii) is not an officer, director or employee of the Company or Oncor (or any Affiliate of Oncor (the material assets of which consist only of its direct or indirect interest in Oncor, or the assets of Oncor) used for the purposes of effecting a Public Offering of the vehicle holding the assets of Oncor (an "IPO Vehicle"))).

## 2. Stockholder's Representations, Warranties and Agreements.

(a) The Company and Oncor each acknowledge and agree that the Stockholder may directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (any of the foregoing acts being referred to herein as a "Transfer") any (x) Purchased Units, or (y) equity interests in Oncor (or any IPO Vehicle) issued in respect of Stock Appreciation Rights or distributed to the Stockholder by the Company ("Oncor Units", together with all equity interests in the Company, equity interests in Oncor or equity interests in any IPO Vehicle otherwise acquired and/or held by the Stockholder Entities, as of or after the date hereof, and any successor security of any of the foregoing, "Units") without restriction; provided that, prior to the earlier of (A) a Qualified Public Offering, (B) five years from the date hereof or (C) the occurrence of a Change in Control, Stockholder shall have first complied with the terms of Section 3 hereof, unless such transfer is a Permitted Transfer, and provided further that, in the case of a Transfer referenced in clause (iii) or (iv) of the definition of Permitted Transfer, such transfer shall be made expressly subject to this Agreement and the transferee shall agree in writing to be bound by the terms and conditions hereof as a "Stockholder" with respect to the representations and warranties and other obligations of this Agreement. No Transfer of any Units in violation hereof shall be made or recorded on the books of the Company and any such Transfer shall be void ab initio and of no effect. If the Stockholder is an Affiliate of the Company or Oncor, the Stockholder also agrees and acknowledges that he or she will not transfer any Units unless:

(i) the Transfer is pursuant to an effective registration statement under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the "Act"), and in compliance with applicable provisions of state securities or "blue sky" laws; or

(ii) (A) counsel for the Stockholder (which counsel shall be reasonably acceptable to the Company, Oncor or the IPO Vehicle, as applicable) shall have furnished the Company, Oncor or the IPO Vehicle, as applicable, with an opinion or other advice, reasonably satisfactory in form and substance to the Company, Oncor or the IPO Vehicle, as applicable, that no such registration is required because of the availability of an exemption from registration under the Act and (B) if the Stockholder is a citizen or resident of any country other than the United States, or the Stockholder desires to effect any Transfer in any such country, counsel for the Stockholder (which

counsel shall be reasonably satisfactory to the Company, Oncor or the IPO Vehicle, as applicable) shall have furnished the Company, Oncor or the IPO Vehicle, as applicable, with an opinion or other advice reasonably satisfactory in form and substance to the Company, Oncor or the IPO Vehicle, as applicable, to the effect that such Transfer will comply with the securities laws of such jurisdiction.

Notwithstanding the foregoing, the Company and Oncor acknowledge and agree that any of the following Transfers of Units are deemed to be in compliance with the Act and this Agreement (including without limitation any restrictions or prohibitions herein), and no opinion of counsel is required in connection therewith: (1) a Transfer made pursuant to Sections 4 or 7 hereof, (2) a Transfer (x) upon the death or Disability of the Stockholder to the Stockholder's Estate or (y) to the executors, administrators, testamentary trustees, legatees, immediate family members or beneficiaries of a person who has become a holder of Units in accordance with the terms of this Agreement; provided that it is expressly understood that any such transferee shall be bound by the provisions of this Agreement and if requested such transferee shall agree in writing to be bound by the terms and conditions hereof as a "Stockholder" with respect to the representations and warranties and other obligations of this Agreement, (3) a Transfer made in compliance with the federal securities laws to a Stockholder's Trust; provided that such Transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions hereof as a "Stockholder" with respect to the representations and warranties and other obligations of this Agreement; and provided further that it is expressly understood and agreed that if such Stockholder's Trust at any point includes any person or entity other than the Stockholder, his spouse (or ex-spouse) or his lineal descendants (including adopted children) such that it fails to meet the definition thereof as set forth in Section 5(b) hereof, such Transfer shall no longer be deemed in compliance with this Agreement and shall be subject to Section 2(a)(1), and (4) a Transfer made by the Stockholder, with the Managing Member's or the Board's, or the board of directors of the IPO Vehicle's, as applicable, approval, to the Company or Oncor, as applicable, or their designee. No Transfer of any Units shall be permitted or effected if such transfer would cause the Company to be required to register the Units pursuant to Section 12(g)(1) of the Exchange Act or register under the Investment Company Act of 1940.

(b) The certificate (or certificates) representing the Units, if any, shall bear the following legend:

"THE UNITS REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF THE STOCKHOLDER'S AGREEMENT AMONG ONCOR MANAGEMENT INVESTMENT LLC (THE "COMPANY"), ONCOR ELECTRIC DELIVERY COMPANY LLC ("ONCOR") AND THE STOCKHOLDER NAMED ON THE FACE HEREOF OR THE SALE PARTICIPATION AGREEMENT AMONG SUCH STOCKHOLDER, ONCOR ELECTRIC DELIVERY HOLDINGS COMPANY LLC, IN EACH CASE DATED AS OF \_\_\_\_\_, 20\_\_\_\_ (COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF ONCOR) AND ALL APPLICABLE FEDERAL AND STATE SECURITIES LAWS."

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(c) The Stockholder acknowledges that he or she has been advised that (i) the Units are characterized as "restricted securities" under the Act inasmuch as they are being acquired from the Company, Oncor or the IPO Vehicle in a transaction not involving a Public Offering and that under the Act (including applicable regulations) the Units may be resold without registration under the Act only in certain limited circumstances, (ii) a restrictive legend in the form heretofore set forth shall be placed on the certificates (if any) representing the Units and (iii) a notation shall be made in the appropriate records of the Company, Oncor or the IPO Vehicle, as applicable, indicating that the Units are subject to restrictions on Transfer and appropriate stop transfer restrictions will be issued to the Company's, Oncor's or the IPO Vehicle's, as applicable, transfer agent with respect to the Units.

(d) If any Units are to be disposed of in accordance with Rule 144 under the Act or otherwise, the Stockholder shall promptly notify the Company, Oncor or the IPO Vehicle, as applicable, of such intended disposition and shall deliver to the Company, Oncor or the IPO Vehicle, as applicable, at or prior to the time of such disposition such documentation as the Company, Oncor or the IPO Vehicle, as applicable, may reasonably request in connection with such sale and, in the case of a disposition pursuant to Rule 144, shall deliver to the Company, Oncor or the IPO Vehicle, as applicable, an executed copy of any notice on Form 144 required to be filed with the SEC.

(e) The Stockholder represents and warrants that (i) with respect to the Units and Stock Appreciation Rights, the Stockholder has received and reviewed the available information relating to such Units and Stock Appreciation Rights, including a Preliminary Confidential Private Placement Memorandum and any supplements thereto, including having received and reviewed the documents related thereto, certain of which documents set forth the rights, preferences and restrictions relating to the Units and the Stock Appreciation Rights and (ii) the Stockholder has been given the opportunity to obtain any additional information or documents, and to ask questions and receive answers about such information and documents, regarding the Company, Oncor and the business and prospects of the Company and Oncor which the Stockholder deems necessary to evaluate the merits and risks related to the Stockholder's investment in the Units and any Stock Appreciation Rights and to verify the information contained in the information received as indicated in this Section 2(e), and the Stockholder has relied solely on such information.

(f) The Stockholder further represents and warrants that (i) the Stockholder's financial condition is such that the Stockholder can afford to bear the economic risk of holding his or her Units for an indefinite period of time and has adequate means for providing for the Stockholder's current needs and personal contingencies, (ii) the Stockholder can afford to suffer a complete loss of his or her investment in the Units, (iii) the Stockholder understands and has taken cognizance of all risk factors related to the purchase of the Units, (iv) the Stockholder's knowledge and experience in financial and business matters are such that the Stockholder is capable of evaluating the merits and risks of the Stockholder's purchase of the Units as contemplated by this Agreement, (v) with respect to the Purchased Units, such Purchased Units are being acquired by the Stockholder for his or her own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the Act, and the Stockholder has no present intention of selling or otherwise distributing the Purchased Units in violation of the Act, and (vi) the Stockholder is

an "accredited investor"<sup>1</sup> within the meaning of Rule 501(a) under the Securities Act that is willing and able to conduct an independent investigation of the risks of investing in the Company.

### 3. Right of First Offer.

(a) Prior to the earlier of (i) a Qualified Public Offering, (ii) the occurrence of a Change in Control and (iii) five years from the date hereof, any Transfer of Units by Stockholder (other than pursuant to a Permitted Transfer) shall be subject to a right of first offer pursuant to, and Stockholder must first comply with the provisions of, this Section 3. In the event Stockholder proposes to Transfer any Units (the "Offer"), then Stockholder shall furnish to the Company, in the case of Management Units, or Oncor, in the case of Oncor Units, a written notice of such proposed Transfer (an "Offer Notice").

(b) The Offer Notice shall include:

(i) (A) the number of Units proposed to be Transferred by Stockholder (the "Offered Units"), (B) the per Offered Units purchase price in cash at which Stockholder is prepared to Transfer such Offered Units (the "Offer Price") and (C) all other material terms and conditions, if any, in connection with such proposed Transfer; and

(ii) an irrevocable offer to sell the Offered Units to the Company or Oncor, as applicable, or their assignee or designee at the Offer Price.

(c) If the Company, in the case of Management Units, or Oncor, in the case of Oncor Units, wishes to purchase the Offered Units pursuant to its right of first offer, it must elect to purchase at the Offer Price within twenty (20) Business Days following the date of delivery of the Offer Notice (the "Option Period") by delivering an irrevocable notice (the "Purchase Notice") to Stockholder indicating its desire to exercise its rights under this Section 3 and specifying the number of Offered Units (not to exceed the aggregate number of Offered Units specified in the Offer Notice) it desires to purchase for cash at the Offer Price. If the Company, in the case of Management Units, or Oncor, in the case of Oncor Units, does not deliver a Purchase Notice in compliance with the above requirements, including the time period, it shall be deemed to have waived all of its rights with respect to the offer contained in the Offer Notice. After receipt of the Purchase Notice, the parties shall negotiate in good faith to enter into an agreement with respect to such Transfer for fifteen (15) Business Days. The Company, in the case of Management Units, or Oncor, in the case of Oncor Units, shall have the right to assign its rights under this Section 3 in respect of any Offer to Oncor, the Company, any Affiliate or any other designee.

<sup>1</sup> "Accredited Investors" include persons who come within the meaning of any of the following categories at the time of sale of the Units:

- any director or executive officer of Oncor;
- any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase exceeds \$1 million; or any natural person who for the two most recent years had an individual income in excess of \$200,000, or joint income with that person's spouse in excess of \$300,000 and has a reasonable expectation of reaching that same level of income in the current year.

(d) If the aggregate number of Offered Units offered to be purchased by Oncor or the Company, as applicable, as set forth in the Purchase Notice does not equal the number of the Offered Units which Stockholder desires to Transfer, then Stockholder may not later than one hundred and twenty (120) days after the date of the Offer Notice, as such period may be extended to obtain any required regulatory approvals, Transfer all (but not less than all) of the Offered Units to any other Person on terms no less favorable to Stockholder than those set forth in the Offer Notice, including at a purchase price in cash equal to or greater than the Offer Price, and, if any other material terms and conditions are identified in the Offer Notice, on those terms and conditions (or those terms and conditions modified in a manner which are no less favorable to Stockholder), without any further obligation to Oncor or the Company pursuant to this Section 3. If, at the end of such period, as such period may be extended to obtain any required regulatory approvals, Stockholder has not completed the Transfer of the Offered Units in accordance with the foregoing, the obligations to Oncor and the Company pursuant to this Section 3 shall again be in effect with respect to such Units.

#### 4. Rights on Certain Liquidity Events.

(a) In the event that at any time on or after the date hereof Parent or any member of the Sponsor Group proposes to sell directly for cash or any other consideration any shares of EFH Common Stock owned by Parent or 50% or more of the outstanding limited partnership units of Parent in any transaction (other than an offering pursuant to a registration statement on Form S-4 or Form S-8 (or similar forms) or a sale, directly or indirectly, to an Affiliate of Parent or any member of the Sponsor Group), in which management members of EFH Corp. ("EFH Management") are permitted to sell shares of EFH Common Stock pursuant to any "tag rights" or "piggy-back rights" under a sale participation agreement, registration rights agreement or similar agreement with EFH Corp. or Parent ("EFH Management Sale"), then, unless Parent or a member of the Sponsor Group is entitled to and does exercise the drag-along rights pursuant to an EFH Drag Transaction (as defined below), at the option of the Stockholder, the Stockholder shall have the right, subject to any terms, conditions, limitations or adjustments imposed on any EFH Management Sale and on completion of such EFH Management Sale, to offer for redemption Management Units to the Company, Oncor Units to Oncor or successor common equity of the IPO Vehicle ("IPO Stock") to the IPO Vehicle, as applicable, and the Company, Oncor or the IPO Vehicle, as applicable, shall be required to repurchase (subject to any legal or contractual limitations on liquidity at the Company, Oncor or the IPO Vehicle), on one occasion, a number of Management Units, Oncor Units or shares of IPO Stock, as applicable, held by the Stockholder equal to (x) the total number of Management Units, Oncor Units or IPO Stock, as applicable, held by the Stockholder *multiplied by* (y) the EFH Sale Percentage, at a per unit price equal to the Fair Market Value as determined as of the date that the price to be received by Parent or member of the Sponsor Group, as applicable, is determined. The "EFH Sale Percentage" shall mean the fraction, expressed as a percentage, determined by (i) with respect to sales of EFH Common Stock, dividing the number of shares of EFH Common Stock to be purchased from Parent pursuant to the applicable transaction that would cause the provisions contained in Sections 4(a) or 4(b) hereof to take effect, by the total number of shares of EFH Common Stock owned by Parent, or (ii) with respect to sales of limited partnership units of Parent, dividing the number of limited partnership units of Parent to be purchased from members of the Sponsor Group pursuant to the applicable transaction that would cause the provisions contained in Sections 4(a) or 4(b) hereof to take effect, by the total number of limited partnership units of Parent owned by such selling members of the Sponsor Group.

(b) If Parent or a member of the Sponsor Group proposes to sell, directly or indirectly (without duplication) (whether by means of a merger, consolidation, reorganization or recapitalization, sale, transfer or otherwise), a number of shares of EFH Common Stock or limited partnership units of Parent equal to 50% or more of the outstanding EFH Common Stock or limited partnership units of Parent, as applicable (such Person, the "EFH Drag-Along Purchaser"), then, if requested by Parent or a member of the Sponsor Group, each Stockholder shall be required to offer for redemption a number of Units to the Company or Oncor or IPO Stock to the IPO Vehicle, as applicable, equal to the aggregate number of Units held by the Stockholder, *multiplied by* the EFH Sale Percentage (such transaction, an "EFH Drag Transaction"), subject to any terms, conditions, limitations or adjustments imposed on any EFH Management Sales, at a per unit price equal to the Fair Market Value as determined as of the date that the price to be received by Parent or member of the Sponsor Group, as applicable, is determined.

(c) In the event of any EFH Management Sale or EFH Drag Transaction under this Section 4, the Company, Oncor or the IPO Vehicle, as applicable, will provide the Stockholder with notice substantially similar to any notice provided to EFH Management upon receiving notice of such transactions from EFH Corp or a member of the Sponsor Group.

(d) In the event that at any time prior to a Public Offering of Oncor Units or IPO Stock, a Related Entity proposes to sell directly for cash or any other consideration any Oncor Units owned by a Related Entity in any transaction (other than an offering pursuant to a registration statement on Form S-4 or Form S-8 (or similar forms) or in connection with the initial Public Offering of Oncor Units or IPO Stock pursuant to a registration statement under the Act which has been declared effective by the SEC or a sale, directly or indirectly, to an Affiliate of such Related Entity), then, unless such Related Entity is entitled to and does exercise the drag-along rights pursuant to an Oncor Drag Transaction (as defined below), at the option of the Stockholder, the Stockholder shall have the right, subject to any terms, conditions, limitations or adjustments imposed on the sale by such Related Entity and on completion of such sale, to offer for redemption Management Units to the Company, and the Company shall be required to repurchase (subject to any legal or contractual limitations on liquidity at the Company), on one occasion, a number of Management Units held by the Stockholder Entity equal to (x) the total number of Management Units held by the Stockholder Entity *multiplied by* (y) the Oncor Sale Percentage, at a per unit price equal to the Fair Market Value as determined as of the date that the price to be received by such Related Entity is determined. The "Oncor Sale Percentage" shall mean the fraction, expressed as a percentage, determined by dividing the number of Oncor Units to be purchased from the relevant Related Entity pursuant to the applicable transaction that would cause the provisions contained in Sections 4(d) or 4(e) hereof to take effect, by the total number of Oncor Units owned by such Related Entity.

(e) If a Related Entity proposes to sell, directly or indirectly (whether by means of a merger, consolidation, reorganization or recapitalization, sale, transfer or otherwise), a number of Oncor Units equal to 50% or more of the outstanding Oncor Units (such Person, the "Oncor Drag-Along Purchaser"), then, if requested by such Related Entity, each Stockholder shall be required to offer for redemption to the Company, and the Company will be required to repurchase (subject to any legal or contractual limitations on liquidity at the Company), a number of Management Units equal to the aggregate number of

Management Units held by the Stockholder, *multiplied by* the Oncor Sale Percentage (such transaction, an "Oncor Drag Transaction"), subject to any terms, conditions, limitations or adjustments imposed on the sale by Oncor Holdings, at a per unit price equal to the Fair Market Value as determined as of the date that the price to be received by such Related Entity is determined.

(f) In the event of any transaction that would cause the provisions contained in Sections 4(d) or 4(e) hereof to take effect, the relevant Related Entity will provide the Stockholder with notice of such proposed sale specifying the principal terms and conditions of such proposed sale including (A) the number of Oncor Units proposed to be included in such proposed sale, (B) the percentage of the outstanding Oncor Units at the time the notice is given that is represented by the number of Oncor Units proposed to be included in such proposed sale, (C) the price per Oncor Unit subject to such proposed sale, including a description of any pricing formulae and of any non-cash consideration, (D) the Oncor Sale Percentage (as defined above) of the relevant Related Entity and (E) the name and address of the Person to whom the Oncor Units is proposed to be sold.

(g) If, within 10 Business Days after the delivery of any notice under Section 4(c) or (f), the Company or Oncor, as applicable, receives from a Stockholder a written request (a "Request") to Transfer Units pursuant to the terms of Section 4(a) or (d), as applicable (which Request shall be irrevocable except (a) as provided for by any terms, conditions, limitations or adjustments imposed on any EFH Management Sales or on sale of Oncor Units by a Related Entity or (b) if otherwise mutually agreed to in writing by the Stockholder Entity and the transferee of the Units) then such Stockholder shall be considered to have validly exercised his rights as provided for under Section 4(a) or (d), as applicable. If a Request is not received by the Company or Oncor, as applicable, within the time period stated in the preceding sentence, the Stockholder's rights under Section 4(a) and (d) shall have been waived.

(h) *Leveraged Recapitalization Transactions.* In the event that at any time after the date hereof EFH Corp. consummates a leveraged recapitalization transaction pursuant to which members of EFH Management who are holders of shares of EFH Common Stock are entitled to receive an extraordinary special dividend from the proceeds of such transaction, then the Shareholders shall receive from Oncor or the IPO Vehicle, as applicable, a liquidity opportunity, comparable adjustment or other payment in a manner and in an amount which is similar to that received by members of EFH Management who are holders of shares of EFH Common Stock, as the board of Oncor determines is equitable and appropriate.

(i) *Use of Note to Satisfy Payment.* Notwithstanding anything in this Agreement to the contrary, if there exists and is continuing a default or an event of default on the part of the Company, Oncor, the IPO Vehicle or any of their respective Subsidiaries under any loan, guarantee or other agreement under which the Company, Oncor, the IPO Vehicle or any of their respective Subsidiaries has borrowed money or if the repurchase or redemption referred to in Section 4(a), (b), (d), (e) or (h) would result in a default or an event of default on the part of the Company, Oncor, the IPO Vehicle or any of their respective Subsidiaries under any such agreement or if a repurchase or redemption would reasonably be expected to be prohibited by the Delaware Limited Liability Company Act ("DLLCA"), Public Utility Commission of Texas or any federal or state securities laws or regulations (or if the Company, Oncor, the IPO Vehicle or any of their respective Subsidiaries reorganizes in another state, the business corporation law, limited liability company law or other law of such

state) (each such occurrence being an "Event") as a result of a purchase or redemption pursuant to this Section 4, and the Company, Oncor, or the IPO Vehicle, as applicable, elects or is required to purchase Units pursuant to this Section 4, the Company, Oncor, or the IPO Vehicle, as applicable, may elect to pay the consideration for any such purchase pursuant to (i) a cash payment for any amounts payable pursuant to this Section 4 or (ii) by delivering to the applicable Stockholder Entity a note with a principal amount equal to the amount payable under this Section 4 that was not paid in cash, having terms acceptable to the Company, Oncor, the IPO Vehicle or any of their respective Subsidiaries, as applicable, lenders and permitted under the Company, Oncor, the IPO Vehicle or any of their respective Subsidiaries, as applicable, debt instruments but which in any event (i) shall be mandatorily repayable promptly to the extent that an Event no longer prohibits the payment of cash to the applicable Stockholder Entity pursuant to this Agreement; and (ii) shall bear interest at a rate equal to the effective rate of interest in respect of Oncor's U.S. dollar-denominated subordinated public debt securities. Notwithstanding the foregoing, if an Event exists and is continuing for ninety (90) days from the date of delivery of the notice under Section 4(c) or (f), as applicable, the Stockholder Entities shall be permitted by written notice to rescind any Request with respect to that portion of the Units repurchased by the Company, Oncor, or the IPO Vehicle, as applicable, from the Stockholder Entities pursuant to this Section 4 with the note described in the foregoing sentence, to the extent such note remains unpaid; provided that, upon such rescission, such repurchase shall be immediately rescinded and such note shall be immediately canceled without any action on the part of the Company, Oncor, the IPO Vehicle, Stockholder Entities and, notwithstanding anything herein or in such note to the contrary, the Company, Oncor and the IPO Vehicle shall have no obligation to pay any amounts of principal or interest thereunder.

(j) *Timing of Payment.* Notwithstanding anything to the contrary contained in this Section 4, payment of consideration for any Transfer of Units by the Company shall in no event be due earlier than on or about the second business day after the date of payment of the next regular quarterly dividend paid by Oncor following the date of Transfer.

(k) *Termination.* Notwithstanding anything in this Agreement to the contrary, this Section 4 shall terminate and be of no further force or effect upon the earlier of (i) a Change in Control, or (ii) the later of (x) five years from the date hereof or (y) for any Subject Stock, the consummation of a Qualified Public Offering with respect to that Subject Stock, except for any payment obligation of the Company, Oncor or the IPO Vehicle or Transfer obligation of the Stockholder Entities which has arisen prior to such termination date.

#### 5. Adjustment of Repurchase Price: Definitions.

(a) *Adjustment of Repurchase Price.* In determining the applicable repurchase price of the Units and Stock Appreciation Rights, as provided for in Sections 3 and 4, above, appropriate adjustments shall be made for any stock or unit dividends, splits, combinations, recapitalizations or any other adjustment in the number of outstanding Units in order to maintain, as nearly as practicable, the intended operation of the provisions of Sections 3 and 4.

(b) *Definitions.* All capitalized terms used in this Agreement and not defined herein shall have the meaning ascribed to such terms in the Stock Appreciation Rights Plan. Terms used herein and as listed below shall be defined as follows:

“Act” shall have the meaning set forth in Section 2(a)(i) hereof.

“Affiliate” means with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person; provided, however, for purposes of this Agreement, Texas Energy Future Co-Invest, LP shall not be deemed to be an Affiliate of the Sponsor Group or any member of the Sponsor Group.

“Agreement” shall have the meaning set forth in the introductory paragraph.

“Base Price” shall have the meaning set forth in Section 1(a) hereof.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the state of New York.

“Change in Control” shall mean, in one or a series of related transactions, (i) the sale of all or substantially all of the consolidated assets or capital stock of EFH Corp., Oncor Holdings or Oncor to a person (or group of persons acting in concert) who is not an Affiliate of any member of the Sponsor Group; (ii) a merger, recapitalization or other sale by EFH Corp., any member of the Sponsor Group or their Affiliates, to a person (or group of persons acting in concert) of EFH Common Stock that results in more than 50% of the EFH Common Stock (or any resulting company after a merger) being held by a person (or group of persons acting in concert) that does not include any member of the Sponsor Group or any of their respective Affiliates; or (iii) a merger, recapitalization or other sale of EFH Common Stock by EFH Corp., any member of the Sponsor Group or their Affiliates, after which the Sponsor Group owns less than 20% of the EFH Common Stock, and has the ability to appoint less than a majority of the directors to the board of directors of EFH Corp. (or of any resulting company after a merger); and with respect to any of the events described in clauses (i) and (ii) above, such event results in any person (or group of persons acting in concert) gaining control of more seats on the board of directors of EFH Corp. than the Sponsor Group; provided however, that notwithstanding the foregoing, (x) clause (i) above shall be deemed not to include any reference to EFH Corp., and clauses (ii) and (iii) shall not apply, in each case, for purposes of interpreting the termination or applicability of any puts, calls, right of first offer or release from other transfer restrictions upon Transfers of Oncor Units or equity units of Oncor Holdings, (y) clause (i) above shall be deemed not to include any reference to Oncor Holdings for purposes of interpreting the termination or applicability of any puts, calls, right of first offer or release from other transfer restrictions upon Transfers of Oncor Units and (z) clause (i) above shall be deemed not to include any reference to Oncor for the purposes of interpreting the termination or applicability of any puts, calls, right of first offer or release from other transfer restrictions upon Transfer of equity units of Oncor Holdings.

“Company” shall have the meaning set forth in the introductory paragraph.

“DLLCA” shall have the meaning set forth in Section 4(i) hereof.

“EFH Common Stock” means shares of the common stock of EFH Corp., no par value.

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"EFH Corp." shall mean Energy Future Holding Corp., a Texas corporation.

"EFH Drag-Along Purchaser" shall have the meaning set forth in Section 4(b) hereof.

"EFH Drag Transaction" shall have the meaning set forth in Section 4(b) hereof.

"EFH Management" shall have the meaning set forth in Section 4(a) hereof.

"EFH Management Sale" shall have the meaning set forth in Section 4(a) hereof.

"EFH Sale Percentage" shall have the meaning set forth in Section 4(a) hereof.

"EFH Seller" shall have the meaning set forth in Section 7 hereof.

"Event" shall have the meaning set forth in Section 4(i) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended (or any successor section thereto).

"Fair Market Value" means with respect to Management Units, the fair market value of a corresponding number of Oncor Units (or IPO Stock) on the date of determination as calculated pursuant to the following provisions: (i) if there is a public market for Oncor Units (or IPO Stock) on such date, the average of the high and low closing bid prices of the Oncor Units (or IPO Stock), as applicable, on such stock exchange on which the units are principally trading on the date in question, or, if there were no sales on such date, on the closest preceding date on which there were sales of units or, (ii) if there is no public market for the Oncor Units (or IPO Stock), on a per unit basis, the Fair Market Value of the Oncor Units (or IPO Stock) on any given date, as determined reasonably and in good faith by the Board and which shall not take into account any minority interest discount and shall not take into account a discount for illiquidity of equity units of Oncor Units (or IPO Stock) or SARs, as applicable in excess of any illiquidity discount applicable to Oncor Units (or IPO Stock) generally.

"IPO Stock" shall have the meaning set forth in Section 4(a) hereof.

"IPO Vehicle" shall have the meaning set forth in Section 1(c) hereof.

"Management Units" shall have the meaning set forth in the first recital.

"Managing Member" shall have the meaning set fourth in Section 1(a).

"Minority Sale" shall have the meaning set fourth in Section 1(a).

"Oncor" shall have the meaning set forth in the introductory paragraph.

"Oncor Drag-Along Purchaser" shall have the meaning set forth in Section 4(e) hereof.

"Oncor Drag Transaction" shall have the meaning set forth in Section 4(e) hereof.

"Oncor Holdings" shall mean Oncor Electric Delivery Holdings Company LLC, a Delaware limited liability company.

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"Oncor Management Investment LLC" shall have the meaning set forth in the introductory paragraph.

"Oncor Sale Percentage" shall have the meaning set forth in Section 4(d) hereof.

"Oncor Units" shall have the meaning set forth in Section 2(a).

"Offer" shall have the meaning set forth in Section 3(a).

"Offer Notice" shall have the meaning set forth in Section 3(a).

"Offered Units" shall have the meaning set forth in Section 3(b)(i).

"Offer Price" shall have the meaning set forth in Section 3(b)(i).

"Option Period" shall have the meaning set forth in Section 3(c).

"Purchase Notice" shall have the meaning set forth in Section 3(c).

"Parent" shall mean Texas Energy Future Holdings Limited Partnership, a Delaware limited partnership.

"Parties" shall have the meaning set forth in the introductory paragraph.

"Permitted Transfer" means (i) any Transfer pursuant to Section 7 hereof; (ii) any Transfer pursuant to the Sale Participation Agreement; (iii) any Transfer (x) upon the death or disability of Stockholder to the Stockholder's Estate or (y) to the executors, administrators, testamentary trustees, legatees, immediate family members or beneficiaries of Stockholder; (iv) any Transfer made after the date hereof in compliance with the federal securities laws to a Stockholder's Trust, or (v) any other Transfer permitted by the Board.

"Person" shall mean "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

"Public Offering" shall mean the sale of units or shares, as applicable, of Oncor, the Company, an IPO Vehicle or EFH Corp. to the public subsequent to the date hereof pursuant to a registration statement under the Act which has been declared effective by the SEC (other than a registration statement on Form S-4, S-8 or any other similar form).

"Purchased Units" shall have the meaning set forth in the first recital.

"Qualified Public Offering" shall mean any firm underwritten public offering of shares of stock or equity units of Oncor (or IPO Stock) or the Company (as applicable, the "Subject Stock") (or series of related offerings) pursuant to an effective registration statement under the Act (other than a registration statement on Form S-4 or S-8 or any other similar form) pursuant to which at least 25% of the outstanding shares or units of the Subject Stock are or have been sold to the public.

"Registration Rights Agreement" shall have the meaning set forth in Section 7 hereof.

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"Related Entity" means Oncor Holdings or any current or future Affiliate of Oncor Holdings which holds a direct equity interest in Oncor, other than Oncor Management Investment LLC.

"Request" shall have the meaning set forth in Section 4(g) hereof.

"Sale Participation Agreement" shall mean that certain sale participation agreement entered into by and between the Stockholder and Oncor Holdings, dated as of the date hereof.

"SEC" shall mean the Securities and Exchange Commission.

"Sponsor Group" shall investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P., TPG Capital, L.P. and Goldman, Sachs & Co.

"Stock Appreciation Rights" shall have the meaning set forth in the first recital.

"Stock Appreciation Rights Agreement" shall have the meaning set forth in the first recital.

"Stock Appreciation Rights Plan" shall have the meaning set forth in the first recital.

"Stockholder" shall have the meaning set forth in the introductory paragraph.

"Stockholder Entities" shall mean the Stockholder's Trust, the Stockholder and the Stockholder's Estate, collectively.

"Stockholder's Estate" shall mean the conservators, guardians, executors, administrators, testamentary trustees, legatees or beneficiaries of the Stockholder.

"Stockholder's Trust" shall mean a partnership, limited liability company, corporation, trust, private foundation or custodianship, the beneficiaries of which may include only the Stockholder, his or her spouse (or ex-spouse) or his or her lineal descendants (including adopted) or, if at any time after any such Transfer there shall be no then living spouse or lineal descendants, the ultimate beneficiaries of any such trust or to the estate of a deceased beneficiary.

"Subject Stock" has the meaning set forth in the definition of Qualified Public Offering.

"Subsidiaries" shall mean, with respect to any Person, any corporation or other entity in an unbroken chain of corporations or other entities beginning with such Person, if each of the corporations or other entities, or group of commonly controlled corporations or other entities, other than the last corporation or other entity in the unbroken chain then owns stock or other stock interests possessing 50% or more of the total combined voting power of all classes of stock or other stock interests in one of the other corporations or other entities in such chain.

"Transfer" shall have the meaning set forth in Section 2(a) hereof.

"Units" shall have the meaning set forth in Section 2(a) hereof.

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**6. The Company's and Oncor's Representations and Warranties and Covenants.**

(a) Each of the Company and Oncor represent and warrant to the Stockholder that this Agreement has been duly authorized, executed and delivered by each of the Company and Oncor, respectively, and is enforceable against the Company and Oncor in accordance with its terms. Each of the Company and Oncor, represents and warrants to the Stockholder that the applicable Units issued by such entity, when issued and delivered in accordance with the terms hereof and the other agreements contemplated hereby, will be duly and validly issued, fully paid and nonassessable.

(b) If the Company, Oncor or an IPO Vehicle becomes subject to the reporting requirements of Section 12 of the Exchange Act, the Company, Oncor or such IPO Vehicle, as applicable, will file the reports required to be filed by it under the Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder, to the extent required from time to time to enable the Stockholder to sell the applicable Units, subject to compliance with the provisions hereof (including requirements of the Company, Oncor or such IPO Vehicle) without registration under the Exchange Act within the limitations of the exemptions provided by (A) Rule 144 under the Act, as such Rule may be amended from time to time, or (B) any similar rule or regulation hereafter adopted by the SEC. Notwithstanding anything contained in this Section 6(b), the Company, Oncor or such IPO Vehicle may de-register under Section 12 of the Exchange Act if it is then permitted to do so pursuant to the Exchange Act and the rules and regulations thereunder and, in such circumstances, shall not be required hereby to file any reports which may be necessary in order for Rule 144 or any similar rule or regulation under the Act to be available. Nothing in this Section 6(b) shall be deemed to limit in any manner the restrictions on Transfers of Units contained in this Agreement.

**7. Registered Sales.** After an initial Public Offering, in the event of a sale of Units by EFH Corp. or any of its Subsidiaries (such Person(s), the "EFH Seller") in a Public Offering such that, if the applicable Units were EFH Common Stock and the Stockholder were a party to the Registration Rights Agreement entered into by and among EFH Corp. and the Sponsor Group members party thereto (the "Registration Rights Agreement"), the Stockholder would be entitled to piggy-back registration rights, then the Company and Oncor shall release, subject to applicable law, from the transfer restrictions contained in Section 2(a) hereof a number of the applicable Units, held by the Stockholder equal to the number of the applicable Units then held by the Stockholder Entities, multiplied by a fraction, the numerator of which is the aggregate number of the applicable Units being registered and sold in such Public Offering by the EFH Seller and the denominator of which is the aggregate number of the applicable Units owned by EFH Corp. and its Subsidiaries.

**8. Rights to Negotiate Repurchase Price.** Nothing in this Agreement shall be deemed to restrict or prohibit the Company, Oncor or an IPO Vehicle from purchasing, redeeming, repurchasing or otherwise acquiring for value Units or Stock Appreciation Rights from the Stockholder, at any time, upon such terms and conditions, and for such price, as may be mutually agreed upon in writing between the Parties, whether or not at the time of such purchase, redemption, repurchase or acquisition circumstances exist which specifically grant the Company, Oncor or an IPO Vehicle the right to purchase, or the Stockholder the right to sell, Units or any Stock Appreciation Rights under the terms of this Agreement.

9. Notice of Change of Beneficiary. Immediately prior to any Transfer of Units to a Stockholder's Trust, the Stockholder shall provide the Company, Oncor and, if applicable, any IPO Vehicle with a copy of the instruments creating the Stockholder's Trust and with the identity of the beneficiaries of the Stockholder's Trust. The Stockholder shall notify the Company, Oncor and, if applicable, any IPO Vehicle as soon as practicable prior to any change in the identity of any beneficiary of the Stockholder's Trust.

10. Recapitalizations, etc. The provisions of this Agreement shall apply, to the full extent set forth herein with respect to the Units or the Stock Appreciation Rights, to any and all units or shares of capital stock of the Company, Oncor and any IPO Vehicle or any capital stock, partnership units or any other security evidencing ownership interests in any successor or assign of the Company, Oncor or any IPO Vehicle (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for, or substitution of the Units or the Stock Appreciation Rights by reason of any dividend, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

11. Binding Effect. The provisions of this Agreement shall be binding upon and accrue to the benefit of the Parties hereto and their respective heirs, legal representatives, successors and assigns. In the case of a transferee permitted under clauses (2), (3) or (4) of Section 2(a) hereof, such transferee shall be deemed the Stockholder hereunder; ~~provided, however,~~ that no transferee (including without limitation, transferees referred to in Section 2(a) hereof) shall derive any rights under this Agreement unless and until such transferee has delivered to the Company, Oncor or any applicable IPO Vehicle a valid undertaking and becomes bound by the terms of this Agreement. No provision of this Agreement is intended to or shall confer upon any Person other than the Parties any rights or remedies hereunder or with respect hereto.

12. Amendment. This Agreement may be amended only in a writing signed by the Company and the Stockholder.

13. Closing. Except as otherwise provided herein, the closing of each purchase and sale of Units or redemption of Stock Appreciation Rights pursuant to this Agreement shall take place at the principal office of the Company, Oncor or any applicable IPO Vehicle, as applicable on the tenth Business Day following delivery of the notice by any Party to the another of its exercise of the right to purchase or sell such Units or redeem such Stock Appreciation Rights hereunder; ~~provided that,~~ notwithstanding anything to the contrary contained herein, payment with respect to any Transfer of Units by the Company shall in no event be due earlier than on or about the second business day after the date of payment of the next regular quarterly dividend paid by Oncor following the date of Transfer.

14. Applicable Law; Jurisdiction; Arbitration; Legal Fees.

(a) The laws of the State of Texas applicable to contracts executed and to be performed entirely in such state shall govern the interpretation, validity and performance of the terms of this Agreement.

(b) In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules by a

single independent arbitrator. Such arbitration process shall take place in Dallas, Texas. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof.

(c) In the event of any arbitration or other disputes with regard to this Agreement or any other document or agreement referred to herein, each Party shall pay its own legal fees and expenses, unless otherwise determined by the arbitrator.

15 Miscellaneous.

(a) In this Agreement all references to "dollars" or "\$" are to United States dollars and the masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

(b) If any provision of this Agreement shall be declared illegal, void or unenforceable by any court of competent jurisdiction, the other provisions shall not be affected, but shall remain in full force and effect.

16. Withholding.

(a) The Company, Oncor, any IPO Vehicle and their respective Subsidiaries shall each have the right to deduct from any cash payment made under this Agreement to the applicable Stockholder Entities any federal, state or local income or other taxes required by law to be withheld with respect to such payment, if applicable.

(b) To the extent permitted under applicable tax laws, each of the Company, Oncor and any IPO Vehicle will dividend or distribute to the Stockholder a cash dividend equivalent payment sufficient to satisfy any minimum withholding taxes associated with Stockholder's Units. For Stock Appreciation Rights for which the actual equity value has exceeded the Base Price after taking into account dividends, the payment of these dividends will occur on the earlier of a distribution event as set forth in Section 409A of the Code or the exercise of the Stock Appreciation Right.

17. Notices. All notices and other communications provided for herein shall be in writing. Any notice or other communication hereunder shall be deemed duly given (i) upon electronic confirmation of facsimile, (ii) one Business Day following the date sent when sent by overnight delivery and (iii) five (5) Business Days following the date mailed when mailed by registered or certified mail return receipt requested and postage prepaid, in each case as follows:

(a) If to the Company or Oncor, to it at the following address:

Oncor Electric Delivery Company LLC  
Oncor Management Investment LLC  
c/o Oncor Electric Delivery Company LLC  
Energy Plaza  
1601 Bryan Street  
Dallas, Texas 75201-3411  
Facsimile: (214) 486-2067  
Attention: Legal Department, 22nd Floor

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with a copy to:

Baker & McKenzie LLP  
One Prudential Plaza  
130 East Randolph Drive  
Chicago, Illinois 60601  
Facsimile: (312) 861-7588  
Attention: James P. O'Brien

and

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, New York 10017  
Attention: Alvin H. Brown, Esq.  
Andrew W. Smith, Esq.  
Facsimile: (212) 455-2502

(b) If to the Stockholder, to the Stockholder at the address set forth below under the Stockholder's signature; or at such other address as either party shall have specified by notice in writing to the other.

18. Voting. The Stockholder acknowledges that the Managing Member, on behalf of the Company, shall have the exclusive right to vote (or cause to vote) or execute (or cause to execute) consents with respect to Management Units and the Oncor Units held by the Company, directly or indirectly, on any matter to be voted upon at any meeting of the holders of Oncor Units, or in connection with any proposed action by written consent of the holders of Oncor Units; provided that, with respect to votes or executions of consents attributed to Oncor Units held by the Company, each Stockholder shall have the right to direct the Managing Member to vote (or cause to vote) or execute (or cause to execute) consents attributable to Oncor Units equal to the total Oncor Units held by the Company multiplied by a percentage calculated by dividing (x) the aggregate number of Management Units held by such Stockholder by (y) the aggregate number of Management Units issued and outstanding on such date if such Stockholder provides the Managing Member a written indication of such direction no less than 10 Business Days prior to such vote or execution, unless some lesser time period is consented to by the Managing Member; provided further that, the forgoing proviso shall not apply to any vote at a regular or special meeting of the members of Oncor for the express purpose of approving any Change in Control transaction or agreement and subject to, and to the extent permitted, by the laws of the State of Texas, each Stockholder hereby irrevocably appoints Oncor Holdings and any authorized representatives and designees thereof as its lawful proxy and attorney-in-fact to exercise with full power in such Stockholder's name and on its behalf any right that Stockholder has to vote on such matter in respect of its indirect interest in Oncor through its Management Units and in respect of any other Oncor Units that it directly holds. If voting under any such proxy, Oncor Holdings, and any authorized representatives and designees thereof, shall vote under such proxy on behalf of each such Stockholder in the same manner as Oncor Holdings votes any

outstanding membership interests in Oncor owned by it at any such regular or special meeting of the stockholders of Oncor for the express purpose of approving any Change in Control transaction or agreement. **This proxy is irrevocable and is coupled with an interest and shall not be terminable as long as this Agreement remains effective among the parties hereto, their successors, transferees and assigns and, if such Stockholder is a natural person, shall not terminate on the disability or incompetence of such Stockholder.** Oncor is hereby requested and directed to honor this proxy upon its presentation by Oncor Holdings and any authorized representatives and designees thereof, without any duty of investigation whatsoever on the part of Oncor. Each such Stockholder agrees that Oncor, and Oncor's secretary shall not be liable to such Stockholder for so honoring this proxy. This Section 18 shall terminate and be of no further force or effect upon the later of (x) five years from the date hereof or (y) the consummation of a Qualified Public Offering of Oncor.

19. Assignability of Certain Rights by the Company and Oncor. The Company, Oncor or any IPO Vehicle shall have the right to assign any or all of its rights or obligations to purchase, repurchase Units or redeem Stock Appreciation Rights pursuant to Sections 3 and 4 hereof; provided however, that no such assignment shall relieve the Company, Oncor or such IPO Vehicle from its obligations thereunder.

20. IPO Exchange. At any time after the date hereof, in connection with a Public Offering of an IPO Vehicle, Oncor may determine that it is in the best interests of Oncor to exchange any Oncor Units held by the Company and the Stockholder for IPO Stock. In such event, the Stockholder agrees to exchange any Oncor Units held by it for IPO Stock; provided that, the rights attaching to such IPO Stock shall be substantially equivalent to the rights that attached to the Oncor Units previously held by such Stockholder.

21. Liability. Notwithstanding anything contained herein or otherwise, EFH Corp., Oncor Holdings and Parent are not parties to this agreement and shall bear no liability, nor make any representations and warranties herein.

*[Signatures on next page.]*

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IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the date first above written.

ONCOR ELECTRIC DELIVERY COMPANY LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ONCOR MANAGEMENT INVESTMENT LLC

By: Oncor Electric Delivery Company LLC, its managing  
member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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STOCKHOLDER:

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Name: \_\_\_\_\_

ADDRESS:

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By execution, the above-signed represents that he/she is an  
"accredited investor" as defined in Rule 501(a) of Regulation D,  
as amended, under the Act.

**Purchased Units**

*Number of Purchased Units (up to 20,000) (to be purchased at the Base Price):* \_\_\_\_\_

*Base Price:* \$10.00

SALE PARTICIPATION AGREEMENT  
(Director Form)

Oncor Electric Delivery Company LLC

\_\_\_\_\_, 200\_

To: The Person whose name is  
set forth on the signature page hereof

Dear Sir or Madam:

Concurrently with entering into this letter agreement (this "Agreement"), you are entering into a Director Stockholder's Agreement (the "Stockholder's Agreement") with Oncor Management Investment LLC (the "Company"), a Delaware limited liability company, and Oncor Electric Delivery Company LLC ("Oncor"), a Delaware limited liability company, relating to (i) your acquisition and continued ownership of Class B membership interests of the Company ("Management Units"), (ii) any membership interests in Oncor (including any successor common equity of an IPO Vehicle, "Oncor Units") you may subsequently receive or acquire in respect of Stock Appreciation Rights, as defined below, pursuant to a distribution made by the Company or otherwise, and/or (iii) the grant by Oncor to you of certain stock appreciation rights each representing the approximate economic equivalent of one Oncor Unit subject to a Base Price equal to the current fair market value of an Oncor Unit on the date of grant as determined by the Board of Directors of Oncor (the "Stock Appreciation Rights").

Oncor Electric Delivery Holdings Company LLC, a Delaware limited liability company (together with any of its current or future Affiliates that hold a direct interest in Oncor or an IPO Vehicle, other than Oncor Management Investment LLC, "Oncor Holdings"), hereby agrees with you as follows:

1. (a) In the event that at any time on or after a Public Offering of Oncor or an IPO Vehicle (the "Public Entity"), Oncor Holdings proposes to sell directly for cash or any other consideration units or shares of common equity of the Public Entity ("Oncor Units") owned by Oncor Holdings, in any transaction other than a Public Offering or a sale, directly or indirectly, to an Affiliate of Oncor Holdings, then, unless Oncor Holdings is entitled to and does exercise the drag-along rights pursuant to Paragraph 7 below and a Drag Transaction (as defined below) is consummated, Oncor Holdings will notify you or your Management Stockholder's Estate, Stockholder's Estate, Management Stockholder's Trust or Stockholder's Trust, as applicable (as such terms are defined in the Stockholder's Agreement, and collectively with you, the "Stockholder Entities"), as the case may be, in writing (a "Notice") of such proposed sale (a "Proposed Sale") specifying the principal terms and conditions of the Proposed Sale (the "Material Terms") including (A) the number of Oncor Units proposed to be included in the

Proposed Sale, (B) the percentage of the outstanding Oncor Units at the time the Notice is given that is represented by the number of Oncor Units proposed to be included in the Proposed Sale, (C) the price per Oncor Unit subject to the Proposed Sale, including a description of any pricing formulae and of any non-cash consideration, (D) the Sale Percentage (as defined below) of Oncor Holdings and (E) the name and address of the Person to whom Oncor Units are proposed to be sold.

(b) If, within ten (10) Business Days after the delivery of a Notice under Paragraph 1(a), Oncor Holdings and Oncor receive from a Stockholder Entity a written request (a "Request") to include Oncor Units held by such Stockholder Entity in the Proposed Sale (which Request shall be irrevocable except (A) as set forth in clauses (c) and (d) of this Paragraph 1 below or (B) if otherwise mutually agreed to in writing by the Stockholder Entity and Oncor Holdings), Oncor Units held by such Stockholder Entity (not in any event to exceed the Sale Percentage of Oncor Holdings *multiplied* by the total number of Oncor Units held by the Stockholder Entity in the aggregate) will be so included as provided herein. Promptly after the execution of the definitive sale agreement, if any, for such Proposed Sale (the "Sale Agreement"), Oncor Holdings will furnish each Stockholder Entity with a copy of the Sale Agreement, if any. For purposes of this Agreement, the "Sale Percentage" shall mean the fraction, expressed as a percentage, determined by dividing the number of Oncor Units to be purchased from Oncor Holdings by the total number of Oncor Units owned directly by Oncor Holdings.

(c) Notwithstanding anything to the contrary contained in this Agreement, if any of the economic terms of the Proposed Sale change, including without limitation if the per unit price will be less than the per unit price disclosed in the Notice, or any of the other principal terms or conditions will be materially less favorable to the selling Stockholder Entities than those described in the Notice, Oncor Holdings will provide written notice thereof to each Stockholder Entity who has made a Request and each such Stockholder Entity will then be given an opportunity to withdraw the offer contained in such holder's Request (by providing prompt (and in any event within five (5) Business Days; provided that, notwithstanding the foregoing, if the proposed closing with respect to the Proposed Sale is to occur within five (5) Business Days or less, no later than three (3) Business Days prior to such closing) written notice of such withdrawal to Oncor Holdings and Oncor), whereupon such withdrawing Stockholder Entity will be released from all obligations thereunder.

(d) If Oncor Holdings does not complete the Proposed Sale by the end of the 180th day following the date of the effectiveness of the Notice, each selling Stockholder Entity shall be released on and after such date from all obligations under the applicable Request and the Notice of the relevant Stockholder Entity shall be null and void, and it will then be necessary for a separate Notice to be furnished, and the terms and provisions of clauses (a) and (b) of this Paragraph 1 separately complied with, in order to consummate such Proposed Sale pursuant to this Paragraph 1, unless the failure to complete such Proposed Sale resulted from any failure by any selling Stockholder Entity to comply with the terms of this Paragraph 1.

(e) Notwithstanding anything to the contrary in the foregoing provisions of this Paragraph 1, Oncor Holdings may, in its sole discretion, decide whether or not to pursue, consummate, postpone or abandon the Proposed Sale and the terms and conditions thereof.

None of the Company, the Public Entity, Oncor Holdings or any of their respective Affiliates shall have any liability to any Stockholder Entity arising from, relating to or in connection with the pursuit, consummation, postponement, abandonment or terms and conditions of any such Proposed Sale.

2. (a) If the aggregate number of Oncor Units to be sold by Oncor Holdings together with Oncor Units to be sold by you and all other Persons participating in such sale as tag-along sellers (all such other participants, the "Tag Along Sellers"), exceeds the total number of Oncor Units specified in the Notice to be included in the Proposed Sale, then you and each exercising Tag Along Seller shall each reduce, on a *pro rata* basis (such *pro rata* share of ownership calculated by a fraction the numerator of which is the number of Oncor Units owned by you or the Tag Along Seller, as applicable, and the denominator of which is the total number of Oncor Units owned by you, Oncor Holdings and the Tag Along Sellers) the Oncor Units that each otherwise would have sold so as to permit Oncor Holdings, you and the Tag Along Sellers to sell the amount of Oncor Units specified in the Notice.

(b) If one or more Tag Along Sellers elect not to include the maximum number of Oncor Units which such Tag Along Seller would have been permitted to include in a Proposed Sale pursuant to Paragraph 2(a) (such non-included units, the "Eligible Units"), then after Oncor Holdings has sold any additional Oncor Units pursuant to this paragraph, you and each of the remaining Tag Along Sellers will have the right to sell in the Proposed Sale a number of additional Oncor Units equal to your *pro rata* portion of the number of Eligible Units remaining after such sale of additional units, based on the relative number of Oncor Units then held by you and each such Tag Along Seller. Such additional Oncor Units which you and such Tag Along Seller propose to sell shall not be included in any calculation made pursuant to Paragraph 2(a) for the purpose of determining the number of Oncor Units which you will be permitted to include in a Proposed Sale; provided that, notwithstanding any of the foregoing, Oncor Holdings will have the right to sell in the Proposed Sale additional Oncor Units owned by it equal to the number, if any, of the total remaining Eligible Units, which will not be included in any calculation made pursuant to Paragraph 2(a) for the purpose of determining the number of Oncor Units which you will be permitted to include in a Proposed Sale.

3. Except as may otherwise be provided herein, Oncor Units subject to a Request will be included in a Proposed Sale pursuant hereto and in any agreements with purchasers relating thereto on the same terms and subject to the same conditions applicable to the Oncor Units which Oncor Holdings proposes to sell in the Proposed Sale. Such terms and conditions shall include, without limitation: the sale price; the payment of fees, commissions and expenses; the provision of, and customary representations and warranties as to, information reasonably requested by Oncor Holdings covering matters regarding the Stockholder Entities' ownership of Oncor Units; and the provision of requisite indemnification; provided that any indemnification provided by the Stockholder Entities shall be *pro rata* in proportion with the number of Oncor Units to be sold by the Stockholder Entity; provided, further, that no Stockholder Entity shall be required to (x) indemnify any Person for an amount, in the aggregate, in excess of the gross proceeds received in such Proposed Sale, or (y) agree to any non-compete or non-solicit provisions that are more restrictive than such similar agreement between the Public Entity, Oncor Holdings, Oncor, the Company, any other Management Stockholder Employer, if applicable, or their Affiliates and the applicable Stockholder Entity. Notwithstanding anything to the contrary

in the foregoing, if the consideration payable for Oncor Units is securities and the acquisition of such securities by a Stockholder Entity would reasonably be expected to be prohibited under U.S., foreign or state securities laws, such Stockholder Entity shall be entitled to receive an amount in cash equal to the value of any such securities such Person would otherwise be entitled to receive.

4. Upon delivering a Request, the Stockholder Entities will, if requested by Oncor Holdings, execute and deliver a custody agreement and power of attorney in form and substance reasonably satisfactory to Oncor Holdings with respect to the Oncor Units which are to be sold by the Stockholder Entities pursuant hereto (a "Custody Agreement and Power of Attorney"). The Custody Agreement and Power of Attorney will contain customary provisions and will provide, among other things, that the Stockholder Entities will deliver to and deposit in custody with the custodian and attorney-in-fact named therein a certificate or certificates (if such units are certificated) representing such Oncor Units (duly endorsed in blank by the registered owner or owners thereof) and irrevocably appoint said custodian and attorney-in-fact as the Stockholder Entities' agent and attorney-in-fact with full power and authority to act under the Custody Agreement and Power of Attorney on the Stockholder Entities' behalf with respect to the matters specified therein.

5. Your right pursuant hereto to participate in a Proposed Sale shall be contingent on your material compliance with each of the provisions hereof and your willingness to execute such documents in connection therewith as may be reasonably requested by Oncor Holdings.

6. If the consideration to be paid in exchange for Oncor Units in a Proposed Sale pursuant to Paragraph 1 includes any securities, and the receipt thereof by Oncor Holdings and a Stockholder Entity would require under applicable law (a) the registration or qualification of such securities or of any Person as a broker or dealer or agent with respect to such securities or (b) the provision to any selling Stockholder Entity of any information regarding the Public Entity, Oncor Holdings, Energy Future Holdings Corp. or their respective Subsidiaries, such securities or the issuer thereof that would not be required to be delivered in an offering solely to a limited number of "accredited investors" under Regulation D promulgated under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder, Oncor Holdings and such Stockholder Entity shall not, subject to the following sentence, have the right to sell Units in such proposed sale. In such event Oncor Holdings shall have the right to cause to be paid to such selling Stockholder Entity in lieu thereof, against surrender of the Oncor Units which would have otherwise been sold by such selling Stockholder Entity to the prospective buyer in the proposed sale, an amount in cash equal to the Fair Market Value of such Oncor Units as of the date such securities would have been issued in exchange for such Oncor Units.

7. (a) If Oncor Holdings proposes to transfer to any Person, directly or indirectly (whether by means of a merger, consolidation, reorganization or recapitalization, sale, transfer or otherwise), a number of Oncor Units equal to 50% or more of the outstanding Oncor Units (such Person, the "Drag-Along Purchaser"), then if requested by Oncor Holdings, each Stockholder Entity shall be required to sell a number of Oncor Units equal to the aggregate number of Oncor Units held by the Stockholder Entities *multiplied* by the Sale Percentage (such transaction, a "Drag Transaction").

(b) Oncor Units held by the Stockholder Entities included in a Drag Transaction will be included in any agreements with the Drag-Along Purchaser relating thereto on the same terms and subject to the same conditions applicable to the Oncor Units which Oncor Holdings proposes to sell in the Drag Transaction. Such terms and conditions shall include, without limitation: the sale price; the payment of fees, commissions and expenses; the provision of, and representation and warranty as to, information reasonably requested by the Drag-Along Purchaser covering matters regarding the Stockholder Entities' ownership of Oncor Units; and the provision of requisite indemnification; provided that any indemnification provided by the Stockholder Entities shall be pro rata in proportion with the number of Oncor Units to be sold by such Stockholder Entity; provided, further, that the Stockholder Entity shall not be required to (x) indemnify any Person for an amount, in the aggregate, in excess of the gross proceeds received in such Proposed Sale, or (y) agree to any non-compete or non-solicit provisions that are more restrictive than such similar agreement between Oncor, Oncor Holdings, any other Management Stockholder Employer, the Company or their Affiliates and the applicable Stockholder Entity.

(c) Your pro rata share of any amount to be paid pursuant to Paragraph 3 or 7(b) shall be based upon the number of Oncor Units intended to be transferred by the Stockholder Entities.

(d) Notwithstanding anything to the contrary in the foregoing, if the consideration payable to the Stockholder Entities for Oncor Units is securities and the acquisition of such securities by a Stockholder Entity would reasonably be expected to be prohibited under U.S., foreign or state securities laws, such Stockholder Entity shall be entitled to receive an amount in cash equal to the value of any such securities such Person would otherwise be entitled to receive.

8. The obligations of Oncor Holdings hereunder shall extend only to you and your transferees who (a) are party to a Stockholder's Agreement with the Company or Oncor, as applicable, and (b) have acquired Oncor Units or Stock Appreciation Rights pursuant to clause (ii) of the definition of a Permitted Transfer (as set forth in Section 3(a) of the Stockholder's Agreement) (such transferees, "Permitted Transferees"), and none of the Stockholder Entities' successors or assigns, with the exception of any such Permitted Transferee and only with respect to Oncor Units or Stock Appreciation Rights acquired by such Permitted Transferee pursuant to a Permitted Transfer, shall have any rights pursuant hereto.

9. This Agreement shall terminate and be of no further force and effect on the occurrence of the earlier of (A) a Change in Control and (B) the later of (x) five years from the date of this agreement and (y) the consummation of a Qualified Public Offering of Oncor Units.

10. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next Business Day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid or (d) one (1) Business Day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to such party's address as set forth below or at such other address or to such other person as the party shall have furnished to each other party in writing in accordance with this provision:

If to Oncor Holdings, at the following address:

Oncor Electric Delivery Holdings Company LLC  
c/o Oncor Electric Delivery Company LLC Energy Plaza  
1601 Bryan Street  
Dallas, Texas 75201-3411  
Facsimile: (214) 486-2067  
Attention: Legal Department, 22nd Floor

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with a copy to:

Baker & McKenzie LLP  
One Prudential Plaza  
130 East Randolph Drive  
Chicago, Illinois 60601  
Facsimile: (312) 861-7588  
Attention: James P. O'Brien

and

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, New York 10017  
Facsimile: (212) 455-2502  
Attention: Alvin H. Brown  
Andrew W. Smith

If to you, to you at the address set forth on the signature page hereto;

If to a Stockholder Entity, to the address provided to Oncor Holdings by such entity in writing.

11. In determining the applicable ownership thresholds and ownership percentages referenced in the Paragraphs above, appropriate adjustments shall be made for any stock or unit dividends, splits, combinations, recapitalizations or any other adjustment in the number of outstanding Oncor Units, as applicable, in order to maintain, as nearly as practicable, the intended operation of the provisions herein.

12. The laws of the State of Texas shall govern the interpretation, validity and performance of the terms of this Agreement. In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory

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arbitration conducted expeditiously in accordance with the American Arbitration Association rules, by a single independent arbitrator. Such arbitration process shall take place in Dallas, Texas. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator; provided that if the Stockholder Entity substantially prevails on any of his or her substantive legal claims, Oncor Holdings shall reimburse all legal fees and arbitration fees incurred by the Stockholder Entity to arbitrate the dispute. Each party hereto hereby irrevocably waives any right that it may have had to bring an action in any court, domestic or foreign, or before any similar domestic or foreign authority with respect to this Agreement.

13. This Agreement may be executed in counterparts, and by different parties on separate counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

14. This Agreement may be amended by Oncor Holdings at any time upon notice to a Stockholder Entity thereof; provided that any amendment (i) that materially disadvantages a Stockholder Entity, shall not be effective unless and until such Stockholder Entity has consented thereto in writing and (ii) that disadvantages a Stockholder Entity in more than a de minimis way but less than a material way shall require the consent of the holders of a majority of the equity interests held by such Stockholder Entities.

15. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Stockholder's Agreement.

*[Signatures on following pages]*

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If the foregoing accurately sets forth our agreement, please acknowledge your acceptance thereof in the space provided below for that purpose.

Very truly yours,

**ONCOR ELECTRIC DELIVERY HOLDINGS COMPANY  
LLC**

By: \_\_\_\_\_  
Name:  
Title:

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Accepted and agreed as of the date first written above.

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature page to Sale Participation Agreement]

**Oncor Electric Delivery Company LLC  
Director Stock Appreciation Rights Plan**

SECTION 1. Purpose. The Oncor Electric Delivery Company LLC Director Stock Appreciation Rights Plan (the "Plan") is designed:

(a) to promote the long term financial interests and growth of Oncor Electric Delivery Company LLC (the "Company", an indirect subsidiary of Energy Future Holdings Corp., "EFH") by attracting and retaining management and other personnel and key service providers, and motivating such personnel by means of growth-related incentives to achieve long-range goals; and

(b) to further the alignment of interests of participants with those of the equity holders of the Company through opportunities for participation in the appreciation of the Company.

SECTION 2. Definitions. As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" means with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.

"Award" means any award of SARs made under Section 5 of the Plan.

"Award Letter" means any written notice, agreement, or other document evidencing any Award.

"Base Price" means the Fair Market Value per equity unit of the Company on the date of grant.

"Cause" means with respect to a Participant: (i) if, in carrying out his or her duties to the Company, Participant engages in conduct that constitutes (a) a breach of his or her fiduciary duty to the Company, its Subsidiaries or its shareholders, (b) gross neglect or (c) gross misconduct resulting in material economic harm to the Company and its Subsidiaries, taken as a whole, or (ii) upon the indictment of the Participant, or the plea of guilty or nolo contendere by Participant to, a felony or a misdemeanor involving moral turpitude.

"Change in Control" means, in one or a series of related transactions, (i) the sale of all or substantially all of the consolidated assets or capital stock of EFH, Oncor Electric Delivery Holdings Company LLC ("Oncor Holdings"), or the Company to a person (or group of persons acting in concert) who is not an Affiliate of any member of the Sponsor Group; (ii) a merger, recapitalization or other sale by EFH, any member of the Sponsor Group or their Affiliates, to a person (or group of persons acting in concert) of EFH Common Stock that results in more than 50% of EFH Common Stock (or any resulting company after a merger) being held by a person (or group of persons acting in concert) that does not include any member of the Sponsor Group or any of their respective Affiliates; or (iii) a merger, recapitalization or other sale of common stock by EFH, any member of the Sponsor Group or their Affiliates, after which the Sponsor Group owns less than 20% of the common stock of, and has the ability to appoint less than a majority of the directors to the board of directors of, EFH (or any resulting company after a merger); and with respect to any of the events described in clauses (i) and (ii) above, such event results in any person (or group of persons acting in concert) gaining control of more seats on the board of directors of EFH than the Sponsor Group; provided, however, that notwithstanding the foregoing, (x) clause (i) above shall be deemed not to include any reference to EFH, and clauses (ii) and (iii) shall not apply, in each case, for the purposes of interpreting the termination or applicability of any puts, calls, right of first offer or release from other transfer restrictions upon Transfers of Units or equity units of Oncor Holdings, (y) clause (i) above shall be deemed not to include any reference to Oncor

Holdings for the purposes of interpreting the termination or applicability of any puts, calls, right of first offer or release from other transfer restrictions upon Transfers of Units and (z) clause (i) above shall be deemed not to include any reference to the Company for the purposes of interpreting the termination or applicability of any puts, calls or release from transfer restrictions upon Transfers of equity units of Oncor Holdings.

“Closing Date” means October 10, 2007.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Committee” means the Organization and Compensation Committee of the Oncor Board, any other committee of the Oncor Board specified by the Oncor Board as the “Committee” hereunder, or, if no such committee is appointed, the Oncor Board.

“EFH Common Stock” means shares of common stock, no par value, of EFH.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” means, with respect to a Participant, the fair market value of a corresponding number of Units (or any successor common equity of an IPO Vehicle) on the date of determination as calculated pursuant to the following provisions: (i) if there is a public market for Units (or any successor common equity of an IPO Vehicle) on such date, the average of the high and low closing bid prices of Units (or any successor common equity of an IPO Vehicle), as applicable, on such stock exchange on which the shares are principally trading on the date in question, or, if there were no sales on such date, on the closest preceding date on which there were sales of shares or, (ii) if there is no public market for the Units (or any successor common equity of an IPO Vehicle), on a per share basis, the Fair Market Value of the Units (or any successor entity of an IPO Vehicle), as applicable, on any given date, as determined reasonably and in good faith by the Oncor Board, which shall not take into account any minority interest discount and shall not take into account a discount for illiquidity of Units (or any successor common equity of an IPO Vehicle) or SARs, as applicable, in excess of any illiquidity discount applicable to Units (or any successor common equity of an IPO Vehicle), generally.

“Fiscal Year” means each of the 2008, 2009, 2010, 2011, 2012, 2013 and 2014 fiscal years of the Company.

“Grant Date” means the date on which Stock Appreciation Rights are granted to a Participant.

“Group” means, “group” as such term is used for purposes of Sections 13(d) or 14(d) of the Exchange Act.

“IPO Vehicle” means an Affiliate of the Company (the material assets of which consist only of its direct or indirect interest in the Company, or the assets of the Company) used for the purposes of effecting a Public Offering (as defined in the Director Stockholder’s Agreement) of the vehicle holding the assets of the Company.

“EFH Management Stockholder” means an individual Senior Leadership Team management stockholder who is party to a management stockholder’s agreement with EFH and Texas Energy Future Holdings Limited Partnership.

“EFH Realization Event” means any transaction or completion of a series of transactions that results, directly or indirectly, in (1) the EFH Management Stockholders being entitled to realize in respect of their EFH Common Stock, cash and/or publicly traded securities after the Oncor Closing Date, but excluding any ordinary course repurchases of EFH Common Stock from any particular EFH

Management Stockholder(s) or (2) EFH realizing in respect of its Units, cash and/or publicly traded securities (including Units held by EFH, if then publicly traded and freely marketable securities) after the Oncor Closing Date, but excluding any sale of Units to any director, Employee or other Person having a relationship with the Company or any other Service Provider.

"IPO Vehicle" means an Affiliate of the Company (the material assets of which consist only of its direct or indirect interest in the Company, or the assets of the Company) used for the purposes of effecting a Public Offering (as defined in the Management Stockholder's Agreement) of the vehicle holding the assets of the Company.

"Liquidity Event" means the first to occur of any transaction or completion of a series of transactions that results, directly or indirectly (including indirectly in an Indirect Valuation Event), in EFH realizing in respect of its Units, cash and/or publicly traded securities (including Units held by EFH, if then publicly traded and freely marketable securities) having a market value that at least equals the Oncor Return or the Oncor IRR, provided that if more than 25% of the aggregate amount realized is in the form of publicly traded securities, no portion of such excess may be taken into account in determining the Oncor Return or Oncor IRR until such securities are sold for cash in accordance with the terms of the Plan. An "Indirect Valuation Event" means transactions pursuant to which the Sponsor Group realizes return in respect of their shares of EFH common stock, in which case "Liquidity Event" shall be determined based upon consideration so realized that is indirectly attributable to the Units held by EFH, as determined in good faith by the Committee.

"Director Stockholder's Agreement" means that certain Director Stockholder's Agreement between the Participant, the Company and Oncor Management Investment LLC.

"Management Unit" means such term as defined in the Director Stockholder's Agreement.

"Marketable Securities" means (i) prior to a public offering, the equity securities of any acquiring entity that gains control of EFH or (ii) the registered EFH Common Stock following a public offering.

"Measurement Date" means any date upon which a Liquidity Event occurs.

"Oncor Board" means the Board of Directors of the Company.

"Oncor Closing Date" means the closing date of the minority sale of outstanding membership interests in the Company to Texas Transmission Investment LLC pursuant to the Contribution and Subscription Agreement, dated as of August 12, 2008

"Oncor IRR" means an amount equal to a pretax compounded annual internal rate of return of at least 12% on the approximately \$7.5 billion value of the equity in Oncor Holdings held by EFH on the Closing Date. For the avoidance of doubt, any calculation of Oncor IRR will take into account cash dividends or other cash distributions paid on such equity in Oncor Holdings, as well as the value of equity if and when it becomes publicly traded.

"Oncor Return" means on any given date, an amount equal to the product of 2.0 (2.5 in respect of Fiscal Years 2016 and 2017) times the approximately \$7.5 billion value of the equity in Oncor Holdings held by EFH on the Closing Date. For the avoidance of doubt, any calculation of Oncor Return will take into account cash dividends or other cash distributions paid on such equity in Oncor Holdings, as well as the value of equity if and when it becomes publicly traded.

"Participant" means any individual designated in Section 4 as being eligible for an Award, and selected by the Committee, to receive an Award under the Plan.

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“Person” means “person,” as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

“Plan Account” means a notional account maintained by the Company for each Participant for purposes of determining amounts that will be payable to such Participant.

“Service Recipient” means the Company, any Subsidiary of the Company, or any Affiliate of the Company that satisfies the definition of “service recipient” within the meaning of Treasury Regulation Section 1.409A-1 (or any successor regulation), with respect to which the person is a “service provider” within the meaning of Treasury Regulation Section 1.409A-1 (or any successor regulation).

“Sponsor Group” means the investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P., TPG Capital, L.P. and Goldman, Sachs & Co.

“Stock Appreciation Right” or “SAR” means the right to receive a cash payment (except as otherwise provided in Section 5(f)(i) hereof) equal to the increase in the Fair Market Value on the date of exercise of one Unit over the Base Price of such Unit.

“Subsidiary” means any corporation or other entity in an unbroken chain of corporations or other entities beginning with the Company if each of the corporations or other entities, or group of commonly controlled corporations or other entities, other than the last corporation or other entity in the unbroken chain then owns stock or other stock interests possessing 50% or more of the total combined voting power of all classes of stock or other stock interests in one of the other corporations or other entities in such chain.

“Unit” means equity units of the Company or any successor IPO Vehicle, which may be authorized but unissued, or issued and reacquired, and including any successor equity security.

### SECTION 3. Administration of the Plan.

The Committee shall have the power and authority to administer, construe and interpret the Plan, to make rules for carrying it out, to make changes in such rules and to waive any terms or conditions of an Award (including without limitation, accelerating or waiving any vesting conditions). Any such interpretations, rules, and administration shall be consistent with the basic purposes of the Plan. Any action of a majority of the members of the Committee taken at a meeting, or action taken without a meeting by unanimous written consent, shall constitute action by the Committee.

The Committee may delegate to the Chief Executive Officer and to other senior officers of the Company its duties under the Plan, subject to applicable law and such conditions and limitations as the Committee shall prescribe, except that only the Committee may designate and make Awards to Participants.

The Committee may employ counsel, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company, and the officers and directors of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, the Company and all other interested persons. No member of the Committee, nor employee or representative of the Company shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Awards, and all such members of the Committee, employees and representatives shall be fully protected and indemnified to the greatest extent permitted by applicable law by the Company with respect to any such action, determination or interpretation.

SECTION 4. Eligibility. The Committee may from time to time make Awards under the Plan to such non-employee members of the Oncor Board or other persons having a relationship with Company or any other Service Recipient, and in such form and having such terms, conditions and limitations as the Committee may determine.

SECTION 5. Awards.

(a) Grant and Form of Awards. From time to time, prior to the termination of the Plan pursuant to Section 10, the Committee may make Awards to Participants under the Plan, which shall be evidenced by an Award Letter. The terms, conditions and limitations of each Award shall be set forth in the Award Letter, consistent with the terms of the Plan. A Participant may be granted multiple Awards, having different Base Prices.

(b) Establishment of Plan Account. The Company shall establish a Plan Account for each Participant. At the time an Award is granted to a Participant, his or her Plan Account shall be credited with a number of SARs, which number of SARs shall be determined at the discretion of the Committee at the time of grant of such Award. A Participant shall not be vested in any Award by reason of having SARs credited to his or her Plan Account unless the vesting conditions as set forth in Section 5(c) of this Plan and vesting conditions set forth in the Participant's Award Letter are deemed satisfied by the Committee.

(c) Vesting and Exercisability.

(i) Unless otherwise set forth in the Award Letter, so long as the Participant continues to provide services to the Company or any other Service Recipients, the SARs shall become vested (but not exercisable) pursuant to the following schedules: the SARs shall become vested in equal quarterly installments, over the two year period commencing on the Grant Date.

(ii) All vested SARs shall become exercisable pursuant to one of the following events:

- A. Unless otherwise provided in an Award Letter, upon the occurrence of a termination of Participant's service with the Company or any other Service Recipient (for any reason other than Cause) in connection with or following the occurrence of a Change in Control, the SARs shall immediately vest and the vested SARs shall become immediately exercisable as to 100% of the Units subject to such SARs immediately prior to the Change in Control.
- B. Unless otherwise provided in an Award Letter, upon the occurrence of an EFH Realization Event, subject to the Participant's continued service with the Company on the date of the event, the vested SARs shall become immediately exercisable as to the Units subject to such vested SARs immediately prior to the EFH Realization Event in connection with such EFH Realization Event in the same proportion as, as applicable, (1) the EFH Management Stockholders are entitled in such EFH Realization Event to realize liquidity in respect of their EFH Common Stock held on the Oncor Closing Date or (2) EFH realizes liquidity in such EFH Realization Event in respect of the equity in Oncor Holdings held by EFH on the Oncor Closing Date, in each case unless the Committee shall determine otherwise.
- C. Notwithstanding any of the above and unless otherwise provided in an Award Letter, upon the termination of Participant's service with the Company or any other Service Recipient (for any reason other than Cause) prior to the exercisability of the then vested SARs, the Participant's vested SARs as of the Participant's termination of service shall remain outstanding and shall become

exercisable with respect to such vested SARs, as follows: (x) upon a (i) Change in Control or (ii) Liquidity Event, then 100% of the Units subject to such vested SARs shall become exercisable and (y) upon an EFH Realization Event, then a percentage of the Units subject to such vested SARs shall become exercisable in the same proportion as, as applicable (i) the EFH Management Stockholders are entitled in such EFH Realization Event to realize liquidity in respect of their EFH Common Stock held on the Oncor Closing Date or (ii) EFH realizes liquidity in such EFH Realization Event in respect of the equity in Oncor Holdings held by EFH on the Oncor Closing Date, in each case unless the Committee shall determine otherwise.

(iii) Provided, further, in the event of a termination of services with the Company or any other Service Recipient for Cause all SARs (whether or not vested), shall immediately expire without any entitlement to payment therefor.

(iv) Notwithstanding the foregoing, the Oncor Board or the Committee reserves the right to accelerate vesting and exercisability of a Participant's award under this Plan.

(v) Any Participant who holds SARs shall have the right to have credited to a bookkeeping account of the Company an amount to reflect any cash dividends that are paid in respect of Units held by Unitholders, as if the Participant had actually been issued Units, rather than SARs, on the date the SARs were granted. Such amounts shall be distributed on the earliest to occur of death, disability, separation from service, unforeseeable emergency or a change in control, in each case as defined in the final regulations under Section 409A issued by the Internal Revenue Service ("Section 409A of the Code") (a "Permissible Payment Event"). Amounts shall be credited under this paragraph only to the extent such cash dividends are declared during the period beginning on the date the SARs are granted and ending on the Permissible Payment Event or, if earlier, the date the Participant exercised the SARs.

(d) Exercise of SARs.

(i) Person Eligible to Exercise. During the lifetime of the Participant, only the Participant (or his or her duly authorized legal representative) may exercise the SARs or any portion thereof. After the death of the Participant, any exercisable portion of the SARs may, prior to the time when the SARs become unexercisable under Section 5(e) below, be exercised by his personal representative or by any person empowered to do so under the Participant's will or under the then applicable laws of descent and distribution.

(ii) Partial Exercise. Any exercisable portion of the SARs, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the SARs or portion thereof becomes unexercisable under Section 5(e) below.

(iii) Manner of Exercise. The SARs, or any exercisable portion thereof, may be exercised solely by delivering to the office of the Corporate Secretary all of the following prior to the time when the SARs or such portion becomes unexercisable under Section 5(e) below:

- A. Notice in writing signed by the Participant or the other person then entitled to exercise the SARs or portion thereof, stating that the SARs or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;
- B. In the event the SARs or portion thereof shall be exercised pursuant to Section 5(d)(i) by any person or persons other than the Participant, appropriate proof of the right of such person or persons to exercise the SARs.

(e) Effect of Termination. Except as otherwise provided in Section 5(c)(iii), the Participant may not exercise the vested SARs to any extent after the tenth anniversary of the date of grant.

(f) Calculation of Payment of Awards; Form of Payment.

(i) Any Award not previously forfeited shall entitle the Participant, upon the valid exercise of the Award in respect of exercisable SARs, to receive a cash payment equal to the product of (A) the difference between the Fair Market Value of one equity unit of the Company on the date of the event giving rise to the payment minus the Base Price, and (B) the number of SARs exercised by the Participant; provided, however, that upon the initial public offering ("IPO") of Units or a successor IPO vehicle, at the election of the Oncor Board, SARs shall be payable solely in Units, cash, or a combination thereof, having a Fair Market Value equivalent to the number of SARs held by such Participant and calculated herein.

(ii) Payment of any SARs will be made no later than thirty (30) days following the date of exercise.

SECTION 6. Adjustments

In the event of any stock split, spin-off, share combination, reclassification, recapitalization, liquidation, dissolution, reorganization, merger, Change in Control, payment of a dividend (other than a cash dividend paid as part of a regular dividend program) or other similar transaction or occurrence which affects the equity securities of the Company or the value thereof, the Committee shall (i) adjust the number and kind of shares subject to the Plan and available for or covered by Awards, (ii) adjust the share prices related to outstanding Awards, and/or (iii) take such other action (including, without limitation providing for payment of a cash amount to holders of outstanding Awards), in each case as is reasonably necessary to address, on an equitable basis, the effect of the applicable corporate event on the Plan and any outstanding Awards, without adverse tax consequences under Section 409A of the Code. Any such adjustment made or action taken by the Committee, in good faith, in accordance with the preceding sentence shall be final and binding upon holders of Awards and upon the Company.

SECTION 7. Change in Control

In the event of a Change in Control: (a) if determined by the Committee under this Plan or otherwise determined by the Committee in its sole discretion, any outstanding Awards then held by Participants which are unexercisable or otherwise unvested may automatically be deemed exercisable or otherwise vested as of immediately prior to such Change in Control and (b) the Committee may, to the extent determined by the Committee to be permitted under Section 409A of the Code, but shall not be obligated to: (i) cancel such Awards for fair value (as determined in the sole discretion of the Committee), which shall equal the excess, if any, of the value of the consideration to be paid in the Change in Control transaction to holders of the same number of shares subject to such SARs (or, if no consideration is paid in any such transaction, the Fair Market Value of the shares subject to such SARs) over the aggregate Base Price of such SARs; (ii) provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder, as determined by the Committee in its sole discretion; or (iii) provide that for a period of at least ten business days prior to the Change in Control, any SARs shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change in Control, such SARs shall terminate and be of no further force and effect.

SECTION 8. Amendment and Termination

(a) The Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding Awards as are consistent with this Plan, provided that any amendment (i) that materially disadvantages the Participant shall not be effective, unless and until the Participant has consented thereto in writing and (ii) that disadvantages the Participant in more than a de minimis way but less than a

material way shall require the consent of Participants holding a majority of the equity interests held by the Participants, except in each case as such modification is provided for or contemplated in the terms of the Award or this Plan.

(b) The Oncor Board may amend, suspend or terminate the Plan, except that no such action, other than an action under Section 6, 7 or 8(c) hereof, may be taken which would, without shareholder approval, decrease the price of outstanding Awards, change the requirements relating to the Committee, or extend the term of the Plan. However, any such action (i) that materially disadvantages the Participant shall not be effective, unless and until the Participant has consented thereto in writing and (ii) that disadvantages the Participant in more than a de minimis way but less than a material way shall require the consent of Participants holding a majority of the equity interests held by the Participants, except as such modification is provided for or contemplated in the terms of the Award or this Plan.

(c) This Plan is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code. Notwithstanding anything herein to the contrary, (i) if at the time of the Participant's termination of services with any Service Recipient the Participant is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of service is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Participant) until the date that is six months and one day following the Participant's termination of employment with all Service Recipients (or the earliest date as is permitted under Section 409A of the Code), if such payment or benefit is payable upon a termination of employment and (ii) if any other payments of money or other benefits due to the Participant hereunder would cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred, if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, reasonably determined by the Oncor Board in consultation with the Participant, that does not cause such an accelerated or additional tax or result in an additional cost to the Company (without any reduction in such payments or benefits ultimately paid or provided to the Participant).

#### SECTION 9. General Provisions.

(a) Nontransferability. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(b) No Rights to Awards. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

(c) Withholding. The Company shall have the right to deduct from any payment made under the Plan any federal, state or local income or other taxes required by law to be withheld with respect to such payment. To the extent permitted under applicable tax laws, Participants will receive a cash dividend equivalent payment sufficient to satisfy any minimum withholding taxes associated with Participant's SARs.

(d) No Guarantee of Continued Service. Nothing in this Plan shall confer upon the Participant any right to continue providing services to the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to terminate the services of the Participant at any time for any reason what so ever, subject to the applicable provisions of, if any, a consulting agreement.

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(e)Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Texas applicable therein.

(f)Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(g)No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(h)Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

SECTION 10. Term of the Plan. The Plan shall be effective on the Oncor Closing Date and shall terminate upon the later of (x) the tenth anniversary of the Oncor Closing Date or (y) immediately following the Company's satisfaction of all of its payment obligations with respect to any then outstanding Awards, subject to earlier termination by the Oncor Board pursuant to Section 8.

**[Form of Stock Appreciation Rights Award Letter Pursuant to the  
Oncor Electric Delivery Company LLC Director Stock Appreciation Rights Plan]**

[DATE]

[Name]  
[Address]

Re: Director SARs Award Letter

Dear [ ]:

Oncor Electric Delivery Company LLC (the "Company") considers it essential to continue to provide incentives for individuals serving as a member of the Board of Directors of the Company (the "Board") to remain with the Company and focused on achieving a high level of performance. In order to provide sufficient incentives to members of the Board to continue to use their best efforts to perform their duties and responsibilities diligently and in the best interests of the Company and the Company's shareholders, the Company has elected to establish the Oncor Electric Delivery Company LLC Director Stock Appreciation Rights Plan (the "Plan"). All capitalized terms not defined in this letter are defined in the Plan.

On behalf of the Organization and Compensation Committee of the Board, I am pleased to inform you that you have been selected as being eligible to participate in the Plan. This letter constitutes your Award Letter under the Plan. Subject in all instances to the terms and conditions of the Plan, you and the Company agree to the following:

1. Award. The Company hereby grants you, effective as of [DATE], a number of Stock Appreciation Rights equal to [NUMBER], having a Base Price of \$10 per Stock Appreciation Right.

2. Vesting of Award. You will become vested in this Award in accordance with the terms of Section 5 of the Plan.

3. Calculation and Payment of Award. The amount that will be payable to you under this Award will be calculated, and any amounts payable in respect of this Award will be paid, in accordance with Section 5 of the Plan.

5. Miscellaneous. This Award and any payments in respect hereof will not be taken into account for purposes of determining any benefits you are eligible to receive under any benefit plan. The terms of this Award Letter may not be amended or modified other than by a written agreement executed by the parties hereto (or their respective successors). The provisions of Section 7 of the Plan are hereby incorporated by reference into this Award Letter.

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If you accept this Award on the terms and conditions contained in this Award Letter, please sign below where indicated and return an executed copy of this Award Letter to [NAME] by no later than [DATE].

Very truly yours,

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

On behalf of Oncor Electric Delivery Company LLC

Accepted and agreed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_  
[NAME]

*[signature page of Director Award Letter]*

2008 EQUITY INTERESTS PLAN FOR KEY EMPLOYEES OF  
ONCOR ELECTRIC DELIVERY COMPANY LLC AND ITS AFFILIATES

### 1. Purpose of Plan

The 2008 Equity Interests Plan for Key Employees of Oncor Electric Delivery Company LLC and its Affiliates (the "Plan") is designed:

(a) to promote the long term financial interests and growth of Oncor Electric Delivery Company LLC (the "Company") and its Subsidiaries by attracting and retaining non-employee directors, management and other personnel and key service providers with the training, experience and ability to enable them to make a substantial contribution to the success of the Company's business;

(b) to further the alignment of interests of Participants with those of the members of the Company through opportunities for equity ownership in the Company through Oncor Management Investment LLC ("Investment LLC").

### 2. Definitions

As used in the Plan, the following words shall have the following meanings:

(a) "Affiliate" means with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.

(b) "Board" means the Board of Directors of the Company acting in its capacity as the board of directors of the Managing Member (as defined in the LLC Agreement).

(c) "Class B Membership Interest" has the meaning set forth in the LLC Agreement.

(d) "Code" means the United States Internal Revenue Code of 1986, as amended.

(e) "Committee" has the meaning set forth in Section 5(c) hereof.

(f) "Employee" means a person, including an officer, in the regular employment of the Company or any other Service Recipient who, in the opinion of the Board, is, or is expected to have involvement in the management, growth or protection of some part or all of the business of the Company or any other Service Recipient.

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

(h) "Grant" has the meaning set forth in Section 3 hereof.

(i) "LLC Agreement" means the Limited Liability Company Agreement of Oncor Management Investment LLC, dated as of November 5, 2008, and schedules thereto, as amended from time to time.

(j) "Management Stockholder's Agreement" means that certain management stockholder's agreement or director stockholder's agreement between the applicable Participant, the Company and Investment LLC.

(k) "Participant" means an Employee, non-employee member of the Board, consultant or other person having a service relationship with the Company or any other Service Recipient, to whom one or more Grants have been made and remain outstanding.

(l) "Person" means "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

(m) "Sale Participation Agreement" means that certain Sale Participation Agreement between the applicable Participant and the Company.

(n) "Service Recipient" means, the Company, any Subsidiary of the Company, or any Affiliate of the Company that satisfies the definition of "service recipient" within the meaning of Treasury Regulation Section 1.409A-1(g) (or any successor regulation), with respect to which the person is a "service provider" (within the meaning of Treasury Regulation Section 1.409A-1(f) (or any successor regulation)).

(o) "Subsidiary" shall mean, with respect to any Person, any corporation or other entity in an unbroken chain of corporations or other entities beginning with such Person, if each of the corporations or other entities, or group of commonly controlled corporations or other entities, other than the last corporation or other entity in the unbroken chain then owns stock or other stock interests possessing 50% or more of the total combined voting power of all classes of stock or other stock interests in one of the other corporations or other entities in such chain.

### 3. Grants

From time to time, the Board will determine whether to offer a Participant the opportunity to acquire Class B Membership Interests (a "Grant"). Such offer shall be in such form, and dependent on such conditions, as the Board may determine. Subject to the provisions of the Plan, the Board shall determine to whom and when Grants will be made, the number of Class B Membership Interests to be offered pursuant thereto; and all other terms and conditions of such Grants (including, without limitation, provisions ensuring that all Class B Membership Interests so offered and issued shall be fully paid and non-assessable).

### 4. No Employment Rights

This Plan shall not confer upon any Participant any right to continue as an employee of the Company or any of its affiliates, nor shall it interfere in any way with any right the Company or its affiliates would otherwise have to terminate such Participant's employment at any time.