UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 14, 2013

HARBINGER GROUP INC.
(Exact name of registrant as specified in its charter)

Delaware	**1-4219**	**74-1339132**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**
450 Park Avenue, 30th Floor, New York, New York		**10022**
(Address of principal executive offices)		**(Zip Code)**

Registrant's telephone number, including area code: **(212) 906-8555**

Former name or former address, if changed since last report.

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

The information set forth in Item 2.01 below is hereby incorporated by reference into this Item 1.01.

Item 2.01 Completion of Acquisition or Disposition of Assets.

Unit Purchase and Contribution Agreement

On February 14, 2013, HGI Energy Holdings, LLC ("HGI Energy"), a Delaware limited liability company and a wholly owned subsidiary of Harbinger Group Inc. ("HGI" or the "Company") completed the previously announced transactions (the "Transactions") contemplated by that certain Unit Purchase and Contribution Agreement (as amended by the UPCA Amendment (defined below), the "Purchase Agreement"), dated as of November 5, 2012, by and among EXCO Resources, Inc., a Texas corporation ("EXCO"), EXCO Operating Company, LP, a Delaware limited partnership ("EOC"), EXCO/HGI JV Assets, LLC, a Delaware limited liability company ("E/H-JV") and HGI Energy. In connection with the closing of the Transactions (the "Closing"), EXCO and HGI Energy formed EXCO/HGI Production Partners, LP (the "EXCO/HGI Partnership"), a Delaware limited partnership, and its general partner, EXCO/HGI GP, LLC, a Delaware limited liability company (the "General Partner"). At the closing, the EXCO/HGI Partnership acquired, effective in economic terms as of July 1, 2012, from EXCO and EOC certain conventional oil and natural gas assets located in West Texas, including and above the Canyon Sand formation, as well as in the Danville, Waskom, Holly and Vernon fields in East Texas and North Louisiana, including and above the Cotton Valley (the "Contributed Properties").

The Contributed Properties were acquired from EXCO for approximately $725 million of total consideration, representing HGI Energy's effective equity interest of $372.5 million, $127.5 million in properties and assets contributed by EXCO, in each case before giving effect to the preliminary closing adjustments described below, and approximately $225 million of indebtedness borrowed by a subsidiary of the EXCO/HGI Partnership under a new credit agreement (the "Partnership Credit Facility").

At the Closing, HGI Energy contributed approximately $348.3 million in cash (reflecting the effect of preliminary closing adjustments and the economic benefits related to the July 1, 2013 effective date) to the EXCO/HGI Partnership. The HGI Energy contribution was funded by $248.3 million contributed to HGI Energy by HGI, $50 million borrowed from Fidelity & Guaranty Life Insurance Company and $50 million borrowed from Front Street Re (Cayman) Ltd. Pursuant to the Purchase Agreement, prior to the closing of the Transactions, EXCO and EOC contributed to E/H-JV the Contributed Properties. At the Closing, EXCO received a payment of approximately $573 million. The payment was funded by the $348.3 million contribution from HGI Energy and $225 million borrowed under the Partnership Credit Facility entered into in connection with the Closing.

The Partnership Credit Facility, as of the Closing, has a $400 million borrowing base and unused borrowing capacity of $138 million after a draw-down to fund the payment of a $25 million deposit under the BG PSA (as defined below) and an additional $12 million for working capital purposes. The borrowing base will be redetermined semi-annually, with E/H-JV and the lenders having the right to request interim unscheduled redeterminations in certain circumstances. The maturity date of the Partnership Credit Facility is February 14, 2018. Borrowings under the Partnership Credit Facility bear interest at the borrower's option at either an alternative base rate or an adjusted LIBO rate plus in either case based on the borrowing base usage and ranging from 0.75% to 1.75% for alterative base rate and 1.75% to 2.75% for LIBO rate, with such spread being as of the date hereof of 1.25% for alternative base rate and 2.25% for LIBO rate. We estimate that following the purchase of assets under the BG PSA the spread will increase to 1.75% for alternative base rate and 2.75% for LIBO rate. Borrowings are guaranteed by EXCO/HGI Partnership and Vernon Gathering, LLC, a Delaware limited liability company and wholly owned subsidiary of the borrower, and are collateralized by first lien mortgages providing a security interest of not less than 80% of the Engineered Value (as defined in the Partnership Credit Facility) in the oil and natural gas properties covered by the borrowing base. Neither HGI nor HGI Energy is a guarantor of, or otherwise provides credit support for, the Partnership Credit Facility.

EXCO/HGI Partnership may declare and pay cash dividends to the holders of its equity interests to the extent of Available Cash (as defined in the Limited Partnership Agreement and the LLC Agreement) provided that, as of each payment date and after giving effect to the dividend payment date, (i) no default exists, (ii) borrowing base usage is not greater than ninety percent (90%), and (iii) the EXCO/HGI Partnership is in compliance with the financial covenants set forth in the Partnership Credit Facility.

The financial covenants in the Partnership Credit Facility require that EXCO/HGI Partnership (i) maintain a consolidated current ratio (as defined in the Partnership Credit Facility) of at least 1.0 to 1.0 as of the end of any fiscal quarter ending on or after March 31, 2013; and (ii) not permit the consolidated leverage ratio (as defined in the Partnership Credit Facility), determined as of the end of any fiscal quarter ending on or after March 31, 2013 to be greater than 4.50 to 1.00, with certain exceptions.

Effective February 14, 2013, EXCO, EOC, E/H-JV and HGI Energy entered into that certain First Amendment to Unit Purchase and Contribution Agreement and Closing Agreement (the "UPCA Amendment") pursuant to which, among other things, the HGI Energy waived the requirement to obtain certain consents prior to the Closing and designated the parties rights with respect to certain assets.

The foregoing description of the Purchase Agreement and the UPCA Amendment do not purport to be complete and are qualified in their entirety by reference to the Purchase Agreement filed as Exhibit 2.1 in the Company's Current Report on Form 8-K filed on November 9, 2012 and the UPCA Amendment filed as Exhibit 2.1 hereto, each of which are incorporated herein by reference.

Limited Partnership Agreement

In connection with the Closing, the General Partner and EXCO Holding MLP, Inc., a Texas corporation ("EXCO Holding") entered into that certain Amended and Restated Agreement of Limited Partnership of EXCO/HGI Partnership (the "Partnership Agreement"). Under the Partnership Agreement, HGI Energy owns a 73.5% limited partnership interest in the EXCO/HGI Partnership and a 50% interest in the General Partner and EXCO Holding owns a 24.5% limited partnership interest in the EXCO/HGI Partnership and a 50% interest in the General Partner. The General Partner owns a 2% general partner interest in the EXCO/HGI Partnership and all of the incentive distribution rights in the EXCO/HGI Partnership. A description of the material terms of the Partnership Agreement can be found in the Company's Current Report on Form 8-K filed on November 9, 2012, which description is incorporated herein by reference.

The foregoing description of the Partnership Agreement does not purport to be complete and is qualified in its entirety by reference to the Partnership Agreement, which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

General Partner Limited Liability Company Agreement

In connection with the Closing, HGI Energy and EXCO Holding entered into that certain Amended and Restated Limited Liability Company Agreement of the General Partner (the "LLC Agreement"). The General Partner is the sole general partner of the Partnership. The General Partner is managed by the Board of Directors of the General Partner (the "Board"). The Board consists of two members designated by HGI Energy and two members designated by EXCO Holding. Under the LLC Agreement, certain material actions of the General Partner, the Partnership and their subsidiaries will require the approval of at least one HGI Energy appointee to the Board and at least one EXCO Holding appointee to

the Board. A description of the material terms of the LLC Agreement can be found in the Company's Current Report on Form 8-K filed on November 9, 2012, which description is incorporated herein by reference.

The foregoing description of the LLC Agreement does not purport to be complete and is qualified in its entirety by reference to the LLC Agreement, which is filed as Exhibit 10.2 hereto and incorporated herein by reference.

Administrative Services and Operating Agreements

In connection with the Closing, (i) each of EXCO and EOC entered into an operating agreement with E/H-JV to provide certain services with respect to the operation of the Contributed Properties contributed by such party to E/H-JV and certain related assets and (ii) EXCO, the General Partner and the Partnership entered into an administrative services agreement, pursuant to which EXCO will continue to operate the assets, as contract operator, of the Contributed Properties and will provide certain services to the Partnership.

BG Purchase Agreement and Assignment and Assumption Agreement

On February 14, 2013, EOC and BG US Production Company, LLC, a Delaware limited liability company ("BG"), entered into a Purchase and Sale Agreement (the "BG PSA") pursuant to which EOC will acquire certain conventional oil and natural gas assets in the Danville, Waskom and Holly fields in East Texas and North Louisiana, including and above the Cotton Valley formation (the "Additional Contributed Properties"), from BG for $132.5 million, subject to certain customary closing adjustments (the "Additional Contribution Transaction"). In connection with the Closing, effective February 14, 2013, EOC assigned its rights and obligations under the BG PSA to E/H-JV pursuant to an assignment and assumption agreement. The BG PSA contains customary representation and warranties, covenants and indemnities by BG to EOC. Upon the closing of the Additional Contribution Transaction, the Additional Contributed Properties will represent an incremental working interest in properties that EOC contributed to the Partnership. The Partnership intends to fund the Additional Contribution Transaction using additional borrowings under the Partnership Credit Facility. The Additional Contribution Transaction is expected to close in March 2013.

The foregoing description of the BG PSA does not purport to be complete and is qualified in its entirety by reference to the BG PSA, which is filed as Exhibit 2.2 hereto and incorporated herein by reference.

Side Letter Agreement

In connection with the Closing, effective February 14, 2013, EXCO, E/H-JV, the General Partner and the Partnership entered into a Side Letter Agreement (the "Side Letter"), pursuant to which EOC made certain incremental representations and warranties and agreed to certain covenants and indemnities in respect of the Additional Contributed Properties. In addition, the Side Letter modified certain limitations on indemnification by EXCO set forth in Purchase Agreement.

The foregoing description of the Side Letter does not purport to be complete and is qualified in its entirety by reference to the Side Letter, which is filed as Exhibit 2.3 hereto and incorporated herein by reference.

Item 7.01 Financial Statements and Exhibits.

On February 15, 2013, HGI issued a press release (the "Press Release"), announcing the closing of the Transactions. A copy of the Press Release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed to be "filed" for purposes of Section 18 of the Securities Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of HGI's filings under the Securities Act of 1933, as amended, or the Securities Act of 1934, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Forward-Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: Some of the statements contained in the Press Release and certain oral statements made by HGI's representatives from time to time regarding the matters discussed herein, including those statements related to the Transactions, the purchase of assets under the BG PSA and their effects on HGI and its subsidiaries, including future dividends expected to be received by HGI, are or may be forward-looking statements. Such forward-looking statements are based upon management's current expectations that are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by such forward-looking statements. These statements and other forward-looking statements made from time-to-time by HGI and its representatives are based upon certain assumptions and describe future plans, strategies and expectations of HGI, and are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may" or other similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation, the risk that the closing of the Additional Contribution Transaction will not occur, will be delayed or will close on terms materially different than expected, reserve estimates and values, statements about the EXCO/HGI Partnership properties and potential reserves and production levels, the ability of HGI's subsidiaries (including the EXCO/HGI Partnership) to generate sufficient net income and cash flows to make upstream cash distributions, capital market conditions, that HGI may not be successful in identifying any suitable future acquisition opportunities, and the risks that may affect the performance of the operating subsidiaries of HGI and those factors listed under the caption "Risk Factors" in HGI's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission (the "SEC"). All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. HGI does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The financial statements required by this item are not being filed herewith. To the extent such information is required by this item, it will be filed with the SEC by amendment to this report on Form 8-K no later than 71 calendar days after the date on which this report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information.

The pro forma financial information required by this item is not being filed herewith. To the extent such information is required by this item, it will be filed with the SEC by amendment to this report on Form 8-K no later than 71 calendar days after the date on which this report on Form 8-K is required to be filed.

(d) Exhibits

Exhibit Number	Exhibit Description
2.1*	First Amendment to Unit Purchase and Contribution Agreement and Closing Agreement, dated as of February 14, 2013, by and among EXCO Resources, Inc., EXCO Operating Company, LP, EXCO/HGI JV Assets, LLC and HGI Energy, LLC
2.2*	Purchase and Sale Agreement, dated as of February 14, 2013, by and between EOC and BG
2.3*	Side Letter Agreement, dated February 14, 2013, by EXCO, E/H-JV, the General Partner and the Partnership
10.1	Amended and Restated Agreement of Limited Partnership of EXCO/HGI Production Partners, LP
10.2	Amended and Restated Limited Liability Company Agreement of EXCO/HGI GP, LLC
99.1	Press Release, dated February 15, 2013

* In accordance with Item 6.01(b)(2) of Regulation S-K, schedules or similar attachments to this exhibit have not been filed. The Company agrees to furnish supplementally a copy of any omitted schedules to the Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HARBINGER GROUP INC.

Date: February 21, 2013

By: /s/ Thomas A. Williams
Name: Thomas A. Williams
Title: Executive Vice President and Chief Financial Officer

Exhibit Index

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99.1	Press Release, dated February 15, 2013

* In accordance with Item 6.01(b)(2) of Regulation S-K, schedules or similar attachments to this exhibit have not been filed. The Company agrees to furnish supplementally a copy of any omitted schedules to the Commission upon request.

EXHIBIT 2.1

Execution Version

FIRST AMENDMENT TO
UNIT PURCHASE AND CONTRIBUTION AGREEMENT AND
CLOSING AGREEMENT

This First Amendment to Unit Purchase and Contribution Agreement and Closing Agreement (this "Amendment") dated as of February 14, 2013, is by and among EXCO RESOURCES, INC., a Texas corporation ("EXCO Parent"), EXCO OPERATING COMPANY, LP, a Delaware limited partnership ("EOC" and sometimes together with EXCO Parent, "EXCO"), EXCO/HGI JV ASSETS, LLC, a Delaware limited liability company ("MLP LLC"), and HGI ENERGY HOLDINGS, LLC, a Delaware limited liability company ("Investor"). EXCO Parent, EOC, MLP LLC and Investor are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

Recitals

A. WHEREAS, the Parties are the parties to that certain Unit Purchase and Contribution Agreement dated as of November 5, 2012, as the same may be amended, restated, supplemented or otherwise modified the "UPCA"), and any term capitalized but not defined herein shall have the meaning given to such term in the UPCA; and

B. WHEREAS, the Parties wish to amend the UPCA in accordance with the provisions of this Amendment.

Agreement

NOW, THEREFORE, for and in consideration of the mutual agreements contained in the UPCA and this Amendment and other good and valuable consideration, the Parties agree as follows:

1. ***Exhibit M-1***. Exhibit M-1 to the UPCA is hereby amended by deleting such exhibit in its entirety and replacing it with the Exhibit M-1 attached hereto.

2. ***Schedule 5.11***. Schedule 5.11 to the UPCA is hereby amended by deleting such schedule in its entirety and replacing it with the Schedule 5.11 attached hereto.

3. ***Shared Assets/Use Agreements***. The Parties acknowledge that with respect to certain oil and gas leases that constitute a part of the EOC Assets, EOC and BG US Production Company, LLC, a Delaware limited liability company ("BG"), will each own an interest in the Excluded Depths covered thereby (such oil and gas leases, the "EOC/BG/MLP Leases") and, following Closing, MLP LLC will own an interest in the Shallow Depths covered by the EOC/BG/MLP Leases. The Parties have agreed to enter into a separate Shared Assets Agreement with BG to govern the use by EOC, BG and MLP LLC of certain shared assets and other matters relating to the EOC/BG/MLP Leases. Accordingly, the Parties agree that:

a. the definition of "Shared Assets/Use Agreement" in Section 1.1 of the UPCA shall be amended by deleting such definition in its entirety and replacing it with the following:

> "Shared Assets/Use Agreement" means, as applicable, (a) that certain Shared Assets/Use Agreement by and among EOC, EXCO Parent and MLP LLC, in substantially the form attached as Exhibit O-1, or (b) that certain Shared Assets Agreement by and among EOC, MLP LLC and BG US Production Company, LLC, a Delaware limited liability company, in substantially the form attached as Exhibit O-2.

b. Exhibit O to the UPCA is hereby amended by deleting such exhibit in its entirety and replacing it with Exhibit O-1 and Exhibit O-2 attached hereto.

c. At Closing, (i) EOC will execute and deliver the Shared Assets Agreement by and among EOC, MLP LLC and BG, substantially in the form attached as Exhibit O-2 (the "BG Shared Assets Agreement") and (ii) Investor will, and EXCO Parent will cause EXCO Holding to, cause the Partnership Approval for MLP LLC to execute and deliver the BG Shared Assets Agreement.

4. ***MLP LLC Net Profits Interest***. The Parties acknowledge that EXCO will not be assigning its interest in and to those wells set forth on Exhibit A-3 to the UPCA (the "Haynesville Vertical Wells") and in lieu thereof will be conveying a net profits interest covering the Haynesville Vertical Wells (the "MLP LLC Net Profits Interest"). Accordingly, the Parties agree that:

a. A new Exhibit Q – Form of MLP LLC NPI Assignment, attached hereto as Exhibit Q, is hereby added to the UPCA.

b. Exhibit A-3 to the UPCA is hereby amended by deleting such exhibit in its entirety and replacing it with the Exhibit A-3 attached hereto.

c. At Closing, (i) EOC will execute and deliver the MLP LLC Net Profits Interest by instrument in the form attached as Exhibit Q (such interest in such wells, the "MLP LLC NPI Assignment") and (ii) Investor will, and EXCO Parent will cause EXCO Holding to, cause the Partnership Approval for MLP LLC to execute and deliver the MLP LLC NPI Assignment.

5. ***EXCO Issued Units and Investor Issued Units***. The Parties acknowledge and agree that the Target Investor Contributed Units, the Target Investor GP LLC Units, the Target Investor Units, the Target EXCO Contributed Units, the Target EXCO GP LLC Units and the Target EXCO Units should only be adjusted in accordance with Section 2.3 of the UPCA and should not be adjusted by the applicable percentage of the Cash Adjustment Amount. The Parties agree that:

a. Section 10.5(a) of the UPCA shall be amended by deleting the phrase "and the adjustments made to the Transaction Items with respect thereto pursuant to Section 2.2(c)" from the first sentence of such section;

b. the definitions of each of "Investor Contributed Units," "Investor GP LLC Units," "Investor Issued Units," "EXCO Contributed Units," "EXCO GP LLC Units," and "EXCO Issued Units" shall be amended by deleting each such definition in its entirety and replacing such with the corresponding definition as set forth below:

"EXCO Contributed Units" means the Target EXCO Contributed Units, as adjusted in accordance with Section 2.3.

"EXCO GP LLC Units" means the Target EXCO GP LLC Units, as adjusted in accordance with Section 2.3.

"EXCO Issued Units" means the Target EXCO Units, as adjusted in accordance with Section 2.3.

"Investor Contributed Units" means the Target Investor Contributed Units, as adjusted in accordance with Section 2.3.

"Investor GP LLC Units" means the Target EXCO GP LLC Units, as adjusted in accordance with Section 2.3.

"Investor Issued Units" means the Target Investor Units, as adjusted in accordance with Section 2.3.

c. Section 2.2(c) of the UPCA shall be amended by deleting such section in its entirety and replacing such section with as set forth below:

(c) At Closing, the Target Cash Contribution and the Target Distribution Amount shall each be increased by 74.5% of the Cash Adjustment Amount (if positive) or decreased by 74.5% of the absolute value of the Cash Adjustment Amount (if negative).

6. ***Operatorship***. The Parties acknowledge and agree that notwithstanding anything in Section 8.4 of the UPCA to the contrary, following the Reorganization, except as otherwise provided in this Section 5, EXCO need not use its commercially reasonable efforts to cause MLP LLC to become qualified as operator of record of (a) the wells listed in Schedule 8.4(a) and any future wells drilled on the Assets in the units listed in Schedule 8.4(a) (collectively, the "EOC Louisiana Operated Wells") or (b) the wells listed in Schedule 8.4(b) (the "Texas Permit Wells"). As soon as practicable following the completion of the permitting process for a Texas Permit Well, EXCO shall use its commercially reasonable efforts to cause MLP LLC to become qualified of record of such Texas Permit Well. In the event that following the Reorganization EXCO is able to transfer operatorship of record with respect to any EOC Louisiana Operated Well, whether, for the avoidance of doubt, as a result of a sale of EXCO's interest in the applicable unit, a sale of EXCO's interest in MLP LLC, changes in field rules or any other event allowing for the transfer of operatorship, EXCO shall use its commercially reasonable efforts to cause MLP LLC to become qualified as operator of record of such EOC Operated Louisiana Well. In the event that the EOC Operating Agreement is terminated, then with respect to any EOC Louisiana Well for which EXCO has not transferred operatorship of record to MLP LLC, EXCO agrees to cooperate with MLP LLC's designated successor contract operator (the

"Successor Contract Operator") while EXCO remains operator of record until such time, if any, as EXCO is able to transfer operatorship to MLP LLC. Such cooperation shall include, without limitation, execution and filing with the applicable regulatory authority of such applications, reports and other instruments prepared by the Successor Contract Operator which MLP LLC may reasonably request in order for Successor Contract Operator to conduct the operation of the EOC Louisiana Wells (the "Required Documents"). MLP LLC shall indemnify EXCO against all liabilities to the extent arising from or related to any Required Documents.

7. ***Consents to Assign***. The Parties acknowledge that EXCO has complied with its obligations under Section 3.6(a) of the UPCA, but was unable to obtain a consent to assign with respect to those certain leases each dated August 13, 1973, having EXCO lease numbers 10054985, 10054986, 10054987, and 10054988 (the "Devon/KCS Leases"). Notwithstanding anything in the UPCA to the contrary, the Parties agree that the Devon/KCS Leases should not be treated as subject to a Specified Consent Requirement and should be included in the Production Assets Assignments. To the extent that the assignment of a Devon/KCS Lease to MLP LLC is determined to be void or invalid following Closing, then (a) EXCO shall continue to use commercially reasonable efforts to obtain the consent to assign such Devon/KCS Lease to MLP LLC and to assign such Devon/KCS Lease to MLP LLC upon receipt of such consent; (b) such Devon/KCS Lease shall be held by EXCO for the benefit of MLP LLC until the applicable consent requirement is satisfied or until such Devon/KCS Lease has terminated; and (c) to the extent EXCO has provided to MLP LLC the economic benefit of such Devon/KCS Lease, if any, MLP LLC shall pay all amounts due thereunder, shall, perform all obligations thereunder and, subject to the rights of MLP LLC under the Related Agreements, shall indemnify EXCO and its Affiliates against any liabilities incurred or suffered by EXCO or any of its Affiliates as a consequence of EXCO remaining a party to the Devon/KCS Leases (in each case, except to the extent any such liabilities resulted from the gross negligence or willful misconduct of any EXCO Party or its Representatives and subject to the same requirements and procedures applicable to Sections 7.3, 7.4, 7.5 and 7.6 of the Administrative Services Agreement, applied *mutatis mutandis*).

8. ***MUI Waivers***. The Parties acknowledge that EXCO has complied with its obligations under Section 3.7(a) of the UPCA, but was unable to obtain all such waivers prior to the Reorganization. The Parties agree that those Assets for which less than all of the waivers of MUIs affecting such Asset from the applicable Working Interest Owners have been received should not be excluded from the transaction contemplated by the UPCA pursuant to Section 3.7(b) of the UPCA and should be included in the Production Assets Assignments. EXCO hereby agrees to use its commercially reasonable efforts to continue to seek waivers of MUIs from the applicable Working Interest Owners that have not been obtained as of Closing with respect to such Assets.

9. ***Definitions of "EOC Assets" and "EXCO Parent Assets"***. To the extent that the definition of "EOC Assets" in the TX/LA Assignment differs from such definition in the UPCA, and to the extent the definition of "EXCO Parent Assets" in the Sugg Ranch Assignment differs from such definition in the UPCA, the definitions of such terms in the TX/LA Assignment and Sugg Ranch Assignment, respectively, shall control, and the UPCA shall be amended to conform the definitions of such terms to their respective definitions set forth in the TX/LA Assignment and the Sugg Ranch Assignment.

10. ***Execution Versions***. To the extent that any document or instrument executed in connection with the Reorganization or Closing (an "Execution Document") differs from the applicable exhibit version thereof attached to the UPCA, the Execution Document shall control.

11. ***Side Letter***. The Parties (a) acknowledge that EXCO, MLP LLC, the General Partner and the Partnership have entered into that certain Letter Agreement (the "Letter Agreement") dated as of the date hereof, regarding that certain Purchase and Sale Agreement, dated as of the date hereof, by and among EXCO and BG US Production Company, LLC (the "BG PSA") covering BG's interests in certain assets constituting a part of the EOC Assets and (b) agree that pursuant to Section 1.4(b) of the Letter Agreement the amounts set forth in Section 12.4(c)(y) of the UPCA and Section 12.4(d) of the UPCA and EXCO's liability under Section 12.2(b)(ii) of the UPCA and Section 12.2(b)(iv) of the UPCA were modified as set forth in Section 1.4(b) of the Letter Agreement.

12. ***Moran Royalty Deed.*** The Parties acknowledge that EOC has assigned its interest in the BG PSA to MLP LLC pursuant to an Assignment and Assumption Agreement dated as of the date hereof. The Parties further acknowledge that (a) that certain EXCO Moran Royalty Deed (as defined in the BG PSA), conveying an undivided 50% of the royalty interests held by Moran Minerals, LLC ("Moran") under the leases set forth on Schedule 12 (the "Moran Leases") with an effective date of July 1, 2012 and (b) that certain BG Moran Royalty Deed (as defined in the BG PSA) conveying an undivided 50% of the royalty interests held by Moran under the Moran Leases with an effective date of January 1, 2013, are to be delivered to MLP LLC at the closing of the transactions contemplated by the BG PSA (the "BG Closing"). EXCO hereby agrees, that to the extent the BG Closing does not occur, EXCO will promptly, but in any event within 30 days following the termination of the BG PSA, deliver or cause to be delivered a royalty deed substantially similar to the EXCO Moran Royalty Deed covering an undivided 50% of the royalty interests held by Moran under the Moran Leases.

13. ***Financial Statements***. The Parties agree that: (a) as used in Section 7.10 of the UPCA only, the "Assets" shall be deemed to include any assets acquired by MLP LLC pursuant to the BG PSA; (b) the "Required Financial Statements" shall include the period ending December 31, 2012; (c) the Required Financial Statements shall include such unaudited financial statements regarding periods ending on or before the Closing Date that Investor may reasonably require to comply with Investor's financial reporting requirements and audits, including filings required by the SEC under the Exchange Act or the Securities Act; (d) EXCO shall use its commercially reasonable efforts to cause such Required Financial Statements to be delivered no later than 60 days following the Closing Date; and (e) in addition to amounts payable to EXCO Parent pursuant to Section 7.10(b) of the UPCA, Investor shall pay EXCO Parent an amount equal to the sum of (x) the fees charged by KPMG to perform audits and/or reviews of the Required Financial Statements (as reasonably agreed and approved by MLP LLC) and (y) the actual costs, not to exceed $25,000, attributable to time spent by EXCO and its Affiliates' financial and engineering personnel in connection with causing the preparation and delivery of the additional Required Financial Statements in accordance with this Section 13.

14. ***Annex A***. The Parties acknowledge and agree that the none of the Transaction Items are being adjusted pursuant to Section 2.3 of the UPCA or Annex A of the UPCA.

15. ***Ratification***. Except as specifically provided in this Amendment, all terms and provisions of the UPCA shall remain unchanged and in full force and effect, and the UPCA, as modified by this Amendment, is hereby ratified, acknowledged and reaffirmed by the Parties. The execution of this Amendment shall not directly or indirectly in any way whatsoever (a) impair, prejudice or otherwise adversely affect any Party's right at any time to exercise any right, privilege or remedy in connection with the UPCA, (b) amend or alter any provision of the UPCA (other than the amendments provided for in this Amendment) or (c) constitute any course of dealing or other basis for altering any obligation of any Party or any right, privilege or remedy of any Party under the UPCA. Each reference in the UPCA to "this Agreement," "hereunder," "hereof," "herein" or any other word or words of similar import shall mean and be a reference to the UPCA as amended hereby.

16. ***Counterparts***. This Amendment may be executed in counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together constitute but one agreement. A Party's delivery of an executed counterpart signature page by facsimile (or email) is as effective as executing and delivering this Amendment in the presence of the other Parties. No Party shall be bound until such time as all of the Parties have executed counterparts of this Amendment.

17. ***Application of Certain Provisions***. Section 1.2 of the UPCA and Section 14.4 of the UPCA shall apply *mutatis mutandis* to this Amendment.

[signature page follows]

IN WITNESS WHEREOF, this Amendment has been signed by each of the Parties effective as of the date first above written.

INVESTOR:

HGI ENERGY HOLDINGS, LLC

By: /s/ Ehsan Zargar
Name: Ehsan Zargar
Title: Vice President, Counsel and Corporate Secretary

EXCO PARENT:

EXCO RESOURCES, INC.

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President and General Counsel

EOC:

EXCO OPERATING COMPANY, LP
by its general partner, EXCO Partners OLP GP, LLC

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President and General Counsel

MLP LLC:

EXCO/HGI JV ASSETS, LLC

By: /s/ R. L. Hodges
Name: R. L. Hodges
Title: Vice President - Land

EXHIBIT 2.2

Execution Version

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

BG US PRODUCTION COMPANY, LLC

as Seller

and

EXCO OPERATING COMPANY, LP

as Buyer

February 14, 2013

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Exhibits

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (as may be amended, restated, supplemented or otherwise modified from time to time, this "*Agreement*") is entered into the 14th day of February 2013 (the "*Execution Date*"), among **EXCO OPERATING COMPANY, LP**, a Delaware limited partnership ("*Buyer*"), and **BG US PRODUCTION COMPANY, LLC**, a Delaware limited liability company ("*Seller*"). Buyer and Seller may be referred to collectively as the "*Parties*" or individually as a "*Party*".

RECITALS

WHEREAS, Seller owns certain oil and gas interests located in east Texas and north Louisiana as further described below; and

WHEREAS, Seller desires to sell and deliver to Buyer, and Buyer desires to purchase and accept from Seller the Assets (as hereinafter defined) on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, the benefits to be derived by each Party, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 ***Defined Terms***. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this *Section 1.1*.

"*AAA*" shall have the meaning set forth in *Section 14.14(b)*.

"*AAA Rules*" shall have the meaning set forth in *Section 14.14(b)*.

"*Accounting Arbitrator*" shall have the meaning set forth in *Section 3.6*.

"*Adjusted Purchase Price*" shall have the meaning set forth in *Section 3.3*.

"*AFE*" shall mean any authorization for expenditures or other request for capital commitments related to any operations on the Assets.

"*Affiliate*" shall mean, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" and its derivatives with respect to any Person means the possession, directly or indirectly, of the power to exercise or determine the voting of more than 50% of the voting shares in a corporation, and in the case of any other type of entity, the right to exercise or determine the voting of more than 50% of the equity interests having voting rights, or otherwise to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"*Agreement*" shall have the meaning set forth in the first paragraph herein.

"*Allocated Value*" with respect to any Asset, shall have the meaning set forth in *Section 3.8.*

"*Applicable Contracts*" shall mean all Contracts to which Seller is a party or in which it otherwise holds an interest and (a) by which the Assets are bound or (b) that primarily relate to the Assets and, in each case, that will be binding on the Assets or Buyer after the Effective Time, including, without limitation, farmin and farmout agreements; bottomhole agreements; crude oil, condensate, and natural gas purchase and sale, gathering, transportation, and marketing agreements; hydrocarbon storage agreements; acreage contribution agreements; operating agreements; balancing agreements; pooling declarations or agreements; unitization agreements; processing agreements; crossing agreements and other similar contracts and agreements.

"*Arm's Length Transaction*" shall mean a Transfer of an asset for the Cash Value of such asset.

"*Asset Taxes*" shall mean ad valorem, property, excise, severance, production or similar taxes (including any interest, fine, penalty or additions to tax imposed by a Governmental Authority in connection with such taxes) based upon operation or ownership of the Assets or the production of Hydrocarbons therefrom but excluding, for the avoidance of doubt, income, capital gains or franchise taxes.

"*Assets*" shall have the meaning set forth in *Section 2.1.*

"*Assignment*" shall mean the Assignment and Bill of Sale from Seller to Buyer, pertaining to the Assets, substantially in the form attached to this Agreement as *Exhibit B*.

"*Assignment and Assumption Agreement*" shall mean that certain Assignment and Assumption Agreement from EXCO to MLP LLC substantially in the form of *Exhibit F*.

"*Assumed Obligations*" shall have the meaning set forth in *Section 12.1*.

"*BG*" shall mean BG US Production Company, LLC and such term may refer to such Person in its capacity as Seller or otherwise.

"*Business Day*" shall mean a day (other than a Saturday or Sunday) on which commercial banks in Texas are generally open for business, provided that if Business Days are used to calculate periods in which a Party must make a payment hereunder, "Business Day" shall mean any day other than Saturday or Sunday on which banking institutions in Dallas, Texas and London, England are generally open for business.

"*Buyer*" shall have the meaning set forth in the first paragraph herein.

"*Buyer Indemnified Parties*" shall have the meaning set forth in *Section 12.2*.

"*Cash Consideration*" shall mean all cash and cash equivalents received by EXCO or any of its Affiliates (other than MLP LLC) for the sale or transfer of all or a portion of the Assets.

"*Cash Transfer*" shall mean a Transfer where one hundred percent of the value received or to be received for a particular Asset is in the form of Cash Consideration.

"*Cash Value*" shall mean the market value (expressed in U.S. dollars) of all or a portion of an Asset, based upon the cash amount that a willing buyer would pay a willing seller in an arm's length transaction.

"*Change in Control*" shall mean any direct or indirect change in Control of a Person (whether through merger, sale of shares or other equity interests, or otherwise), through a single transaction or series of related transactions, from one or more transferors to one or more transferees; provided, however, that for purposes hereof, a "*Change in Control*" shall not include a change in Control of a Person (a) resulting from a management-led buyout of the public share ownership of such Person and conversion of such Person to a privately-held company, (b) resulting in ongoing control by a Wholly-Owned Affiliate of the ultimate parent company of such Person, or (c) created by a change in Control of the ultimate parent company of such Person.

"*Claim*" shall have the meaning set forth in *Section 12.7(b)*.

"*Claim Notice*" shall have the meaning set forth in *Section 12.7(b)*.

"*Closing*" shall have the meaning set forth in *Section 9.1*.

"*Closing Date*" shall have the meaning set forth in *Section 9.1*.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended.

"*Consideration*" shall mean, with respect to any Transfer under *Section 3.9*, the Cash Consideration for, or the Cash Value of, the Assets Transferred, as applicable under that Section, adjusted in either case from the applicable effective date under the relevant Transfer agreement to the Effective Time using the adjustment mechanism set out in *Sections 3.3(a)(i)* and *(ii)* and *Sections 3.3(b)(i)* and *(iii)*.

"*Contract*" shall mean any written or oral contract, agreement, agreement regarding indebtedness, lease, mortgage, license agreement, purchase order, commitment, letter of credit or any other legally binding arrangement, excluding, however, any TX/LA Lease, easement, right-of-way, Permit or other instrument (other than acquisition or similar sales or purchase agreements) creating or evidencing an interest in the Assets that constitute real or immovable property.

"*Customary Post Closing Consents*" shall mean the consents and approvals from Governmental Authorities for the assignment of the Assets to Buyer that are customarily obtained after the assignment of properties similar to the Assets.

"*Deep Depths*" shall mean (with respect to oil and gas interests and otherwise) those subsurface depths other than the Shallow Depths.

"*Dispute*" shall mean any dispute, controversy, or claim (of any and every kind or type, whether based on contract, tort, statute, regulation, or otherwise) arising out of, relating to, or connected with this Agreement, or the transactions contemplated hereby, including but not limited to any dispute, controversy or claim concerning the existence, validity, interpretation, performance, breach, or termination of this Agreement or the relationship of the Parties arising out of this Agreement or the transactions contemplated hereby; provided, however, "*Dispute*" shall not include any matter under this Agreement that is expressly referred to the expert determination procedures set forth in *Section 3.6*, *Section 14.2(e)* or *Section 14.15*.

"*Dispute Notice*" shall have the meaning set forth in *Section 3.5*.

"*Effective Time*" shall mean 12:01 a.m. (Central Time) on January 1, 2013.

"*Employees*" shall mean all employees of Seller or any of its Affiliates employed (now or in the past), with respect to their period of employment (or their hiring or termination of employment) by Seller or any such Affiliate.

"*Employee Benefit Plans*" shall mean any employee pension benefit plan, as defined in Section 3(2) of ERISA, any employee welfare benefit plan as defined in Section 3(1) of ERISA, any plans that would be employee pension benefit plans or employee welfare benefit plans if they were subject to ERISA, such as any stock bonus, stock option, stock purchase, stock appreciation rights, phantom stock or other stock plan, deferred compensation plan and any bonus or incentive compensation plan.

"*Encumbrance*" shall mean any lien, mortgage, security interest, defect, irregularity, pledge, charge or encumbrance.

"*Environmental Laws*" shall mean all applicable federal, state, and local laws in effect as of the date of this Agreement, including common law, relating to the protection of the public health, safety, welfare, and the environment, including, without limitation, those laws relating to the storage, handling, and use of chemicals and other Hazardous Substances, those relating to the generation, processing, treatment, storage, transportation, disposal, or other management thereof. The term "*Environmental Laws*" does not include good or desirable operating practices or standards that may be employed or adopted by other oil and gas well operators or recommended by a Governmental Authority.

"*ERISA*" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"*ERISA Liability*" shall mean any Liability attributable to or arising out of (a) Seller's or its Affiliates' employment relationship with the Employees prior to Closing, (b) Seller's or its Affiliates' Employee Benefit Plans applicable to the Employees, and (c) Seller's or its Affiliates' responsibilities under ERISA respecting Employee Benefit Plans applicable to the Employees.

"*Excess Cash Price*" shall mean with respect to a Transfer by Buyer, EXCO Parent or any Affiliate of Buyer (other than MLP LLC) of: (a) all of the Assets, the positive difference, if any, between (i) the Consideration received for the Transfer of such Assets and (ii) the Adjusted Purchase Price; and (b) any Asset, the positive difference, if any, between (x) the Consideration

received for such the Transfer of such Asset and (y) the Allocated Value of such Asset pursuant to this Agreement.

"*Excluded Assets*" shall mean: (a) the Excluded Records; (b) all claims and causes of action of Seller arising under or with respect to any Contract relating to the Assets that are attributable to the period of time prior to the Effective Time (including claims for adjustments or refunds but excluding Imbalances), in each case, to the extent relating to matters that are not Assumed Obligations; (c) BG's claims against EXCO and its Affiliates related to EXCO's unused firm transportation deductions from BG's working interest proceeds of production from the Assets, for the period prior to the Effective Time; (d) all rights and interests of Seller (i) under any policy or agreement of insurance, (ii) under any bond and (iii) to any insurance proceeds (except to the extent relating to the Assumed Obligations) or condemnation proceeds or awards arising, in each case, from acts, omission or events, or damage to or destruction of the Assets prior to the Effective Time; (e) any tax refunds of, tax credits attributable to or tax carry-forward amounts with respect to taxes that are not Assumed Obligations; (f) all geophysical and other seismic and related technical data and information relating to the Assets; (g) all proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property; (h) all data relating to the Assets that cannot be disclosed to Buyer as a result of confidentiality arrangements under agreements with Third Parties (*provided* that Seller has used its commercially reasonable efforts, with the assistance of Buyer, to obtain a waiver of any such confidentiality restriction); (i) all interests in Applicable Contracts to the extent (and only to the extent) applicable to properties or interests other than the TX/LA Properties or the production of Hydrocarbons from properties or interests other than the TX/LA Properties; (j) all assets held by a JV Company and any ownership interest in any JV Company; (k) subject to the Moran Royalty Deed, any fee mineral interests, mineral servitudes, non-participating royalty interests, lessor royalties, and any other oil, gas and/or mineral interests that are derived from a fee mineral interest, other than a lessee interest in oil, gas and/or mineral leases and the interests derived from them, that are not otherwise excluded hereunder, (l) any asset (including oil, gas and/or mineral leases, wells, mineral interests, surface rights, equipment, facilities, personal property or contracts related thereto) to the extent such asset is located in Marion, Shelby, San Augustine, or Nacogdoches Counties, Texas, or Bossier or Webster Parishes, Louisiana; (m) all surface fee interests, including any current interest in, or current right to acquire an interest in, those interests described on *Exhibit C*; (n) all gathering, transportation and other agreements between Seller (or any of its Affiliates) and TGGT Holdings, LLC or any of its controlled Affiliates (including TGG Pipeline, Ltd. and Talco Midstream Assets, Ltd.), and (o) any of the Assets excluded from the transactions contemplated hereunder pursuant to *Sections 11.2* or *11.3*.

"Excluded Liabilities" shall mean all obligations and liabilities, known or unknown, relating to, arising out of or resulting from (a) ERISA Liabilities, (b) Seller Debt Instruments, (c) any Excluded Asset, (d) Income Tax Liability, (e) Franchise Tax Liability, (f) any Liability of Seller or its Affiliates under any Hedge Contract, and/or (g) obligations to pay any royalties, overriding royalties and other interest owners' revenues or proceeds attributable to sales of Hydrocarbons produced from the Assets prior to the Effective Time.

"*Excluded Records*" shall mean: (a) all corporate, financial and legal records of Seller that relate to its business generally (whether or not relating to the Assets), (b) any records to the extent disclosure is restricted by any Third Party license or other Contract or applicable Law and

such restriction is not waived by the applicable holder thereof, (c) computer software, (d) all internal and third party reserve reports, valuations, summaries, studies or similar records, (e) all legal records and legal files of Seller, including those that are protected by attorney-client, work product or similar privilege (other than copies of (i) title opinions and (ii) Contracts), (f) personnel records, (g) books, records or documents relating to taxes that are not Assumed Obligations, (h) any records with respect to the other Excluded Assets, (i) information relating to potential sales of the Assets; (j) all other files, records, maps, information, and data, whether written or electronically stored, relating to the Assets, including: (i) land and title records (including abstracts of title, title opinions, and title curative documents); (ii) contract files; (iii) correspondence; (iv) operations, environmental, production, and accounting records; and (v) production, facility and well records and data, in each case, other than the Records; and (k) copies of the Records.

"*EXCO*" shall mean EXCO Operating Company, LP. and such term may refer to such Person in its capacity as Buyer or otherwise.

"*EXCO Parent*" shall mean EXCO Resources, Inc., a Texas corporation.

"*Final Purchase Price*" shall have the meaning set forth in *Section 3.5*.

"*Final Settlement Statement*" shall have the meaning set forth in *Section 3.5*.

"*Franchise Tax Liability*" shall mean any tax imposed by a state on Seller's or any of its Affiliates' gross or net income and/or capital for the privilege of engaging in business in that state that was or is attributable to Seller's or any of its Affiliates' ownership of an interest in the Assets.

"*GAAP*" shall have the meaning set forth in *Section 3.3*.

"*Governmental Authority*" shall mean any federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power; and any court or governmental tribunal, including any tribal authority having or asserting jurisdiction.

"*Guarantor*" shall have the meaning set forth in *Section 2.4*.

"*Guaranty*" shall have the meaning set forth in *Section 2.4*.

"*Hazardous Substances*" shall mean (any pollutants, contaminants, toxics or hazardous or extremely hazardous substances, materials, wastes, constituents, compounds, or chemicals that are regulated by, or may form the basis of liability under, any Environmental Laws, including NORM.

"*Hedge Contract*" shall mean any Contract to which Seller or any of its Affiliates is a party with respect to any swap, forward, future or derivative transaction or option or similar agreement, whether exchange traded, "over-the-counter" or otherwise, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities,

or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"*Hydrocarbons*" shall mean oil and gas and other hydrocarbons produced or processed in association therewith (whether or not any such item is in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

"*Imbalance*" shall mean any imbalance at the wellhead between the amount of Hydrocarbons produced from a TX/LA Well and allocated to the interests of Seller therein and the shares of production from the relevant TX/LA Well to which Seller was entitled, or at the pipeline flange between the amount of Hydrocarbons nominated by or allocated to Seller and the Hydrocarbons actually delivered on behalf of Seller at that point.

"*Income Tax Liability*" shall mean any Liability of Seller or any of its Affiliates attributable to any federal, state, or local income tax measured by or imposed on the net income of Seller or any of its Affiliates that was or is attributable to Seller's or any of its Affiliates' ownership of an interest in or the operation of the Assets.

"*Indemnified Party*" shall have the meaning set forth in *Section 12.7(a)*.

"*Indemnifying Party*" shall have the meaning set forth in *Section 12.7(a)*.

"*Interim Period*" shall mean that period of time commencing with the Effective Time and ending at 7:00 a.m. (Central Time) on the Closing Date.

"*JDA*" shall mean that certain Joint Development Agreement between Buyer and Seller dated August 14, 2009 and subsequently amended by Amendment dated May 19, 2010 and by Amendment dated February 1, 2011 and by the JDA Amendment.

"JDA Amendment" shall mean that certain Amendment to the Joint Development Agreement of even date herewith between EXCO and BG.

"*JDA JOA*" shall mean that certain Joint Operating Agreement that is referred to in the JDA as the "Joint Development Operating Agreement".

"*JV Company*" shall mean Moran Land Company, LLC, Moran Minerals, L.L.C. and Bonchasse Land Company, L.L.C.

"*Joint Development Operator*" shall have the meaning ascribed to such term in the JDA.

"*Knowledge*" shall mean with respect to Seller, the actual knowledge of the following Persons: Sheridan Jones, Mike Shelton, Chris Migura, Matt Farrelly and Ernst Den Hartigh.

"*LA Leases*" shall have the meaning set forth in *Section 2.1(a)*.

"*LA Subject Leases*" shall have the meaning set forth in *Section 2.1(a)*.

"*Law*" shall mean any applicable statute, law, rule, regulation, ordinance, order, code, ruling, writ, injunction, decree or other official act of or by any Governmental Authority.

"*Leased Assets*" shall mean all equipment, machinery, tools, fixtures, inventory, vehicles, office leases, furniture, office equipment and related peripheral equipment, computers, field equipment and related assets that are subject to or currently leased by Seller, and used, or held for use, in connection with the operation of, or the production of Hydrocarbons from, the TX/LA Properties.

"*Liabilities*" shall mean any and all claims, causes of actions, payments, charges, judgments, assessments, liabilities, losses, damages, penalties, fines or costs and expenses, including any reasonable fees of attorneys, experts, consultants, accountants, and other professional representatives and legal or other expenses incurred in connection therewith and including liabilities, costs, losses and damages for personal injury, illness or death, property damage, contract claims, torts or otherwise.

"*Material Adverse Effect*" shall mean any change, inaccuracy, effect, event, result, occurrence, condition or fact (for the purposes of this definition, each, an "event") (whether foreseeable or not and whether covered by insurance or not) that has had or would be reasonably likely to have, individually or in the aggregate with any other event or events, a material adverse effect on the ownership, use, operation or value of the Assets, taken as a whole; provided, however, that Material Adverse Effect shall not include such material adverse effects resulting from (a) general changes in oil and gas prices; (b) general changes in industry, economic or political conditions or markets; (c) changes in conditions or developments generally applicable to the oil and gas industry, in any area or areas where the Assets are located; (d) acts of God, including hurricanes and storms; (e) acts or failures to act of Governmental Authorities; (f) civil unrest or similar disorder, terrorist acts or changes in Laws; (g) effects or changes that are cured or no longer exist by the earlier of the Closing and the termination of this Agreement pursuant to *Section 13.1(a)*, without cost to Buyer; and (h) changes resulting from the announcement of the transactions contemplated hereby or the performance of the covenants set forth in *Article VI* hereof.

"*MLP LLC*" shall mean EXCO/HGI JV Assets, LLC, a Delaware limited liability company, or its subsidiary.

"*Moran Royalty Deed*" shall mean collectively the Royalty Deeds substantially in the forms attached to this Agreement as *Exhibit E-1* and *Exhibit E-2*.

"*MUI*" shall have the meaning set forth in *Section 4.4*.

"*NORM*" shall mean naturally occurring radioactive material.

"*Obligations*" shall have the meaning set forth in *Section 2.4*.

"*Operating Expenses*" shall mean all operating expenses (including costs of insurance charged to the joint account and Asset Taxes) and capital expenditures incurred in the ownership and operation of the Assets in the ordinary course of business, where applicable, in accordance with the relevant operating or unit agreement, if any, any overhead costs charged to the Assets

under the relevant operating agreement or unit agreement, if any, and Technical Services Costs and any additional overhead amounts charged to the Assets under Section 3.12 of the JDA, but excluding Liabilities attributable to (a) Liabilities for personal injury or death, property damage (other than damage to structures, fences, irrigation systems and other fixtures, crops, livestock and other Personal Property in the ordinary course of business), torts, breach of contract (other than failure to make payments under the terms of a contract) or violation of any Law (or private rights of action under any Law), (b) obligations to plug wells, dismantle or decommission facilities, close pits and restore the surface around such wells, facilities and pits, (c) environmental Liabilities, including obligations to remediate any contamination of groundwater, surface water, soil, sediments or Personal Property under applicable Environmental Laws, (d) obligations with respect to Imbalances, (e) obligations to pay working interests, royalties, overriding royalties or other interest owners revenues or proceeds attributable to sales of Hydrocarbons relating to the Assets, including those held in suspense, (f) obligations with respect to Hedge Contracts, and (g) claims for indemnification or reimbursement from any Third Party with respect to costs of the type described in preceding clauses (a) through (f), whether such claims are made pursuant to contract or otherwise.

"*Party*" and "*Parties*" shall have the meaning given such terms in the first paragraph herein.

"*Permit*" shall mean any permits, approvals or authorizations by, or filings with, any Governmental Authority.

"*Permitted Encumbrances*" shall mean:

(a) the terms and conditions of the TX/LA Leases and all royalties and any overriding royalties, net profits interests, free gas arrangements, production payments, reversionary interests and other similar burdens on production to the extent that the net cumulative effect of such burdens does not reduce Seller's net revenue interest below that shown in *Schedule 3.8* or increase Seller's working interest above that shown in *Schedule 3.8* without a proportionate increase in the net revenue interest of Seller;

(b) all unit agreements, pooling agreements, operating agreements, Hydrocarbon production sales contracts, division orders, and other contracts, agreements and instruments applicable to the Assets, to the extent that the net cumulative effect of such instruments does not reduce Seller's net revenue interest below that shown in *Schedule 3.8* or increase Seller's working interest above that shown in *Schedule 3.8* without a proportionate increase in the net revenue interest of Seller;

(c) preferential rights to purchase, Third Party consents to assignment and similar transfer restrictions;

(d) liens for Taxes or assessments not yet due and payable or not yet delinquent or, if delinquent, being contested in good faith in the ordinary course of business by appropriate actions;

(e) excepting circumstances where such rights have already been triggered, conventional rights of reassignment upon final intention to abandon or release any of the Assets;

(f) liens created under leases and/or operating agreements or by operation of Law in respect of obligations that are not yet due;

(g) rights of a common owner of any interest in rights-of-way or easements currently held by Seller and such common owner as tenants in common or through common ownership to the extent that the same does not materially impair the use or operation of the Assets as currently used and operated;

(h) zoning and planning ordinances and municipal regulations;

(i) vendor's, carrier's, warehouseman's, workman's, construction, materialman's, mechanic's, repairman's, employee's, contractor's, operator's and other similar liens or charges arising in the ordinary course of business for amounts not yet delinquent (including any amounts being withheld as provided by Law);

(j) all rights to consent by, required notices to, filings with, or other actions by Governmental Authorities in connection with the sale or assignment of the Assets or interests therein if they are not required or customarily obtained in the region where the Assets are located prior to the sale or conveyance, including Customary Post-Closing Consents;

(k) easements, rights-of-way, servitudes, Permits, surface leases, surface conditions or restrictions and other rights in respect of surface operations that do not materially prevent or materially, adversely affect operations as currently conducted on the Assets;

(l) calls on production under existing Contracts;

(m) gas balancing and other production balancing obligations and obligations to balance or furnish make-up Hydrocarbons under Hydrocarbon sales, gathering, processing or transportation Contracts;

(n) all rights reserved to or vested in any Governmental Authorities to control or regulate any of the Assets in any manner or to assess taxes with respect to the Assets, the ownership, use or operation thereof, or revenue, income or capital gains with respect thereto, and all obligations and duties under all applicable Laws of any such Governmental Authority or under any franchise, grant, license or Permit issued by any Governmental Authority;

(o) any lien, charge or other encumbrance on or affecting the Assets that is discharged by Seller at or prior to Closing;

(p) all Applicable Contracts described in *Section 4.11*, along with any liens, charges or Encumbrances expressly created by such Applicable Contracts, to the extent that the net cumulative effect of such burdens does not reduce Seller's net revenue interest below that shown in *Schedule 3.8* or increase Seller's working interest above that shown in *Schedule 3.8* without a proportionate increase in the net revenue interest of Seller;

(q) any other Contract, lien, charge, Encumbrance, defect or irregularity with respect to which EXCO, MLP LLC or any of their respective Affiliates is a party or is bound, or

by which their respective property is also bound, except to the extent created by BG or any of its Affiliates; and

(r) any other liens, charges, Encumbrances, defects or irregularities that (i) do not, individually or in the aggregate, materially interfere with the use or ownership of the Assets subject thereto or affected thereby (as currently used or owned) and (ii) do not reduce Seller's net revenue interest below that shown in *Schedule 3.8* or increase Seller's working interest above that shown in *Schedule 3.8* without a proportionate increase in the net revenue interest of Seller.

"*Person*" shall mean any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Authority or any other entity.

"*Personal Property*" shall have the meaning set forth in *Section 2.1(i)*.

"*Pre-Closing Asset Tax Return*" shall have the meaning set forth in *Section 14.2(c)*.

"*Preliminary Settlement Statement*" shall have the meaning set forth in *Section 3.4*.

"*Purchase Price*" shall have the meaning set forth in *Section 3.1.*

"*Records*" shall mean copies of the Applicable Contracts set forth in *Schedule 4.11*.

"*Seller*" shall have the meaning set forth in the first paragraph herein.

"*Seller Debt Instruments*" shall mean any agreement for borrowed money of Seller or its Affiliates and any guarantee by Seller or any of its Affiliates of another Person's payment obligations in favor of a third Person.

"*Seller Indemnified Parties*" shall have the meaning set forth in *Section 12.3*.

"*Shallow Depths*" shall mean (with respect to oil and gas interests and otherwise) from the surface of the earth down to the stratigraphic equivalent of the base of the Cotton Valley formation at a measured depth of 9,650', as identified by the Jonesville North A-17 well, API No. 42203343000000, recognizing that actual depth will vary across the lands covered by the TX/LA Leases.

"Shared Assets Agreement" shall mean that certain Shared Assets Agreement of even date herewith among MLP LLC, BG and EXCO.

"*Soft Consent*" shall have the meaning set forth in *Section 11.2(d)*.

"*Straddle Period*" shall mean any tax period beginning before and ending on or after the Effective Time.

"*Tax Partnership*" shall have the meaning set forth in *Section 14.2(f)*.

"*Tax Purchase Price Allocation*" shall have the meaning set forth in *Section 14.2(e)*.

"*Tax Return*" means any return (including any information return), report, statement, schedule, notice, form, election, estimated Tax filing, claim for refund or other document (including any attachments thereto and amendments thereof) with respect to any Tax.

"*Taxes*" means all federal, state, local, and foreign income, profits, franchise, sales, use, ad valorem, property, severance, production, excise, stamp, documentary, real property transfer or gain, gross receipts, goods and services, registration, capital, transfer, or withholding taxes or other assessments, duties, fees or charges imposed by any Governmental Authority, including any interest, penalties or additional amounts that may be imposed with respect thereto.

"*Technical Services Costs*" shall have the meaning given to that term in the JDA.

"*Termination Date*" shall have the meaning set forth in *Section 13.1(a)*.

"*Third Party*" shall mean any Person other than (a) EXCO or BG, (b) an Affiliate of EXCO or BG, (c) MLP LLC or (d) an Affiliate of MLP LLC.

"*Transaction Documents*" shall mean those documents executed pursuant to or in connection with this Agreement.

"*Transfer*" shall mean any direct or indirect transfer, sale, assignment, or other disposition by a Person of an Asset or any part of an Asset, whether voluntary or involuntary, including any such direct or indirect transfer, sale, assignment, or other disposition accomplished by foreclosure or by the Change in Control of an Affiliate of such Person.

"*Treasury Regulations*" shall mean the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Treasury Regulations shall include any corresponding provision or provisions of succeeding, similar, substitute, proposed or final Treasury Regulations.

"*TX/LA Leases*" shall have the meaning set forth in *Section 2.1(a)*.

"*TX/LA Properties*" shall have the meaning set forth in *Section 2.1(d)*.

"*TX/LA Units*" shall have the meaning set forth in *Section 2.1(b)*.

"*TX/LA Wells*" shall have the meaning set forth in *Section 2.1(c)*.

"*TX Leases*" shall have the meaning set forth in *Section 2.1(a)*.

"*TX Subject Leases*" shall have the meaning set forth in *Section 2.1(a)*.

"*UPCA*" shall mean that certain Unit Purchase and Contribution Agreement, dated November 5, 2012, as amended, among EXCO, EXCO Parent, MLP LLC, and HGI Energy Holdings, LLC, a Delaware limited liability company.

"*Wholly-Owned Affiliate*" shall mean, with respect to any Party, an Affiliate of such Party that is wholly owned, directly or indirectly by the ultimate parent of such Party.

1.2 References and Rules of Construction. All references in this Agreement to Exhibits, Schedules, Articles, Sections, subsections and other subdivisions refer to the corresponding Exhibits, Schedules, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections and other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and shall be disregarded in construing the language hereof. The words "this Agreement," "herein," "hereby," "hereunder" and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular Article, Section, subsection or other subdivision unless expressly so limited. The words "this Article," "this Section," and "this subsection," and words of similar import, refer only to Article, Section or subsection hereof in which such words occur. The word "including" (in its various forms) means including without limitation. All references to "$" or "dollars" shall be deemed references to United States dollars. Each accounting term not defined herein will have the meaning given to it under GAAP as interpreted as of the date of this Agreement. Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Exhibits and Schedules referred to herein are attached to and by this reference incorporated herein for all purposes.

ARTICLE II
PURCHASE AND SALE

2.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, Seller agrees to sell, and Buyer agrees to purchase and pay for all of Seller's right, title and interest in and to the following assets and properties (less and except for the Excluded Assets, such interests in such assets and properties described in (a) through (l) of this Section shall be referred to herein collectively as the "*Assets*"):

(a) (i) the oil, gas and/or mineral leases that are identified in *Exhibit A-1(A)* (the *"LA Subject Leases"*), INSOFAR AND ONLY INSOFAR as Seller's interests in such LA Subject Leases cover or relate to the Shallow Depths (Seller's interests in such LA Subject Leases as limited to such depths, the "*LA Leases*") and (ii) the oil, gas and/or mineral leases that are identified in *Exhibit A-1(B)* (the *"TX Subject Leases")*, INSOFAR AND ONLY INSOFAR as Seller's interests in such TX Subject Leases cover or relate to the Shallow Depths (Seller's interests in such TX Subject Leases as limited to such depths, the "*TX Leases*" and together with the LA Leases, "*TX/LA Leases*");

(b) all unitization and pooling agreements, declarations and orders, and the units created thereby, in each case, to the extent relating to any of the TX/LA Leases and the production of Hydrocarbons therefrom, but in all cases limited to the Shallow Depths (the "*TX/LA Units*");

(c) all oil, gas, water, carbon dioxide or injection wells located on the TX/LA Leases or the TX/LA Units and used, or held for use, used solely in connection with the production of Hydrocarbons from the TX/LA Leases, including the wells shown in *Exhibit A-2* (collectively, the "*TX/LA Wells*");

(d) all flowlines, pipelines, gathering systems and appurtenances thereto located on the TX/LA Leases or TX/LA Units and used solely in connection with the ownership or operation of the TX/LA Wells or the production of Hydrocarbons therefrom (such assets, together with the TX/LA Units, the TX/LA Leases and the TX/LA Wells, the "*TX/LA Properties*");

(e) all Applicable Contracts to the extent applicable to the TX/LA Properties or the production of Hydrocarbons therefrom;

(f) subject to the terms of the Shared Assets Agreement, all easements, Permits, licenses, servitudes, rights-of-way, surface leases and other surface rights used solely in connection with the ownership or operation of the TX/LA Properties or the production of Hydrocarbons therefrom;

(g) subject to the terms of the Shared Assets Agreement and excluding the assets described in subsection (f) above, concurrent rights with Seller in and to all surface fee interests, easements, Permits, licenses, servitudes, rights-of-way, surface leases and other surface rights used in connection with the ownership or operation of the TX/LA Properties or the production of Hydrocarbons therefrom;

(h) subject to the terms of the Shared Assets Agreement, to the extent owned by Seller, all equipment, machinery, tools, fixtures and other tangible personal property and improvements (other than the TX/LA Wells and any flowlines, pipelines, gathering systems and appurtenances thereto) located on the TX/LA Properties and used solely in connection with the ownership or operation of the TX/LA Properties or the production of Hydrocarbons therefrom;

(i) to the extent owned by Seller, but subject to the terms of the Shared Assets Agreement and excluding the assets described in subsection (h) above, concurrent rights with Seller in and to all equipment, machinery, tools, fixtures and other tangible personal property and improvements (other than the TX/LA Wells and any flowlines, pipelines, gathering systems and appurtenances thereto) located on the TX/LA Properties and used in connection with the ownership or operation of the TX/LA Properties or the production of Hydrocarbons therefrom (collectively, together with those Assets described in (h) above, the "*Personal Property*");

(j) subject to the terms of the Shared Assets Agreement, all Leased Assets located on the TX/LA Properties and used solely in connection with the ownership or operation of the TX/LA Properties or the production of Hydrocarbons therefrom;

(k) subject to the terms of the Shared Assets Agreement and excluding the assets described in subsection (j) above, concurrent rights with Seller in and to all Leased Assets located on the TX/LA Properties and used in connection with the ownership or operation of the TX/LA Properties or the production of Hydrocarbons therefrom;

(l) all Hydrocarbons produced from or attributable to the TX/LA Leases, the TX/LA Units or the TX/LA Wells at and after the Effective Time;

(m) subject to *Section 11.1*, all claims, rights, demands, complaints, causes of action, suits, actions, judgments, damages, awards, fines, penalties, recoveries (including

insurance proceeds), settlements, appeals, duties, obligations, liabilities, losses, debts, costs and expenses (including court costs, expert witness fees and reasonable attorneys' fees) in favor of Seller relating to the TX/LA Properties or any damage thereto or destruction thereof, in each case, to the extent relating to any Assumed Obligation; and

(n) all Records relating to the ownership or operation of the TX/LA Properties or the production of Hydrocarbons therefrom.

2.2 Excluded Assets. Seller shall reserve and retain all of the Excluded Assets.

2.3 Revenues and Expenses.

(a) Except to the extent otherwise taken into account in connection with adjustments to the Purchase Price under *Article III*, Seller shall remain entitled to all of the rights of ownership (including, without limitation, the right to all production, proceeds of production and other proceeds) and shall remain responsible for all Operating Expenses (and entitled to any refunds with respect thereto), in each case attributable to the Assets for the period of time prior to the Effective Time. Except to the extent otherwise taken into account in connection with adjustments to the Purchase Price under *Article III* and subject to the occurrence of the Closing, Buyer shall be entitled to all of the rights of ownership (including, without limitation, the right to all production, proceeds of production, and other proceeds), and shall be responsible for all Operating Expenses (and entitled to any refunds with respect thereto), in each case, attributable to the Assets for the period of time from and after the Effective Time. All Operating Expenses attributable to the Assets, in each case that are: (i) incurred prior to the Effective Time shall be paid by or allocated to Seller and (ii) incurred from and after the Effective Time shall be paid by or allocated to Buyer. "Incurred" shall have the meaning given to that term under GAAP and, to the extent not inconsistent with GAAP, be based upon the applicable operator's basis for recording charges that has been consistently followed prior to Closing, provided that, notwithstanding the preceding, all costs (regardless of when otherwise incurred) associated with well workovers that are not completed by the Effective Time but that are ongoing as of the Effective Time shall be considered to be incurred from and after the Effective Time.

(b) Buyer will pay to Seller any and all revenues and other proceeds attributable to the rights of ownership of the Assets received after Closing by Buyer (to the extent not accounted for in the Preliminary Settlement Statement or the Final Settlement Statement) that are attributable to the Assets prior to the Effective Time. Subject to the occurrence of Closing, Seller will pay to Buyer any and all revenues and other proceeds attributable to the rights of ownership of the Assets received after Closing by Seller (to the extent not accounted for in the Preliminary Settlement Statement or the Final Settlement Statement) that are attributable to the Assets on and after the Effective Time. The Party responsible for the payment of amounts received shall reimburse the other Party within 5 Business Days after the end of the month in which such amounts were received by the Party responsible for payment and, to the extent paid, such amounts shall not be taken into account for purposes of the Final Settlement Statement. Notwithstanding the foregoing, this *Section 2.3(b)* shall not apply to amounts received prior to Closing if such amounts are included, in whole or in part, in the Preliminary Settlement Statement. Such amounts (to the extent the same differ from the amounts set forth in the Preliminary Settlement Statement) will be accounted for in the Final Settlement

Statement to the extent accounted for by the Parties pursuant to this *Section 2.3(b)* prior to the date of the Final Settlement Statement.

(c) Seller will reimburse Buyer for any and all Operating Expenses that are paid after Closing by Buyer (to the extent not accounted for in the Preliminary Settlement Statement or the Final Settlement Statement) and that are attributable to the Assets prior to the Effective Time. Buyer will reimburse Seller for any and all Operating Expenses that are paid after Closing by Seller (to the extent not accounted for in the Preliminary Settlement Statement or the Final Settlement Statement) and that are attributable to the Assets on and after the Effective Time. The Party responsible for the payment of such costs and expenses shall reimburse the other Party within 5 Business Days after the end of the month in which the applicable invoice and proof of payment of such invoice were received by the Party responsible for payment and, to the extent paid, such amounts shall not be taken into account for purposes of the Final Settlement Statement. Notwithstanding the foregoing, this *Section 2.3(c)* shall not apply to amounts paid prior to Closing if such amounts are included, in whole or in part, in the Preliminary Settlement Statement. Such amounts (to the extent the same differ from the amounts set forth in the Preliminary Settlement Statement) will be accounted for in the Final Settlement Statement to the extent accounted for by the Parties pursuant to this *Section 2.3(c)* prior to the date of the Final Settlement Statement.

2.4 EXCO Parent Guaranty; EXCO Parent Authority

For good and valuable consideration, and to induce Seller to enter into this Agreement, EXCO Parent ("*Guarantor*") hereby absolutely, unconditionally and irrevocably guarantees to Seller the punctual and complete payment and performance of all EXCO obligations under this Agreement, including EXCO's continuing obligations as Buyer following any assignment under *Section 14.3* (the "*Obligations*"). For the avoidance of doubt, in the event this Agreement is assigned to MLP LLC pursuant to *Section 14.3*, EXCO Parent shall not be guaranteeing the obligations of MLP LLC hereunder. The guaranty set out in this *Section 2.4* (the "*Guaranty*") shall remain in full force and effect until Buyer has fully discharged all of the Obligations. Upon default by Buyer of any of the Obligations, Seller may proceed directly against Guarantor without proceeding against Buyer or any other person or pursuing any other remedy. Seller may, without notice to, or consent of, Guarantor, (i) extend or alter, together with Buyer, the time, manner, place or terms of payment or performance of the Obligations, (ii) waive, or, together with Buyer, amend the terms of this Agreement, (iii) release Buyer from any or all of the Obligations, or (iv) release any other guaranty or security for the Obligations, without in any way releasing or discharging Guarantor from liability hereunder. Guarantor waives any defenses (but not rights of set-off or counterclaims) which it may have with respect to the payment of the Obligations, other than defenses that Buyer would have under the terms of this Agreement. Guarantor further waives notice of the acceptance of this Guaranty, presentment, demand, protest, and notices of protest, nonpayment, default or dishonor of the Obligations. EXCO Parent represents and warrants that (A) it has the full power and authority to enter into and perform the Guaranty, and (B) there are no bankruptcy, reorganization or receivership proceedings pending, being contemplated by or, to EXCO Parent's knowledge, threatened against EXCO Parent, and EXCO Parent is not insolvent or generally not paying its debts as they become due.

ARTICLE III
CONSIDERATION

3.1 Consideration. The consideration for the sale of the Assets as contemplated pursuant to *Section 2.1*, shall be an amount equal to $132,500,000 to be paid in cash at Closing by Buyer to Seller (the "*Purchase Price*"), as adjusted pursuant to this Agreement, payable in United States currency by wire transfer in same day funds as and when provided in this Agreement.

3.2 Deposit

(a) Buyer shall pay to Seller, one Business Day after the Execution Date, the sum of $25,000,000 (such amount, the "*Deposit*"), which such Deposit shall be paid by wire transfer of immediately available funds to an account specified by Seller in writing. The Deposit shall be applied toward the Adjusted Purchase Price at the Closing.

(b) If the transactions contemplated by this Agreement are not consummated on or before the Termination Date because of the breach by Buyer of any of its covenants or agreements hereunder in any material respect, including Buyer's covenants under *Section 9.3*, then, in such event, provided that Buyer's breach is not caused by a material breach of this Agreement by Seller, Seller shall have the option to (i) terminate this Agreement, retain the Deposit as liquidated damages and as Seller's sole and exclusive remedy (other than Seller's remedy for breaches by Buyer of *Sections 5.6* and *14.16*) free of any claims by Buyer thereto or (ii) seek the rights and remedies set forth in *Section 13.2*. The Parties agree that Seller's damages under *Section 3.2(b)(i)* would be difficult to ascertain and that such liquidated damages are a reasonable approximation of Seller's damages.

(c) If this Agreement is terminated by the mutual written agreement of Buyer and Seller, or if the Closing does not occur on or before the Termination Date for any reason other than as set forth in *Section 3.2(b)*, then Buyer shall be entitled to the delivery of the Deposit, free of any claims by Seller with respect thereto and Seller shall pay the Deposit to Buyer by wire transfer of immediately available funds within 5 days of such termination. Buyer and Seller shall thereupon have the rights and obligations set forth in *Section 13.2* and *13.3*.

3.3 Adjustments to Purchase Price. All adjustments to the Purchase Price shall be made (y) in accordance with the terms of this Agreement and, to the extent not inconsistent with this Agreement, in accordance with U.S. generally accepted accounting principles as consistently applied in the oil and gas industry (*"GAAP"*) and (z) without duplication. The Purchase Price shall be adjusted as follows, and the resulting amount shall be herein called the "*Adjusted Purchase Price*":

(a) The Purchase Price shall be adjusted upward by the following amounts (without duplication):

(i) (A) an amount equal to all Operating Expenses and other costs and expenses, except Excluded Liabilities and payments under *Section 11.1*, paid by Seller that are attributable to the Assets during the Interim Period and (B) all rentals and other lease

maintenance payments, in each case, paid by Seller that are attributable to the Assets during the Interim Period;

(ii) the amount of all Asset Taxes prorated to Buyer in accordance with *Section 14.2* but payable by Seller;

(iii) to the extent that Seller is underproduced as of the Effective Time with respect to the net Imbalances, as complete and final settlement of all such Imbalances, the amount of the Imbalances multiplied by a price of $2.50 per MMBtu; and

(iv) any other amount provided for elsewhere in this Agreement or otherwise agreed upon in writing by Seller and Buyer as an upward adjustment to the Purchase Price.

(b) The Purchase Price shall be adjusted downward by the following amounts (without duplication):

(i) an amount equal to: (A) all proceeds received by Seller attributable to the sale of Hydrocarbons produced from or allocable to the Assets during the Interim Period, net of (x) royalties and other burdens upon, measured by or payable out of proceeds of production attributable thereto and (y) expenses (other than those items adjusted for under *Section 3.3(a)(i)(A)*) paid by Seller and directly incurred in earning or receiving such proceeds, and any sales, excise or similar taxes or fees payable or incurred in connection therewith not reimbursed to Seller by a Third Party purchaser, and (B) any other net proceeds received by Seller from sales of equipment, materials or other real or Personal Property, attributable to the Assets during the Interim Period;

(ii) an amount determined pursuant to *Section 11.2(c)* or *Section 11.3(b)* for any Assets excluded from the transaction contemplated hereby pursuant to such Section;

(iii) the amount of all Asset Taxes prorated to Seller in accordance with *Section 14.2* but payable by Buyer;

(iv) to the extent that Seller is overproduced as of the Effective Time with respect to the net Imbalances, as complete and final settlement of all such Imbalances, the amount of the Imbalances multiplied by a price of $2.50 per MMBtu; and

(v) any other amount provided for elsewhere in this Agreement or otherwise agreed upon in writing by Seller and Buyer as a downward adjustment to the Purchase Price.

3.4 Preliminary Settlement Statement. Not less than 5 Business Days prior to the Closing, Buyer shall prepare and submit to Seller for review, using the best information available to Buyer, a draft settlement statement (the "*Preliminary Settlement Statement*") that shall set forth the Adjusted Purchase Price, reflecting each adjustment made in accordance with this Agreement as of the date of preparation of such Preliminary Settlement Statement and the calculation of the adjustments used to determine such amount. Within 3 Business Days of

receipt of the Preliminary Settlement Statement, Seller will (i) deliver to Buyer a written report containing all changes with the explanation therefor that Buyer proposes to be made to the Preliminary Settlement Statement and (ii) designate Seller's accounts for the wire transfers of funds as set forth in *Section 9.3(d)*. The Preliminary Settlement Statement, as agreed upon by the Parties, will be used to adjust the Purchase Price at Closing. If the Parties cannot agree on the Preliminary Settlement Statement prior to the Closing, the Preliminary Settlement Statement as presented by Buyer will be used to adjust the Purchase Price at Closing.

3.5 Final Settlement Statement. A final settlement statement (the "*Final Settlement Statement*") will be prepared by Buyer, based on actual income and expenses during the Interim Period and which takes into account all final adjustments made to the Purchase Price and shows the resulting final Purchase Price (the "*Final Purchase Price*"), and delivered to Seller on or before 90 days after Closing. The Final Settlement Statement shall set forth the actual proration of the amounts required by this Agreement. Buyer shall, at Seller's request, supply reasonable documentation in its or its Affiliates' possession available to support the actual revenue, expenses and other items for which adjustments are made. As soon as practicable, and in any event within 45 days after receipt of the Final Settlement Statement, Seller shall return a written report containing any proposed changes to the Final Settlement Statement and an explanation of any such changes and the reasons therefor (the "*Dispute Notice*"). If the Final Purchase Price set forth in the Final Settlement Statement is mutually agreed upon by Seller and Buyer, the Final Settlement Statement and the Final Purchase Price, shall be final and binding on the Parties.

3.6 Disputes. If Seller and Buyer are unable to resolve the matters addressed in the Dispute Notice, each of Buyer and Seller shall within 14 Business Days after the delivery of such Dispute Notice, summarize its position with regard to such dispute in a written document and submit such summaries to Ernst & Young LLP in Dallas, Texas, or such other Person as may be selected pursuant to this Section (the "*Accounting Arbitrator*"), together with the Dispute Notice, the Final Settlement Statement and any other documentation such Party may desire to submit. The Accounting Arbitrator shall also be furnished with a copy of this Agreement. Should Ernst & Young LLP fail or refuse to agree to serve as Accounting Arbitrator within 20 days after receipt of a written request from any Party to serve, the Parties shall request Deloitte & Touche LLP to serve as Accounting Arbitrator. Should Deloitte & Touche LLP fail or refuse to agree to serve as Accounting Arbitrator within 20 days after receipt of a written request from any Party to serve, and should the Parties fail to agree in writing on another replacement Accounting Arbitrator within 10 days after the end of that 20 day period, or should no replacement Accounting Arbitrator agree to serve within 60 days after the original written request pursuant to this Section, the Accounting Arbitrator shall be appointed by the Dallas office of the American Arbitration Association. Within 20 Business Days after receiving the Parties' respective submissions, the Accounting Arbitrator shall render a decision choosing either Seller's position or Buyer's position with respect to each matter addressed in any Dispute Notice, whichever is most accurate based on the terms of this Agreement and the materials described above. Any decision rendered by the Accounting Arbitrator pursuant hereto shall be final, conclusive and binding on Seller and Buyer and will be enforceable against any of the Parties in any court of competent jurisdiction. The Accounting Arbitrator shall act as an expert for the limited purpose of determining the specific disputed aspects of the Final Settlement Statement submitted by any Party and may not award damages, interest, or penalties to any Party with respect to any matter. The costs of such Accounting Arbitrator shall be borne one-half by Buyer and one-half by Seller.

3.7 Adjustment for Final Settlement Statement. Subject to adjustments for revenues and expenses paid by the Parties pursuant to *Sections 2.3(b)* and *2.3(c)*, any difference in the Adjusted Purchase Price as paid at Closing pursuant to the Preliminary Settlement Statement and the Final Purchase Price as determined pursuant to *Section 3.5* or *Section 3.6* shall be paid, together with interest from the Closing Date to the date of payment at a rate equal to the one month London Inter-Bank Offer Rate (as published in the Wall Street Journal) plus an additional 2.5 percentage points (or, if such rate is contrary to any applicable usury Law, the maximum rate permitted by such applicable Law), by the owing Party within 10 days of final determination hereunder to the owed Party. All amounts paid pursuant to this *Section 3.7* shall be delivered in United States currency by wire transfer of immediately available funds to the account specified in writing by the relevant Party.

3.8 Allocated Values. The "*Allocated Value*" for any Asset equals the portion of the unadjusted Purchase Price allocated to such Asset on *Schedule 3.8* (a) adjusted on a TX/LA Property by TX/LA Property basis by the adjustments provided in *Sections 3.3(b)(ii)* and (b) on a pro rata basis by the adjustments provided in *Section 3.3*, other than *Section 3.3(b)(ii)*, provided that, for purposes of calculating adjustments to the Purchase Price and sending notices to preferential right holders as provided herein, the *"Allocated Value"* shall be the unadjusted Purchase Price allocated to each Asset in *Schedule 3.8*.

3.9 Additional Consideration. If EXCO, EXCO Parent or any Affiliate of EXCO (other than MLP LLC or any subsidiary of MLP LLC) directly or indirectly Transfers, at any time during the period from and after the Execution Date until 36 months after the Closing Date, to MLP LLC or any other Person that is not a wholly-owned direct or indirect subsidiary of EXCO Parent, all or a portion of the Assets (or an interest in this Agreement, if such Transfer occurs prior to Closing), then EXCO shall pay, within 5 Business Days following the closing of such sale or transfer, in cash, 75% of the Excess Cash Price, if any; provided that, (i) if such Transfer is not a Cash Transfer, (ii) is accomplished pursuant to a package sale including any material properties other than the Assets or by Change of Control, or (iii) is not an Arm's Length Transaction, then EXCO shall provide to Seller an estimate of the Cash Value of the applicable Assets (as determined based upon commercial considerations in effect at the date of such estimate), along with detailed information and documentation explaining Seller's calculation of such Cash Value. If Seller objects to such Cash Value calculation, Seller must provide notice to EXCO within 30 days of receiving the Cash Value notice, which such notice must contain the Cash Value that Seller believes is correct and providing any supporting information that it believes is helpful, in which case: (I) the applicable Cash Value shall be determined by an expert in accordance with *Section 14.15*, (II) the expert shall choose between the Cash Value provided by EXCO in the initial sale notice to Seller and the Cash Value provided by Seller in its objection notice, (III), the Excess Cash Price shall be calculated using the Cash Value determined by such expert, and (IV), the amount owing under this Section shall be payable within 5 Business Days after the expert's determination. With respect to any portion of Assets so sold by EXCO, EXCO Parent or any Affiliate of EXCO (other than MLP LLC or any subsidiary of MLP LLC), this *Section 3.9* shall only apply to the initial Transfer after Closing of such portion of the Assets by EXCO, EXCO Parent or an Affiliate of EXCO (other than MLP LLC or any subsidiary of MLP LLC) to a Person other than a wholly-owned direct or indirect subsidiary of EXCO Parent and shall not apply to any later sale, regardless of when such sale occurs; provided that, if the initial acquiror of such portion of the Assets from EXCO, EXCO

Parent or any Affiliate of EXCO (other than MLP LLC or any subsidiary of MLP LLC) resells any such Assets directly to EXCO, EXCO Parent or an Affiliate of EXCO (other than MLP LLC or any subsidiary of MLP LLC), then this *Section 3.9* shall continue to apply to such Assets until 36 months after the Closing Date (subject again to the provisions of this sentence). Notwithstanding anything to the contrary in this *Section 3.9,* if EXCO assigns this Agreement to MLP LLC pursuant to *Section 14.3*, such assignment and the subsequent contribution to EXCO/HGI Production Partners, LP under the UPCA shall be considered the initial Transfer that is subject to this *Section 3.9*. For the avoidance of doubt, this *Section 3.9* shall not apply to any Transfer of any Asset by MLP LLC or any of its subsidiaries (it being understood that, to the extent MLP LLC or its subsidiary Transfers Assets to EXCO or any of its Affiliates (other than MLP LLC or its subsidiaries), this sentence shall not limit the applicability of this provision to a subsequent Transfer of such Assets by EXCO or its Affiliates (other than MLP LLC and its subsidiaries)).

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

4.1 Organization, Existence. Seller is a limited liability company duly formed and validly existing under the laws of the State of Delaware. Seller has all requisite power and authority to own its property (including, without limitation, its interests in the Assets) and to carry on its business as now conducted.

4.2 Authorization. Seller has full power and authority to enter into and perform this Agreement and the Transaction Documents to which it is a party and the transactions contemplated herein and therein. The execution, delivery, and performance by Seller of this Agreement have been and at Closing the Transaction Documents to which it is a party will have been duly and validly authorized and approved by all necessary company action on the part of Seller. This Agreement is, and the Transaction Documents to which Seller is a party when executed and delivered by Seller will be, the valid and binding obligation of Seller and enforceable against Seller in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium, and similar Laws affecting the rights of creditors generally, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

4.3 No Conflicts. Except as disclosed in *Schedule 4.3* and assuming the receipt of all consents and the waiver of all preferential purchase rights and MUIs applicable to the transactions contemplated hereby, the execution, delivery, and performance by Seller of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated herein and therein does not and will not (a) conflict with or result in a breach of any provisions of the organizational documents or other governing documents of Seller, (b) except for Permitted Encumbrances, result in a default or the creation of any Encumbrance or give rise to any right of termination, cancellation, or acceleration under any of the terms, conditions, or provisions of any, note, bond, mortgage, indenture, license, or other material agreement to which Seller is a party or by which Seller or the Assets may be bound (excluding, in each case, any such agreement to which EXCO, MLP LLC or any of their

Affiliates is a party or by which any of their properties are bound) or (c) violate any Law applicable to Seller or any of the Assets, except in the case of clauses (b) and (c) where such default, Encumbrance, termination, cancellation, acceleration or violation would not, individually or in the aggregate, have a Material Adverse Effect.

4.4 Transfer Restrictions. No portion of the Assets is subject to any preferential right to purchase that would be triggered by the transactions contemplated by this Agreement and that arises under any Applicable Contract (excluding any Applicable Contract to which EXCO, MLP LLC or any of their Affiliates is a party or any of their properties are bound). No portion of the Assets is subject to any consent to assign that would be triggered by the transactions contemplated by this Agreement and that arises under any Applicable Contract (excluding any Applicable Contract to which EXCO, MLP LLC or any of their Affiliates is a party or any of their properties are bound), except for Customary Post-Closing Consents. Seller is not a party to any joint operating agreement affecting the Assets (excluding any joint operating agreement to which EXCO, MLP LLC or any of their Affiliates is a party or any of their properties are bound) that contains a maintenance of uniform interest provision or similar provision (collectively, an "*MUI*") that would be breached by the consummation of the transactions contemplated by this Agreement.

4.5 Bankruptcy. There are no bankruptcy, reorganization or receivership proceedings pending, being contemplated by or, to Seller's Knowledge, threatened against Seller or any of its Affiliates that are direct or indirect parents of Seller, and neither Seller nor any of its Affiliates that are direct or indirect parents of Seller is insolvent or generally not paying its debts as they become due.

4.6 Foreign Person. Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

4.7 Broker's Fees. Seller has incurred no liability, contingent or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Agreement or the Transaction Documents for which EXCO, MLP LLC or any of their Affiliates shall have any responsibility.

4.8 Claims and Litigation. Except (a) notices addressed to EXCO, MLP LLC or any of their Affiliates, or jointly addressed to Seller (or any of Seller's Affiliates) and to EXCO, MLP LLC (or any of their Affiliates), (b) proceedings threatened against EXCO, MLP LLC (or any of their Affiliates) or threatened against both Seller (or any of Seller's Affiliates) and EXCO, MLP LLC (or any of their Affiliates), (c) proceedings against EXCO, MLP LLC (or any of their Affiliates) or against both Seller (or any of Seller's Affiliates) and EXCO, MLP LLC (or any of their Affiliates), and (d) active or threatened claims or proceedings between Seller (or any of Seller's Affiliates), on the one hand, and EXCO, MLP LLC (or any of their Affiliates), on the other hand: (i) Seller has not received any written claim for breach of contract, tort, or violation of Law, (ii) Seller has not received written notice of any investigation, suit or action by any Person, and (iii) there are no legal, administrative or arbitration proceedings, (in each case) pending, or to Seller's Knowledge, threatened in writing against Seller with respect to its ownership of the Assets or that, as of the date hereof, would have a material adverse effect upon the ability of Seller to consummate the transactions contemplated by this Agreement.

4.9 ***No Conveyances***. Seller has not transferred, assigned or, except with respect to Permitted Encumbrances, voluntarily encumbered the Assets or any portion thereof since acquiring them.

4.10 ***Partnerships; Taxes.***

(a) None of Seller's interest in the Assets is subject to tax partnership reporting for federal income tax purposes other than any such tax partnerships with EXCO, MLP LLC or any of their Affiliates. None of Seller's interest in the Assets are deemed by agreement or applicable Law to be held by a partnership for federal tax purposes, other than any such partnerships with EXCO, MLP LLC or any of their Affiliates and, to the extent any of the Assets are deemed by agreement or applicable Law to be held by a partnership for federal tax purposes (other than any such partnerships with EXCO, MLP LLC or any of their Affiliates), each such partnership has or shall have in effect an election under Section 754 of the Code.

(b) All Taxes owed by Seller and all Taxes with respect to the Assets that have become due and payable (in each case excluding Taxes that EXCO, MLP LLC or any of their Affiliates have the obligation to pay under any agreements between Seller or any of its Affiliates and EXCO, MLP LLC or any of their Affiliates) have been timely and properly paid. There are no liens for Taxes (excluding Taxes that EXCO, MLP LLC or any of their Affiliates have the obligation to pay under any agreements between Seller or any of its Affiliates and EXCO, MLP LLC or any of their Affiliates) on any of the Assets, except for Permitted Encumbrances. All Tax Returns required to be filed with respect to the Assets have been timely filed, and all such Tax Returns were correct and complete in all material respects (in each case excluding Tax Returns that EXCO, MLP LLC or any of their Affiliates have the obligation to complete and/or file under any agreements between Seller or any of its Affiliates and EXCO, MLP LLC or any of their Affiliates). No action, suit, taxing authority proceeding or audit related to Taxes is now in progress or pending against the Seller or with respect to any Assets (excluding any such action, suit, proceeding or audit also involving EXCO, MLP LLC or any of their Affiliates), and Seller has not received written notice of any pending claim against it from any applicable taxing authority for assessment of any Taxes (excluding any notice also received by EXCO, MLP LLC or any of their Affiliates).

4.11 ***Applicable Contracts***. *Schedule 4.11* sets forth a list of all Applicable Contracts, except for Applicable Contracts with respect to which EXCO, MLP LLC or any of their Affiliates is a party or is bound or by which any of their properties are bound.

ARTICLE V
BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller the following:

5.1 ***Organization; Existence***. Buyer is duly formed, validly existing and in good standing under the laws of the state of its formation and has all requisite power and authority to own its property and to carry on its business as now conducted.

5.2 ***Authorization***. Buyer has full power and authority to enter into and perform this Agreement and the Transaction Documents to which it is a party and the transactions

contemplated herein and therein. The execution, delivery, and performance by Buyer of this Agreement have been and at Closing the Transaction Documents to which it is a party will have been duly and validly authorized and approved by all necessary action on the part of Buyer. This Agreement is, and the Transaction Documents to which Buyer is a party when executed and delivered by Buyer will be, the valid and binding obligation of Buyer and enforceable against Buyer in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting the rights of creditors generally, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

5.3 ***No Conflicts***. Assuming the receipt of all consents and the waiver of all preferential purchase rights and MUIs applicable to the transactions contemplated hereby, the execution, delivery, and performance by Buyer of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated herein and therein will not (a) conflict with or result in a breach of any provisions of the organizational or other governing documents of Buyer, (b) result in a default or the creation of any Encumbrance or give rise to any right of termination, cancellation, or acceleration under any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, license, or other material agreement to which Buyer is a party or by which Buyer or any of its property may be bound or (c) violate any Law applicable to Buyer or any of its property, except in the case of clauses (b) and (c) where such default, Encumbrance, termination, cancellation, acceleration or violation would not, individually or in the aggregate, have a material adverse effect upon the ability of Buyer to consummate the transactions contemplated by this Agreement.

5.4 ***Bankruptcy***. There are no bankruptcy, reorganization or receivership proceedings pending, being contemplated by or, to Buyer's knowledge, threatened against Buyer, and Buyer is not insolvent or generally not paying its debts as they become due.

5.5 ***Accredited Investor***. Buyer is an "accredited investor," as such term is defined in Regulation D of the Securities Act of 1933, as amended, and will acquire the Assets for its own account and not with a view to a sale or distribution thereof in violation of the Securities Act of 1933, as amended, and the rules and regulations thereunder, any applicable state blue sky Laws or any other applicable securities Laws.

5.6 ***Broker's Fees***. None of EXCO, MLP LLC, or any of their Affiliates have incurred any liability, contingent or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Agreement or the Transaction Documents for which Seller or Seller's Affiliates shall have any responsibility.

5.7 ***Claims and Litigation***. (a) Buyer has not received any written claim for breach of contract, tort or violation of Law, (b) Buyer has not received written notice of any investigation, suit or action by any Person, and (c) there are no legal, administrative, or arbitration proceedings, (in each case) pending, or to Buyer's knowledge, threatened in writing against Buyer, or to which Buyer is a party, that would have a material adverse effect upon the ability of Buyer to consummate the transactions contemplated by this Agreement.

5.8 ***Financing***. Buyer has, or as of the Closing Date shall have, sufficient funds with which to pay the Purchase Price and consummate the transactions contemplated by this Agreement.

5.9 ***Independent Evaluation***. Buyer is sophisticated in the evaluation, purchase, ownership and operation of oil and gas properties and related facilities. Except for Buyer's reliance on Seller's representations and warranties contained in *Article IV* and Seller's covenants contained in *Article VI*, in making its decision to enter into this Agreement and to consummate the transaction contemplated herein, Buyer (a) has relied or shall rely solely on its own independent investigation and evaluation of the Assets and the advice of its own legal, tax, economic, environmental, engineering, geological and geophysical advisors and the express provisions of this Agreement and not on any comments, statements, projections or other materials made or given by any representatives or consultants or advisors engaged by Seller, and (b) has satisfied or shall satisfy itself through its own due diligence as to the environmental and physical condition of and contractual arrangements and other matters affecting the Assets.

ARTICLE VI
CERTAIN AGREEMENTS

6.1 ***Conduct of Business***. Except as set forth in *Schedule 6.1* or as expressly contemplated by this Agreement or as expressly consented to in writing by Buyer, Seller agrees that from and after the date hereof until Closing, Seller will:

(a) give written notice to Buyer as soon as is practicable (but within 5 Business Days) of any written notice received or given by Seller or any of Seller's Affiliates (and not received or given by EXCO, MLP LLC or any of their Affiliates) with respect to (i) any alleged material breach of any TX/LA Lease or Applicable Contract, (ii) any action to alter, terminate, rescind or procure a judicial reformation of any TX/LA Lease or Applicable Contract or (iii) notice in writing of any new claim for damages or any new investigation, suit, action or litigation with respect to the Assets;

(b) except in connection with an emergency or in connection with an AFE proposed or previously approved by EXCO, MLP LLC or any of their Affiliates, not propose or approve any operation on the Assets without Buyer's prior consent; provided that, to the extent that an AFE is not received or given by EXCO, MLP LLC or any of their Affiliates, Seller shall forward same to Buyer as soon as reasonably practicable following receipt thereof and Buyer shall review and respond to same in writing to Seller within 5 Business Days of its receipt thereof (or within such lesser time as is required under the terms of the applicable Third Party agreement and stated in Seller's notice, but in no event less than 24 hours after receipt) and if Buyer does not approve or reject any such AFE within such time period, Buyer shall be deemed to have responded to same in the same manner as Seller (or its Affiliate) elects to vote;

(c) except to the extent that EXCO, MLP LLC or any of their Affiliates is also a party to such Applicable Contract, not enter into, or permit any of its Affiliates to enter into, any Contract that would be an Applicable Contract, and, except to the extent that EXCO, MLP LLC or any of their Affiliates is also a party to such Applicable Contract and waives or amends the same material right under or terminates such Applicable Contract, not amend, waive any

material right under or terminate (other than by failing to renew an existing term), or permit any of its Affiliates to amend, waive any material right under or terminate (other than by failing to renew an existing term), any Applicable Contract;

(d) not transfer, sell, mortgage, pledge, encumber or dispose of (or permit any Affiliates to do any of the foregoing) any portion of the Assets other than the sale and/or disposal of Hydrocarbons in the ordinary course of business and sales of equipment that is no longer necessary in the operation of the Assets or for which replacement equipment of equal or greater value has been obtained;

(e) not grant or create any preferential right to purchase, right of first opportunity or other transfer restriction or requirement with respect to the Assets;

(f) not agree, whether in writing or otherwise, to do any of the things Seller has agreed not to do in *Section 6.1(b)* through *6.1(e)*.

ARTICLE VII
BUYER'S CONDITIONS TO CLOSING

The obligations of Buyer to consummate the transactions provided for herein are subject, at the option of Buyer, to the fulfillment on or prior to the Closing of each of the following conditions:

7.1 ***Representations***. The representations and warranties of Seller set forth in *Article IV* shall be true and correct in all material respects (other than those representations and warranties of Seller that are qualified by materiality, which shall be true and correct in all respects) as of the date of this Agreement and as of the Closing Date as though made on and as of such date (other than representations and warranties that refer to a specified date, which need only be true and correct on and as of such specified date).

7.2 ***Performance***. Seller shall have materially performed or complied with all obligations, agreements, and covenants contained in this Agreement as to which performance or compliance by Seller is required prior to or at the Closing Date.

7.3 ***No Legal Proceedings***. (i) No injunction, order or award restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement shall have been issued and remain in force, (ii) no suit, action or other proceeding by any Governmental Authority seeking to restrain, enjoin or otherwise prohibit the consummation of the transactions contemplated by this Agreement, or seeking substantial damages in connection therewith, shall be pending before any Governmental Authority and (iii) no suit, action or other proceeding by any Third Party (other than a Governmental Authority) seeking to restrain, enjoin or otherwise prohibit the consummation of the transactions contemplated by this Agreement, or seeking substantial damages in connection therewith, and which would reasonably be expected to result in a material and adverse effect on the Assets, taken as a whole, or the ability of any Party to comply with its obligations under this Agreement and the Transaction Documents, taken as a whole, shall be pending before any Governmental Authority.

7.4 ***Certain Other Documents***. The Shared Assets Agreement and JDA Amendment shall have been executed by all parties thereto.

7.5 ***Closing Deliverables***. Seller shall have delivered (or be ready, willing and able to deliver at Closing) to Buyer the documents and other items required to be delivered by Seller under *Section 9.3*.

ARTICLE VIII
SELLER'S CONDITIONS TO CLOSING

The obligations of Seller to consummate the transactions provided for herein are subject, at the option of Seller, to the fulfillment on or prior to the Closing of each of the following conditions:

8.1 ***Representations***. The representations and warranties of Buyer set forth in *Article V* shall be true and correct in all material respects (other than those representations and warranties of Buyer that are qualified by materiality, which shall be true and correct in all respects) as of the date of this Agreement and as of the Closing Date as though made on and as of such date (other than representations and warranties that refer to a specified date, which need only be true and correct on and as of such specified date).

8.2 ***Performance***. Buyer shall have materially performed or complied with all obligations, agreements, and covenants contained in this Agreement as to which performance or compliance by Buyer is required prior to or at the Closing Date.

8.3 ***No Legal Proceedings***. (i) No injunction, order or award restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement shall have been issued and remain in force, (ii) no suit, action or other proceeding by any Governmental Authority seeking to restrain, enjoin or otherwise prohibit the consummation of the transactions contemplated by this Agreement, or seeking substantial damages in connection therewith, shall be pending before any Governmental Authority and (iii) no suit, action or other proceeding by any Third Party (other than a Governmental Authority) seeking to restrain, enjoin or otherwise prohibit the consummation of the transactions contemplated by this Agreement, or seeking substantial damages in connection therewith, and which would reasonably be expected to result in a material and adverse effect on the Assets, taken as a whole, or the ability of any Party to comply with its obligations under this Agreement and the Transaction Documents, taken as a whole, shall be pending before any Governmental Authority.

8.4 ***Certain Other Documents***. The Shared Assets Agreement and JDA Amendment shall have been executed by all parties thereto.

8.5 ***Closing Deliverables***. Buyer shall have delivered (or be ready, willing and able to deliver at Closing) to Seller the documents and other items required to be delivered by Buyer under *Section9.3*.

ARTICLE IX
CLOSING

9.1 ***Date of Closing***. Subject to the terms and conditions stated in this Agreement, the sale by Seller and the purchase by Buyer of the Assets pursuant to this Agreement (the "*Closing*") shall occur on March 5, 2013, or if all conditions to Closing in *Articles VII* or *VIII* have not yet been satisfied or waived by that date, as soon thereafter as such conditions have been satisfied or waived, or such other date as Buyer and Seller may agree upon in writing. The date of the Closing shall be the "*Closing Date*".

9.2 ***Place of Closing***. The Closing shall be held at the offices of Latham & Watkins LLP, located at 811 Main Street, Suite 3700, Houston, TX 77002 or such other location as Buyer and Seller may agree upon in writing.

9.3 ***Closing Obligations***. At the Closing, the following documents shall be delivered and the following events shall occur, the execution of each document and the occurrence of each event being a condition precedent to the others and each being deemed to have occurred simultaneously with the others:

(a) Seller and Buyer shall execute, acknowledge and deliver the Assignment, in sufficient counterparts to facilitate recording in the applicable counties and parishes, covering the Assets;

(b) Seller and Buyer shall execute and deliver assignments, on appropriate forms, of state and of federal leases comprising portions of the Assets, if any;

(c) Seller and Buyer shall execute and deliver an acknowledgement of the Preliminary Settlement Statement;

(d) Buyer shall deliver to Seller, to the accounts designated by Seller pursuant to *Section 3.4*, by direct bank or wire transfer in same day funds, the Adjusted Purchase Price, less the amount of the Deposit;

(e) Each of Seller and the Tax Partnership shall deliver an executed statement described in Treasury Regulation § 1.1445-2(b)(2);

(f) Seller shall deliver on forms supplied by Buyer and reasonably acceptable to Seller transfer orders or letters in lieu thereof directing all Third Party purchasers of production to make payment to Buyer of proceeds attributable to production from the Assets from and after the Effective Time, for delivery by Buyer to the purchasers of production;

(g) Seller shall deliver a recordable release of any trust, mortgages, financing statements, fixture filings, security agreements or Encumbrances made by Seller or its Affiliates affecting the Assets;

(h) Seller and EXCO shall cause the applicable JV Company to execute and deliver and Buyer shall execute and deliver the Moran Royalty Deed;

(i) [intentionally omitted]; and

(j) Seller and Buyer shall execute and deliver any other Transaction Documents and other agreements, instruments and documents which are required by other terms of this Agreement to be executed and/or delivered at the Closing.

9.4 Records/Cooperation Regarding Depth Severance.

(a) In addition to the obligations set forth under *Section 9.3* above, within 30 days following the Closing, Seller shall deliver to Buyer possession of the Records.

(b) From and after Closing, EXCO and BG shall cooperate and work together to cause EXCO's and its Affiliates' (and, if applicable MLP LLC's and its Affiliates') land management system to reflect the severance of the Shallow Depths (both those previously owned by BG and those previously owned by EXCO) accomplished in accordance with this Agreement and the UPCA, from the Deep Depths owned by BG and EXCO, in each case to the extent that such assets were subject to the JDA immediately prior to such severance.

ARTICLE X
DISCLAIMERS

10.1 Disclaimers.

(a) EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE ASSIGNMENT, (I) SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) SELLER EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF SELLER OR ANY OF ITS AFFILIATES).

(b) EXCEPT AS EXPRESSLY SET FORTH IN *ARTICLE IV* OF THIS AGREEMENT AND EXCEPT FOR THE SPECIAL WARRANTY OF TITLE IN THE ASSIGNMENT, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY,

SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY SELLER OR THIRD PARTIES WITH RESPECT TO THE ASSETS, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO BUYER OR ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO AND (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT. EXCEPT AS EXPRESSLY REPRESENTED OTHERWISE IN *ARTICLE IV* OF THIS AGREEMENT, SELLER FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY ASSETS, RIGHTS OF A PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE OR CONSIDERATION, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT BUYER SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS OR DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND THAT BUYER HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS BUYER DEEMS APPROPRIATE.

(c) SELLER HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND SUBJECT TO BUYER'S RIGHTS UNDER *SECTION 12.2*, BUYER SHALL BE DEEMED TO BE TAKING THE ASSETS "AS IS" AND "WHERE IS" WITH ALL FAULTS FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION AND THAT BUYER HAS MADE OR CAUSED TO BE MADE SUCH ENVIRONMENTAL INSPECTIONS AS BUYER DEEMS APPROPRIATE.

(d) Seller and Buyer agree that, to the extent required by applicable Law to be effective, the disclaimers of certain representations and warranties contained in this *Section 10.1* are "conspicuous" disclaimers for the purpose of any applicable Law.

ARTICLE XI
CASUALTIES; TRANSFER RESTRICTIONS

11.1 Casualty or Condemnation Loss.

(a) Notwithstanding anything herein to the contrary, from and after the Effective Time if Closing occurs, with respect to the Assets, Buyer shall assume all risk of loss with respect to production of Hydrocarbons through normal depletion (including watering out of any well, collapsed casing or sand infiltration of any well) and the depreciation of Personal Property due to ordinary wear and tear, in each case, and Buyer shall not assert such matters as any casualty losses hereunder.

(b) If, after the date of this Agreement but prior to the Closing Date, any portion of the Assets is damaged or destroyed by fire or other casualty or is taken in condemnation or under right of eminent domain, then Buyer shall not as a result be excused from Closing and Seller shall elect by written notice to Buyer prior to Closing either (i) to cause the Assets affected by such casualty or taking to be repaired or restored to at least its condition prior to such casualty or taking, at Seller's sole cost, as promptly as reasonably practicable (which work may extend after the Closing Date) or (ii) to indemnify Buyer through a document to be delivered at Closing reasonably acceptable to Seller and Buyer against any costs or expenses that Buyer reasonably incurs to repair or restore any Assets affected by such casualty or taking, excluding in each case costs EXCO, MLP LLC or any of their Affiliates incur with respect to the interests they hold in the lands underlying the Assets or properties associated therewith and further excluding any costs for which EXCO, MLP LLC or any of their Affiliates would be solely liable as operator under any applicable operating agreement. In each case, Seller shall retain all rights to insurance, condemnation awards and other claims against Third Parties with respect to the casualty or taking except to the extent the Parties otherwise agree in writing.

(c) If any action for condemnation or taking under right of eminent domain is pending or threatened with respect to any Assets or portion thereof after the date of this Agreement, but no taking of such Assets or portion thereof occurs prior to the Closing Date, Buyer shall nevertheless be required to close and Seller, at Closing, shall assign, transfer and set over to Buyer or subrogate Buyer to all of Seller's right, title and interest (if any) in such condemnation or eminent domain action, including any future awards therein, to the extent (and only to the extent) attributable to the Assets threatened to be taken, except that Seller shall reserve and retain (and Buyer shall assign to Seller) all rights, titles, interests and claims against Third Parties for the recovery of Seller's costs and expenses incurred prior to the Closing in defending or asserting rights in such action with respect to the Assets.

11.2 Consents to Assign

(a) Promptly after the date hereof, (i) Buyer and Seller shall agree on a form of consent notices to by delivered to the holders of any consents required to assign the Assets in accordance with the transactions contemplated hereby, and (ii) Buyer shall prepare and send such notices to the holders of any such consents, requesting consents to the Assignment and, if applicable, the transactions contemplated hereby. Buyer shall use commercially reasonable

efforts to cause such consents to be obtained and delivered prior to Closing, provided that Buyer shall not be required to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain the consents. Seller shall cooperate with Buyer in seeking to obtain such consents, provided that Seller shall not be required to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain the consents.

(b) If Buyer fails to obtain a consent contemplated under *Section 11.2(a)* prior to the Closing and the failure to obtain such consent would cause the termination of an Applicable Contract under the express terms thereof, then, to the extent practicable, (i) Buyer shall continue after Closing to use commercially reasonable efforts to satisfy the consent requirement so that such Applicable Contract can be transferred to Buyer upon receipt of the consent requirement, (ii) the Applicable Contract shall not be transferred to Buyer at Closing and shall be held by Seller for the benefit of Buyer until the consent requirement is satisfied or the Applicable Contract has terminated, and (iii) Buyer shall pay all amounts due thereunder, perform all obligations thereunder and indemnify Seller and its Affiliates against any Liabilities incurred or suffered by Seller or any of its Affiliates as a consequence of Seller remaining a party to such Applicable Contract (in each case, except to the extent any such Liabilities resulted from the gross negligence or willful misconduct of Seller).

(c) If Buyer fails to obtain a consent contemplated under *Section 11.2(a)* prior to the Closing and the failure to obtain such consent would cause the termination of a TX/LA Lease under the express terms thereof, then, the affected Asset (and any Assets solely related to such Asset) shall not be transferred pursuant to the Assignment, and the Purchase Price shall be reduced based upon the Allocated Value of such Asset (and any Assets solely related to such Asset). If any such unsatisfied consent requirement is satisfied prior to the 5th Business Day prior to the date that is 90 days after the Closing Date, a separate closing shall be held within 5 Business Days thereof at which (A) Seller shall convey the affected Assets to Buyer in accordance with this Agreement, and (B) Buyer shall pay to Seller the amount by which the Purchase Price was reduced with respect to such Assets. If such consent requirement is not satisfied by such date, Seller shall have no further obligation to contribute and convey such Assets to Buyer, and such Assets shall be deemed to be Excluded Assets.

(d) For any required consent for which the failure to obtain such consent would not cause the termination of an Applicable Contract or a TX/LA Lease under the express terms thereof (a "*Soft Consent*"), Seller shall convey such Assets affected by such Soft Consent at Closing to Buyer, and Buyer shall be responsible from and after the Closing for any and all Liabilities arising from the failure to obtain such Soft Consent.

(e) At Seller's request, Buyer shall provide to Seller copies of all written communication that Buyer sends to, or receives from, holders of consents in accordance with this *Section 11.2*.

11.3 Preferential Purchase Rights.

(a) Promptly after the date hereof, (i) Buyer and Seller shall agree on a form of preferential right notice and (ii) Buyer shall prepare and send notices to the holders of any

applicable preferential rights to purchase that are implicated by the transactions contemplated hereby, in compliance with the terms of such rights. Buyer shall use commercially reasonable efforts to cause waivers of such preferential rights (or, failing a waiver, the exercise thereof) to be obtained and delivered prior to Closing, provided that Buyer shall not be required to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain such waivers. Seller shall cooperate with Buyer in seeking to obtain such waivers (or, failing a waiver, the exercise thereof), provided that Seller shall not be required to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain such waivers. Unless contradicted by the express terms of such right, any preferential purchase right must be exercised subject to all terms and conditions set forth in this Agreement, including the successful Closing of this Agreement pursuant to *Article IX* as to those Assets for which preferential purchase rights (or similar rights) have not been exercised. The consideration payable under this Agreement for any particular Asset for purposes of preferential purchase right notices shall be the Allocated Value for such Asset, subject to adjustment pursuant to *Section 3.3*.

(b) If any preferential right to purchase any Assets is exercised prior to the Closing, the Purchase Price shall be reduced based upon the Allocated Value of such Assets, and the affected Assets (and any Assets solely related to such Assets) shall be deemed to be deleted from Exhibits and Schedules to this Agreement for all purposes. Seller shall retain the consideration paid by the Third Party. Should a Third Party fail to exercise its preferential right to purchase as to any portion of the Assets prior to the Closing and the time for exercise or waiver has not yet expired, the affected Assets (and any Assets solely related to such Assets) shall not be transferred to Buyer pursuant to the Assignment and the Purchase Price shall be reduced based upon the Allocated Value of such Assets. In the event that such Third Party exercises its preferential right to purchase following the Closing, Seller shall have no further obligation to convey such Assets to Buyer, and such Assets shall be deemed to be deleted from the Exhibits and Schedules to this Agreement for all purposes and shall constitute Excluded Assets hereunder.

(c) If the applicable preferential purchase rights are waived or expire (including based on the failure of a Third Party holder of an exercised preferential purchase right to consummate the purchase of the affected Assets) after Closing but prior to the 5th Business Day prior to the date that is 90 days after the Closing Date, a separate closing shall be held within 5 Business Days thereof at which (i) Seller shall contribute and convey the affected Assets to Buyer in accordance with this Agreement, and (ii) Buyer shall pay to Seller the amount by which the Purchase Price was reduced with respect to such Asset or portion thereof.

(d) At Seller's request, Buyer shall provide to Seller copies of all written communication that Buyer sends to, or receives from, holders of preferential rights in accordance with this *Section 11.3*.

11.4 MUIs

(a) With respect to each Applicable Contract that contains a MUI, promptly after the date hereof, (i) Buyer and Seller shall agree on a form of MUI waiver notice to by delivered to the holders of any required consents and (ii) Buyer shall prepare and send such

notices to any necessary parties under such Applicable Contracts. Buyer shall use commercially reasonable efforts to cause waivers of such MUIs to be obtained and delivered prior to Closing; *provided* that Buyer shall not be required to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain such waivers. Seller agrees to use its commercially reasonable efforts to cooperate with Buyer in connection with Buyer's efforts to obtain waivers of MUIs applicable to the Assets after Closing.

(b) Seller shall convey the Assets that are affected by a MUI at Closing to Buyer, and Buyer shall be responsible from and after the Closing for any and all Liabilities arising from the failure to obtain such applicable MUI waivers.

(c) At Seller's request, Buyer shall provide to Seller copies of all written communication that Buyer sends to, or receives from, counterparties pursuant to obtaining MUI waivers in accordance with this *Section 11.3*.

ARTICLE XII
ASSUMPTION; SURVIVAL, INDEMNIFICATION

12.1 Assumption by Buyer. Without limiting Buyer's rights to indemnity under this *Article XII* or the special warranty of title under the Assignment, from and after the Closing, Buyer assumes and hereby agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) (a) all obligations and Liabilities, known or unknown, (i) to the extent attributable to the ownership, use or operation of the Assets during the period at or after the Effective Time, and (ii) to the extent attributable to the ownership, use or operation of the Assets during the period prior to the Effective Time, but only, in the case of this clause (ii), to the extent that EXCO (or its Affiliates) had knowledge of such obligations and/or Liabilities as of the Execution Date and Seller (or its Affiliates) did not have knowledge of such obligations and/or Liabilities as of the Execution Date; (b) all obligations to pay working interests, royalties, overriding royalties and other interest owners' revenues or proceeds attributable to sales of Hydrocarbons produced from the Assets at or after the Effective Time, (c) all obligations to pay the proportionate share attributable to the Assets to perform all obligations applicable to or imposed on the lessee, owner or operator under the TX/LA Leases or under any Applicable Contracts included in the Assets, or as required by any Law, including the payment of all Taxes for which Buyer is responsible hereunder, in each case to the extent such obligations are attributable to the period at or after the Effective Time, and (d) all obligations and Liabilities, known or unknown, regardless of whether such obligations or Liabilities arose prior to, at or after the Effective Time, with respect to (i) furnishing makeup gas and settling Imbalances attributable to the Assets according to the terms of applicable gas sales, processing, gathering or transportation Applicable Contracts, (ii) payment of the proportionate share attributable to the Assets to properly plug and abandon any and all Wells, including temporarily abandoned TX/LA Wells, (iii) payment of the proportionate share attributable to the Assets to dismantle or decommission and remove any property of whatever kind related to or associated with operations and activities conducted by whomever on the Assets, and (iv) payment of the proportionate share attributable to the Assets to abandon, clean up, restore and remediate the premises covered by or related to the Assets in accordance with applicable agreements and Laws (all of said obligations and Liabilities, subject to the exclusions below, herein being referred to as the "*Assumed Obligations*"); provided, Buyer does not assume any obligations or Liabilities of Seller

attributable to the Assets to the extent that they are (a) attributable to any Excluded Liabilities; or (b) Operating Expenses for which Seller is responsible under *Section 2.3*.

12.2 Indemnities of Seller. Effective as of the Closing, subject to any limitations set forth in this *Article XII*, Seller is responsible for, shall pay on a current basis, and hereby defends, indemnifies and holds harmless Buyer and its Affiliates, and all of its and their respective equity holders, partners and members (excluding, in each case, equity holders, partners or members solely by virtue of holding publicly traded shares, units or other interests), and directors, officers, managers, employees, agents and representatives (collectively, "*Buyer Indemnified Parties*") from and against any and all Liabilities, arising from, based upon, related to or associated with:

(a) any breach by Seller of its representations or warranties contained in *Article IV*;

(b) any breach by Seller of its covenants and agreements under this Agreement; or

(c) any Excluded Liability.

12.3 Indemnities of Buyer. Effective as of the Closing, Buyer and its successors and assigns shall assume, be responsible for, shall pay on a current basis, and hereby defends, indemnifies, holds harmless and forever releases Seller and its Affiliates, and all of their respective equity holders, partners and members (excluding, in each case, equity holders, partners or members solely by virtue of holding publicly traded shares, units or other interests), and directors, officers, managers, employees, agents and representatives (collectively, "*Seller Indemnified Parties*") from and against any and all Liabilities arising from, based upon, related to or associated with:

(a) any breach by Buyer of its representations or warranties contained in *Article V*;

(b) any breach by Buyer of its covenants and agreements under this Agreement; or

(c) the Assumed Obligations,

but excepting (in each case) Liabilities against which Seller is required to indemnify Buyer under *Section 12.2* at the time that the Claim Notice is presented by the Seller Indemnified Party to Buyer.

12.4 Limitation on Liability.

(a) Seller shall not have any liability for any indemnification under this Agreement unless (i) the individual amount of any Liability for which a Claim Notice is delivered by Buyer to Seller under this *Article XII* and for which Seller is liable exceeds $75,000, and (ii) the aggregate amount of all Liabilities for which Seller is liable under this Agreement after the application of the provisions of clause (i) above exceeds $1,325,000 and then only to the

extent such damages or costs exceed $1,325,000; provided that (A) Seller's indemnities in *Section 12.2(a)* for breaches of *Sections 4.1*, *4.2*, *4.3*, *4.5* and *4.7,* (B) Seller's indemnities in *Section 12.2(b)* for breaches of *Articles II, III, IX, XI* and *XIV* and *Section 6.1(d),* and (C) Seller's indemnities under *Section 12.2(c)*, shall not be limited by this *Section 12.4(a)*. For purposes of determining whether there has been a breach of any of Seller's representations and warranties for which Buyer is entitled to indemnification under *Section 12.2(a)*, any dollar or materiality qualifiers in Seller's representations or warranties shall be disregarded.

(b) Notwithstanding anything to the contrary contained in this Agreement, Seller shall not be required to indemnify the Buyer for aggregate Liabilities under *Sections 12.2(a)* and *12.2(b)* in excess of $25,000,000; provided that (a) Seller's indemnities in *Section 12.2(a)* for breaches of *Sections 4.1*, *4.2*, *4.3*, *4.5* and *4.7,* and (b) Seller's indemnities in *Section 12.2(b)* for breaches of *Articles II, III, IX, XI* and *XIV* and *Section* 6.1(d) shall not be limited by this *Section 12.4(b)*.

(c) The amount of Liability for which an Indemnified Party is entitled to indemnity under this *Article XII* shall be reduced by the amount of insurance proceeds actually received by the Indemnified Party or its Affiliates with respect to such Liability (net of any collection costs, and excluding the proceeds of any insurance policy issued or underwritten by the Indemnified Party or its Affiliates).

12.5 Express Negligence. THE INDEMNIFICATION, RELEASE, ASSUMED OBLIGATIONS, WAIVER AND LIMITATION OF LIABILITY PROVISIONS PROVIDED FOR IN THIS AGREEMENT SHALL BE APPLICABLE WHETHER OR NOT THE LIABILITIES, LOSSES, COSTS, EXPENSES AND DAMAGES IN QUESTION AROSE OR RESULTED SOLELY OR IN PART FROM THE GROSS, SOLE, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF LAW OF OR BY ANY INDEMNIFIED PARTY. BUYER AND SELLER ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS CONSPICUOUS.

12.6 Exclusive Remedy. Notwithstanding anything to the contrary contained in this Agreement, from and after Closing, *Sections 12.2* and *12.3* contain the Parties' exclusive remedy against each other with respect to breaches of the representations, warranties, covenants and agreements of the Parties contained in *Articles IV, V* and *VI*. Except for (a) the remedies contained in this *Article XII*, (b) any other remedies available to the Parties at Law or in equity for breaches of provisions of this Agreement other than *Articles IV, V* and *VI* and (c) the remedies available at Law or in equity in connection with any other document delivered by a Party in connection with the transactions contemplated hereby, from and after Closing, Seller and Buyer each releases, remises, and forever discharges the other and its Affiliates and all such Persons' equity holders, partners, members, officers, directors, employees, agents, advisors and representatives from any and all Liabilities in Law or in equity, known or unknown, which such Parties might now or subsequently may have, based on, relating to or arising out of this Agreement or the transactions contemplated hereby. Except for the remedies contained in (i) *Sections 12.2* and *12.3*, (ii) any other remedies available at Law or in equity for breaches of the provisions of this Agreement other than *Articles IV*, *V* and *VI* and (iii) the remedies available at Law or in equity in connection with any other document delivered by a Party in connection with

the transactions contemplated hereby, effective as of Closing, each Party, on its own behalf and on behalf of its Affiliates, hereby releases, remises and forever discharges the other Party and its Affiliates and all such Persons' equity holders, partners, members, directors, officers, employees, agents and representatives from any and all Liabilities in Law or in equity, known or unknown, which such Persons might now or subsequently may have, based on, relating to or arising out of the ownership, use or operation of the Assets prior to the Closing, or the condition, quality, status or nature of the Assets prior to the Closing, including rights to contribution under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, breaches of statutory or implied warranties, nuisance or other tort actions, rights to punitive damages, common law rights of contribution, and rights under insurance maintained by either Party or any of its Affiliates. Notwithstanding anything to the contrary herein, this *Section 12.6* shall not release any Party (including EXCO and EXCO Parent) from any liability under the JDA or in connection with the claims and counterclaims in the arbitration proceedings between BG and EXCO relating to EXCO's unused firm transportation deductions from BG's working interest proceeds of production from the Assets.

12.7 Indemnification Procedures. All claims for indemnification under *Sections 12.2* and *12.3* shall be asserted and resolved as follows:

(a) For purposes of this *Article XII*, the term "*Indemnifying Party*" when used in connection with particular Liabilities shall mean the Party having an obligation to indemnify another Party or Person(s) with respect to such Liabilities pursuant to this *Article XII*, and the term "*Indemnified Party*" when used in connection with particular Liabilities shall mean the Party or Person(s) having the right to be indemnified with respect to such Liabilities by a Party pursuant to this *Article XII*.

(b) To make a claim for indemnification under *Sections 12.2* or *12.3*, an Indemnified Party shall notify the Indemnifying Party of its claim under this *Section 12.7*, including the specific details of and specific basis under this Agreement for its claim (the "*Claim Notice*"). In the event that the claim for indemnification is based upon a claim by a Third Party against the Indemnified Party (a "*Claim*"), the Indemnified Party shall provide its Claim Notice promptly after the Indemnified Party has actual knowledge of the Claim and shall enclose a copy of all papers (if any) served with respect to the Claim; provided that the failure of any Indemnified Party to give notice of a Claim as provided in this *Section 12.7* shall not relieve the Indemnifying Party of its obligations under *Sections 12.2* or *12.3* (as applicable) except to the extent such failure results in insufficient time being available to permit the Indemnifying Party to effectively defend against the Claim or otherwise materially prejudices the Indemnifying Party's ability to defend against the claim. In the event that the claim for indemnification is based upon an inaccuracy or breach of a representation, warranty, covenant or agreement, the Claim Notice shall specify the representation, warranty, covenant or agreement that was inaccurate or breached.

(c) In the case of a claim for indemnification based upon a Claim, the Indemnifying Party shall have 30 days from its receipt of the Claim Notice to notify the Indemnified Party whether it admits or denies its obligation to defend the Indemnified Party against such Claim at the sole cost and expense of the Indemnifying Party. The Indemnified Party is authorized, prior to and during such 30 day period, at the expense of the Indemnifying

Party, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party and that is not prejudicial to the Indemnifying Party.

(d) If the Indemnifying Party admits its obligation to indemnify a Claim, it shall have the right and obligation to diligently defend, at its sole cost and expense, the Claim. The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate in contesting any Claim which the Indemnifying Party elects to contest. The Indemnified Party may participate in, but not control, at its own expense, any defense or settlement of any Claim controlled by the Indemnifying Party pursuant to this *Section 12.7(d)* (provided, however, that the Indemnified Party shall not be required to bring any counterclaim or cross-complaint against any Person). An Indemnifying Party shall not, without the written consent of the Indemnified Party, (i) settle any Claim or consent to the entry of any judgment with respect thereto which does not result in a final resolution of the Indemnified Party's Liability in respect of such Claim (including, in the case of a settlement, an unconditional written release of the Indemnified Party from all Liability in respect of such Claim) or (ii) settle any Claim or consent to the entry of any judgment with respect thereto in any manner that may materially and adversely affect the Indemnified Party (other than as a result of money damages covered by the indemnity).

(e) If the Indemnifying Party does not admit its obligation to indemnify and bear all expenses associated with a Claim or admits its obligation to indemnify and bear all expenses associated with a Claim but fails to diligently prosecute or settle the Claim, then the Indemnified Party shall have the right to defend against the Claim at the sole cost and expense of the Indemnifying Party, with counsel of the Indemnified Party's choosing, subject to the right of the Indemnifying Party to admit its obligation to indemnify and bear all expenses associated with a Claim and assume the defense of the Claim at any time prior to settlement or final determination thereof. If the Indemnifying Party has not yet admitted its obligation to indemnify and bear all expenses associated with a Claim, the Indemnified Party shall send written notice to the Indemnifying Party of any proposed settlement and the Indemnifying Party shall have the option for 10 days following receipt of such notice to (i) admit in writing its obligation to indemnify and bear all expenses associated with a Claim and (ii) if such obligation is so admitted, reject, in its reasonable judgment, the proposed settlement. If the Indemnified Person settles any Claim without the written consent of the Indemnifying Party after the Indemnifying Party has timely admitted its obligation in writing and assumed the defense of a Claim, the Indemnified Party shall be deemed to have waived any right to indemnity therefor.

(f) In the case of a claim for indemnification not based upon a Claim, the Indemnifying Party shall have 30 days from its receipt of the Claim Notice to (i) cure the Liabilities complained of, (ii) admit its obligation to indemnify for and bear all expenses associated with such Liability or (iii) dispute the claim for such Liabilities. If the Indemnifying Party does not notify the Indemnified Party within such 30 day period that it has cured the Liabilities or that it disputes the claim for such Liabilities, the amount of such Liabilities shall conclusively be deemed a liability of the Indemnifying Party hereunder.

12.8 Survival.

(a) The representations and warranties of the Parties in *Articles IV* and *V* and the covenants and agreements of the Parties in *Sections 6.1* and *9.4* shall survive the Closing for a period of 12 months. Subject to the foregoing and as set forth in *Section 12.8(b)*, the remainder of this Agreement shall survive the Closing without time limit. Representations, warranties, covenants and agreements shall be of no further force and effect after the date of their expiration, provided that there shall be no termination of any bona fide claim asserted pursuant to this Agreement with respect to such a representation, warranty, covenant or agreement prior to its expiration date.

(b) The indemnities in *Sections 12.2(a)*, *12.2(b)*, *12.3(a)* and *12.3(b)* shall terminate as of the termination date of each respective representation, warranty, covenant or agreement that is subject to indemnification. Buyer's indemnities in *Section 12.3(c)* shall survive the Closing without time limit. Seller's indemnities set forth in *Section 12.2(c)* shall survive the Closing without time limit. Notwithstanding the foregoing, there shall be no termination of any bona fide claim asserted pursuant the indemnities in *Sections 12.2(a)* through *12.2(c)* or *Sections 12.3(a)* through *12.3(c)* prior to the date of termination for such indemnity.

12.9 Non-Compensatory Damages. None of the Buyer Indemnified Parties nor Seller Indemnified Parties shall be entitled to recover from Seller or Buyer, or their respective Affiliates, any indirect, consequential, punitive or exemplary damages or damages for lost profits of any kind arising under or in connection with this Agreement or the transactions contemplated hereby, except to the extent any such Party suffers such damages (including costs of defense and reasonable attorney's fees incurred in connection with defending of such damages) to a Third Party, which damages (including costs of defense and reasonable attorney's fees incurred in connection with defending against such damages) shall not be excluded by this provision as to recovery hereunder. Subject to the preceding sentence, Buyer, on behalf of each of the Buyer Indemnified Parties, and Seller, on behalf of each of Seller Indemnified Parties, waive any right to recover punitive, special, exemplary and consequential damages, including damages for lost profits, arising in connection with or with respect to this Agreement or the transactions contemplated hereby. This section shall not restrict any Party's right to obtain specific performance or other equitable remedies by way of injunction pursuant to *Section 13.2*.

12.10 Exclusion of Certain Matters. Notwithstanding anything to the contrary elsewhere in this Agreement, (a) claims for Operating Expenses shall be exclusively handled pursuant to *Sections 2.3* and *3.3* and shall not be subject to this *Article XII*, and (b) claims with respect to the termination of this Agreement prior to Closing shall be handled exclusively under *Article XIII* and shall not be subject to this *Article XII* (other than *Section 12.9* which shall apply in all respects).

ARTICLE XIII
TERMINATION, DEFAULT AND REMEDIES

13.1 Right of Termination. This Agreement and the transactions contemplated herein may be terminated at any time at or prior to Closing:

(a) by Seller or Buyer if the Closing shall not have occurred on or before April 16, 2013 (the "*Termination Date*"); or

(b) by Seller or Buyer upon mutual written consent;

provided, however, that no Party shall have the right to terminate this Agreement pursuant to *Section 13.1(a)* above if such Party or its Affiliates willfully failed to perform or observe in any material respect its covenants and agreements hereunder.

13.2 Failure to Close and Remedies. Without prejudice to other rights and remedies that may be available to the non-breaching Party, the Parties agree that, in the event Closing does not occur by the Termination Date as a result of the breach by a Party of any of its covenants or agreements hereunder in any material respect, and provided that such Party's breach is not caused by a material breach of this Agreement by the other Party, such other Party shall be entitled, at its option, in lieu of terminating this Agreement, to enforce specific performance and other equitable remedies by way of injunction. Each Party agrees to waive any requirement for the posting of a bond in connection with any such equitable relief in favor of the other Party.

13.3 Effect of Termination. If the obligation to close the transactions contemplated by this Agreement is terminated pursuant to any provision of *Section 13.1* hereof, then, except for the provisions of *Sections 1.1*, *1.2*, *3.2*, *4.7*, *5.6*, *10.1*, *12.9*, this *Section 13.3* and *Article XIV* (other than *Sections 14.2, 14.5, 14.7* and *14.8*), this Agreement shall forthwith become void and the Parties shall have no liability or obligation hereunder except and to the extent such termination results from the breach by a Party of any of its covenants or agreements hereunder; provided that if Seller is entitled to retain the Deposit as liquidated damages pursuant to *Section 3.2(b)*, and elects to retain the Deposit pursuant to *Section 3.2(b)*, then such retention shall constitute full and complete satisfaction of any and all damages and remedies Seller may have against Buyer under this Agreement for claims and actions arising at or prior to the termination of this Agreement except for Seller's remedies for any breach by Buyer of *Section 5.6* or *Section 14.16*. In the event that such terminations results from the breach by Seller of any of its covenants or agreements hereunder, then in addition to Buyer's rights pursuant to *Section 3.2(c)*, Buyer shall be entitled to seek the rights and remedies set forth in *Section 13.2* or seek all remedies available at Law or in equity and Buyer shall be entitled to recover court costs and attorneys' fees in addition to any other relief to which Buyer may be entitled.

ARTICLE XIV
MISCELLANEOUS

14.1 Exhibits and Schedules. All of the Exhibits and Schedules referred to in this Agreement are hereby incorporated into this Agreement by reference and constitute a part of this Agreement. Each Party and its counsel have received a complete set of Exhibits and Schedules prior to and as of the execution of this Agreement.

14.2 Taxes.

(a) All required documentary, filing and recording fees and expenses in connection with the filing and recording of the assignments, conveyances or other instruments required to convey title to the Assets to Buyer shall be borne by Buyer. Buyer shall assume responsibility

for, and shall bear and pay, all state sales and use taxes (including any applicable interest or penalties) incurred or imposed with respect to the transactions described in this Agreement.

(b) Seller shall assume responsibility for, and shall bear and pay, all Asset Taxes assessed with respect to the ownership and operation of the Assets for (i) any period ending prior to the Effective Time and (ii) that portion of any Straddle Period ending prior to the Effective Time. Buyer shall assume responsibility for, and shall bear and pay, all Asset Taxes assessed with respect to the ownership and operation of the Assets for any period beginning on or after the Effective Time, including that portion of any Straddle Period beginning on or after the Effective Time. All Asset Taxes levied with respect to the Assets for the Straddle Period shall be allocated between Buyer and Seller based on the number of days of such Straddle Period included in the period ending the day before the Effective Date and the number of days of such Straddle Period included in the period beginning on the Effective Date; provided, however, that in the case of Asset Taxes based on the quantity or value of the production of Hydrocarbons from the Assets, Seller shall be liable for a portion of such Asset Taxes allocated based on the number of units or value of production actually produced and sold, as applicable, before the Effective Time and the Buyer shall be liable for a portion of such Taxes allocated based on the number of units or value of production actually produced and sold, as applicable, at or after the Effective Time. To the extent the actual amount of Asset Taxes is not determinable at Closing, Buyer and Seller shall utilize the most recent information available in estimating the amount of Asset Taxes for purposes of *Sections 3.3(a)(ii)* and *3.3(b)(iii)*. In the event the amount of Asset Taxes paid by Buyer or included as an increase to the Purchase Price pursuant to *Section 3.3(a)(ii)* exceeds Buyer's share of Asset Taxes, Seller shall promptly pay the amount of such overage to Buyer. In the event the amount of Asset Taxes paid by Seller or included as a reduction to the Purchase Price pursuant to *Section 3.3(b)(iii)* exceeds Seller's share of Asset Taxes, Buyer shall promptly pay the amount of any such overage to Seller.

(c) Buyer shall timely file or cause to be filed any return with respect to Asset Taxes due after the Effective Time and on or before the Closing Date (a "*Pre-Closing Asset Tax Return*") and shall pay any Asset Taxes shown due and owing on such Pre-Closing Asset Tax Return, subject to Buyer's right of reimbursement for any Asset Taxes for which Seller is responsible under *Section 14.2(c)*.

(d) Buyer and Seller agree to furnish or cause to be furnished to the other, upon request, as promptly as practicable, such information and assistance relating to Taxes, including, without limitation, access to books and records, as is reasonably necessary for the filing of all Tax Returns by any such Party, the making of any election relating to Taxes, the preparation for any audit by any Governmental Authority and the prosecution or defense of any claim, suit or proceeding relating to any Tax, in each case to the extent related to the Assets and/or the transactions contemplated by this Agreement.

(e) The Adjusted Purchase Price (plus Assumed Obligations, to the extent properly taken into account under the Code), shall be allocated among the Assets in accordance with Section 1060 of the Code and the Treasury regulations promulgated thereunder (and any similar provision of state, local or foreign law, as appropriate) (the "*Tax Purchase Price Allocation*"). The Tax Purchase Price Allocation shall be delivered by Buyer to Seller within 30 days after the Final Purchase Price is determined pursuant to *Section 3.5* or *Section 3.6*, for Seller's approval,

which approval shall not be unreasonably withheld. Seller and Buyer shall work in good faith to resolve any disputes relating to the Tax Purchase Price Allocation. If Seller and Buyer are unable to resolve any such dispute within 10 days of Buyer's deliver of the Tax Purchase Price Allocation to Seller, such dispute shall be resolved promptly by a nationally recognized accounting firm acceptable to Buyer and Seller, the costs of which shall be borne equally by Buyer and Seller. Buyer and Seller shall file all Tax Returns (including, but not limited to, IRS Form 8594) consistent with the Tax Purchase Price Allocation. Neither Buyer nor Seller shall take any Tax position inconsistent with the Tax Purchase Price Allocation, and neither Buyer nor Seller shall agree to any proposed adjustment to the Tax Purchase Price Allocation by any Governmental Authority without first giving the other Party prior written notice; provided, however, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Purchase Price Allocation, and neither Buyer nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Purchase Price Allocation.

(f) EXCO and BG agree that the tax partnership memorialized in *Exhibit G* to the JDA (the "*Tax Partnership*") will be considered to have disposed of the Assets. The parties agree that this disposition will be treated as a sale by the Tax Partnership to EXCO of the Assets for the Adjusted Purchase Price. The Tax Partnership will allocate the book gain or loss from the sale of the Assets between BG and EXCO in accordance with their respective Participating Interests (as such term is defined in the agreement of the Tax Partnership). To the extent not subject to a mandatory allocation under Code Section 704(c), tax gain or loss will be allocated to match the book gain or loss in a manner consistent with past practice under the agreement of the Tax Partnership. All consideration received by BG as a result of this Agreement will be deemed to have been distributed by the Tax Partnership to BG following the Tax Partnership's disposition of the Assets. Also in connection with the sale of the Assets by the Tax Partnership to EXCO as described above, the Tax Partnership will be treated as having made a distribution to EXCO of EXCO's interest in the LA Subject Leases and the TX Subject Leases, in each case, to the extent and only to the extent related to the Shallow Depths, and the assets and liabilities related thereto.

14.3 ***Assignment***. This Agreement may not be assigned by any Party, in whole or in part, without the prior written consent of the other Party; provided that Buyer shall be entitled to assign its rights and delegate performance of its obligations to MLP LLC by delivering a fully executed version of the Assignment and Assumption Agreement to Seller at least 3 Business Days prior to Closing. Notwithstanding the foregoing, no assignment or delegation hereunder by EXCO as Buyer shall relieve (a) EXCO as Buyer of any of Buyer's liability hereunder or (b) EXCO Parent of its obligations and responsibilities pursuant to *Section 2.4*.

14.4 ***Preparation of Agreement***. Both Seller and Buyer and their respective counsel participated in the preparation of this Agreement. In the event of any ambiguity in this Agreement, no presumption shall arise based on the identity of the draftsman of this Agreement.

14.5 ***Publicity***. Until after Closing, without reasonable prior notice to the other Party, no Party will issue, or permit any agent or Affiliate of it to issue, any press releases or otherwise

make, or cause any agent or Affiliate of it to make, any public statements with respect to this Agreement and the transactions contemplated hereby.

14.6 ***Notices***. All notices and communications required or permitted to be given hereunder shall be in writing and shall be delivered personally, or sent by bonded overnight courier, or mailed by U.S. Express Mail or by certified or registered United States Mail with all postage fully prepaid, or sent by telex or facsimile transmission (provided any such telex or facsimile transmission is confirmed either orally or by written confirmation), addressed to the appropriate Party at the address for such Party shown below or at such other address as such Party shall have theretofore designated by written notice delivered to the Party giving such notice:

If to Buyer:

EXCO Operating Company, LP
12377 Merit Drive, Suite 1700
Dallas, Texas 75251
Attention: Rick Hodges, Vice President of Land
Fax: (214) 706-3424

With a copy to:

EXCO/HGI JV Assets, LLC
12377 Merit Drive, Suite 1700
Dallas, Texas 75251
Attention: William L. Boeing, Secretary
Fax: (214) 706-3409

HGI Energy Holdings, LLC
450 Park Ave., 27th Floor
New York, New York 10022
Attention: Philip A. Falcone
Omar Asali
Legal Department
Facsimile: 212-906-8559

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, TX 77002
Attention: David C. Buck
Cheryl S. Phillips
Facsimile: 713-220-4285

If to Seller:

BG US Production Company, LLC
811 Main Street, Suite 3400
Houston, Texas 77002
Attention: Asset General Manager, US Lower 48
Fax: 713-599-4250

With a copy to:

BG US Production Company, LLC
811 Main Street, Suite 3400
Houston, Texas 77002
Attention: Chris Migura
Fax: 713-599-3794

Any notice given in accordance herewith shall be deemed to have been given when delivered to the addressee in person, or by courier, or transmitted by facsimile transmission during normal business hours, or upon actual receipt by the addressee after such notice has either been delivered to an overnight courier or deposited in the United States Mail, as the case may be. The Parties may change the address, telephone numbers, and facsimile numbers to which such communications are to be addressed by giving written notice to the other Parties in the manner provided in this *Section 14.6*.

14.7 Further Cooperation. After the Closing, Buyer and Seller shall execute and deliver, or shall cause to be executed and delivered from time to time, such further instruments of conveyance and transfer, and shall take such other actions as any Party may reasonably request, to convey and deliver the Assets to Buyer, to perfect Buyer's title thereto, to accomplish the orderly transfer of the Assets to Buyer in the manner contemplated by this Agreement and to accomplish the transactions contemplated by this Agreement. If any Party receives monies belonging to the other Party, such amount shall immediately be paid over to the proper Party. If an invoice or other evidence of an obligation is received by a Party, which is partially an obligation of both Seller and Buyer, then the Parties shall consult with each other, and each shall promptly pay its portion of such obligation to the obligee. Prior to Closing, Seller shall use its commercially reasonable efforts to obtain all consents burdening Seller or the Assets that are required to permit the assignment of the Assets by Seller to Buyer and the consummation by Seller of the transactions contemplated hereby; provided, however, Seller shall not be required to incur any Liability or pay any money in order to be in compliance with the foregoing covenant.

14.8 Filings, Notices and Certain Governmental Approvals. Promptly after Closing Buyer shall (a) record the Assignments of the Assets and all state/federal assignments executed at the Closing in all applicable real property records and/or, if applicable, all state or federal agencies, (b) actively pursue Customary Post-Closing Consents from all applicable Governmental Authorities for the assignment of the Assets to Buyer (provided that Seller shall cooperate with Buyer in obtaining such approvals as may be reasonably necessary) and (c)

pursue all other consents and approvals that may be reasonably required in connection with the assignment of the Assets to Buyer and the assumption of the liabilities assumed by Buyer hereunder, that shall not have been obtained prior to Closing (provided that Seller shall cooperate with Buyer in obtaining such other consents and approvals and provided further that Buyer shall not be required to incur any liability to pay any money in order to be in compliance with the foregoing clause (c)). Buyer obligates itself to take any and all action reasonably required by any Governmental Authority in order to obtain such unconditional approval, including the posting of any and all bonds or other security that may be required in excess of its existing lease, pipeline or area-wide bond.

14.9 Entire Agreement. THIS AGREEMENT, THE EXHIBITS HERETO, THE TRANSACTION DOCUMENTS, THE JDA AND THE SHARED ASSETS AGREEMENT COLLECTIVELY CONSTITUTE THE ENTIRE AGREEMENT AMONG SELLER AND BUYER PERTAINING TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ALL PRIOR AGREEMENTS, UNDERSTANDINGS, NEGOTIATIONS, AND DISCUSSIONS, WHETHER ORAL OR WRITTEN, OF THE PARTIES PERTAINING TO THE SUBJECT MATTER HEREOF.

14.10 Parties in Interest. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Parties, or their respective related Indemnified Parties hereunder, any rights, remedies, obligations or liabilities under or by reason of this Agreement; provided that only a Party will have the right to enforce the provisions of this Agreement on its own behalf or on behalf of any of its related Indemnified Parties (but shall not be obligated to do so).

14.11 Amendment. This Agreement may be amended only by an instrument in writing executed by the Parties against whom enforcement is sought.

14.12 Waiver; Rights Cumulative. Any of the terms, covenants, representations, warranties, or conditions hereof may be waived only by a written instrument executed by or on behalf of the Party waiving compliance. No course of dealing on the part of Seller or Buyer, or their respective officers, employees, agents, or representatives, nor any failure by Seller or Buyer to exercise any of its rights under this Agreement shall operate as a waiver thereof or affect in any way the right of such Party at a later time to enforce the performance of such provision. No waiver by any Party of any condition, or any breach of any term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of any breach of any other term, covenant, representation, or warranty. The rights of Seller and Buyer under this Agreement shall be cumulative, and the exercise or partial exercise of any such right shall not preclude the exercise of any other right.

14.13 Governing Law; Jurisdiction; Venue; Jury Waiver. THIS AGREEMENT AND THE LEGAL RELATIONS AMONG THE PARTIES SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION. SUBJECT TO *SECTION 14.14,* ALL OF THE PARTIES HERETO

CONSENT TO THE EXERCISE OF JURISDICTION IN PERSONAM BY THE COURTS OF THE STATE OF TEXAS FOR ANY DISPUTE. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY DISPUTE.

14.14 Arbitration.

(a) Any Dispute among the Parties shall be resolved through final and binding arbitration.

(b) The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "*AAA*") in effect at the time the arbitration of the Dispute is initiated (the "*AAA Rules*").

(c) The arbitration shall be conducted by 3 arbitrators and conducted in Dallas, Texas. Within 30 days of either Party providing notice to the other Party of a Dispute, each of Buyer and Seller shall appoint one arbitrator, and the 2 arbitrators so appointed shall select the third and presiding arbitrator within 30 days following appointment of the second party-appointed arbitrator. If either Party fails to appoint an arbitrator within the permitted time period or if the Party-appointed arbitrators fail to appoint the presiding arbitrator within the permitted time period, then the missing arbitrator(s) shall be selected by the AAA as appointing authority in accordance with the AAA Rules. Any arbitrator appointed by the Party-appointed arbitrators or the AAA shall be a member of the Large, Complex Commercial Case Panel of the AAA or a member of the Center of Public Resources Panel of Distinguished Neutrals. All arbitrators shall be and remain at all times independent and impartial, and, once appointed, no arbitrator shall have any ex parte communications with any of the Parties concerning the arbitration or the underlying Dispute other than communications directly concerning the selection of the presiding arbitrator, when applicable. All arbitrators shall be qualified by education, training, or experience to resolve the Dispute. No arbitrator shall have been an employee or consultant to any Party or any of its Affiliates within the 5 year period preceding the arbitration, or have any financial interest in the Dispute.

(d) All decisions of the arbitral tribunal shall be made by majority vote. The award of the arbitral tribunal shall be final and binding, subject only to grounds and procedures for vacating or modifying the award under the Federal Arbitration Act. Judgment on the award may be entered and enforced by any court of competent jurisdiction hereunder.

(e) Notwithstanding the agreement to arbitrate Disputes in this *Section 14.14*, any Party may apply to a court for interim measures pending appointment of the arbitration tribunal, including injunction, attachment, and conservation orders. The Parties agree that seeking and obtaining such court-ordered interim measures shall not waive the right to arbitration. Additionally, the arbitrators (or in an emergency the presiding arbitrator acting alone in the event one or more of the other arbitrators is unable to be involved in a timely fashion) may grant interim measures including injunctions, attachments, and conservation orders in appropriate circumstances, which measures may be immediately enforced by court order. Hearings on requests for interim measures may be held in person, by telephone or video conference, or by other means that permit the Parties to present evidence and arguments. The

arbitrators may require any Party to provide appropriate security in connection with such measures.

(f) The arbitral tribunal is authorized to award costs, attorneys' fees, and expert witness fees and to allocate them among the Parties. The award may include interest, at a rate equal to the one month London Inter-Bank Offer Rate (as published in the Wall Street Journal) plus an additional 2.5 percentage points (or, if such rate is contrary to any applicable usury Law, the maximum rate permitted by such applicable Law), from the date of any default, breach, or other accrual of a claim until the arbitral award is paid in full. The arbitrators may not award indirect, consequential, special or punitive damages. Unless otherwise directed by the arbitral tribunal, each Party shall pay its own expenses in connection with the arbitration.

(g) All negotiations, mediation, arbitration, and expert determinations relating to a Dispute (including a settlement resulting from negotiation or mediation, an arbitral award, documents exchanged or produced during a mediation or arbitration proceeding, and memorials, briefs or other documents prepared for the arbitration) are confidential and may not be disclosed by the Parties, their respective Affiliates and each of their respective employees, officers, directors, counsel, consultants, and expert witnesses, except to the extent necessary to enforce any settlement agreement, arbitration award, or expert determination, to enforce other rights of a Party, as required by law or regulation, or for a bona fide business purpose, such as disclosure to accountants, shareholders, or third-party purchasers; provided, however, that breach of this confidentiality provision shall not void any settlement, expert determination, or award.

(h) Any papers, notices, or process necessary or proper for an arbitration hereunder, or any court action in connection with an arbitration or an award, may be served on a Party in the manner set forth in *Section 14.6*.

14.15 Expert Determination. For any decision referred to an expert under this Agreement pursuant to *Section 3.9*, the Parties hereby agree that such decision shall be conducted expeditiously by an expert selected unanimously by the Parties. The expert is not an arbitrator of the dispute and shall not be deemed to be acting in an arbitral capacity. The expert shall not (without the written consent of the Parties) be appointed to act as an arbitrator or as adviser to any Party to an arbitration pursuant to *Section 14.14*, provided that nothing in this sentence shall preclude any Party from using the expert as a witness regarding the proper conduct of the expert procedure. The Party desiring an expert determination shall give the other Party written notice of the request for such determination. If the Parties are unable to agree upon an expert within 10 days after receipt of the notice of request for an expert determination, then, upon the request of any of the Parties, the AAA shall appoint such expert. The expert, once appointed, shall have no ex parte communications with the Parties concerning the expert determination or the underlying dispute. All communications between any Party and the expert shall be conducted in writing, with copies sent simultaneously to the other Party in the same manner, or at a meeting to which all Parties have been invited and of which such Parties have been provided at least 5 Business Days' notice. Within 30 days after the expert's acceptance of its appointment, the Parties shall provide the expert with a report containing their proposal for the resolution of the matter and the reasons therefor, accompanied by all relevant supporting information and data. Within 60 days of receipt of the above-described materials and after

receipt of additional information or data as may be required by the expert, the expert shall select the proposal which it finds more consistent with the terms of this Agreement. The expert may not propose alternate positions or award damages, interest or penalties to any Party with respect to any matter. The expert's decision shall be final and binding on the Parties. Any Party that fails or refuses to honor the decision of an expert shall be in default under this Agreement.

14.16 Expenses. Except as otherwise specifically provided herein, all fees, costs and expenses incurred by Buyer or Seller in negotiating this Agreement or in consummating the transactions contemplated by this Agreement shall be paid by the Party incurring the same, including legal and accounting fees, costs and expenses.

14.17 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

14.18 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by facsimile transmission shall be deemed an original signature hereto.

[THE NEXT SUCCEEDING PAGE IS THE EXECUTION PAGE]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement on the date first above written.

BUYER:

EXCO OPERATING COMPANY, LP

By: EXCO Partners OLP GP, LLC, its general partner

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President and General Counsel

SELLER:

BG US PRODUCTION COMPANY, LLC

By: /s/ Michael R. Mott
Name: Michael R. Mott
Title: Vice President

Solely for purposes of *Section 2.4*:

EXCO PARENT:

EXCO RESOURCES, INC.

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President and General Counsel

EXHIBIT 2.3

February 14, 2013

EXCO/HGI JV Assets, LLC
12377 Merit Drive
Dallas, Texas 75251
Attention: President

Re: Purchase and Sale Agreement (as amended, the "BG PSA"), dated as of the date hereof (the "Execution Date"), by and between EXCO Operating Company, LP, a Delaware limited partnership ("EXCO"), and BG US Production Company, LLC, a Delaware limited liability company ("BG")

Dear Sirs:

This letter agreement (this "Letter Agreement") is entered into by EXCO Resources, Inc. ("EXCO Parent"), EXCO and EXCO/HGI JV Assets, LLC, a Delaware limited liability company ("MLP LLC"), EXCO/HGI GP, LLC, a Delaware limited liability company ("General Partner"), EXCO/HGI Production Partners, LP, a Delaware limited partnership (the "Partnership" and together with MLP LLC and the General Partner, the "Partnership Parties") as of the Execution Date. Reference is hereby made to (i) the BG PSA; (ii) that certain Assignment and Assumption Agreement (the "MLP LLC Assignment") dated as of the Execution Date by and between EXCO and MLP LLC; and (iii) that certain Unit Purchase and Contribution Agreement, dated November 5, 2012, among EXCO Parent, EXCO, MLP LLC and HGI Energy Holdings, LLC ("Investor") (such agreement, as the same may be amended or modified, the "UPCA").

EXCO has entered into the BG PSA and has assigned its rights and obligations under the BG PSA to MLP LLC pursuant to the MLP LLC Assignment. In connection therewith, EXCO has agreed to provide certain representations and warranties and to make certain agreements and covenants for the benefit of the Partnership Parties, in each case, subject to the terms and conditions of this Letter Agreement.

Section 1.1 Definitions. Unless otherwise defined above or in this Section 1.1, capitalized terms used in this Letter Agreement and not otherwise defined herein shall have the meanings given such terms in the UPCA.

"Abandoned Wells" means those wells set forth in Annex A hereto.

"Abandoned Well Liability" means any and all costs, expenses and liabilities associated with the Abandoned Wells, including plugging and abandonment liabilities and obligations.

"Applicable Environmental Law" means CERCLA; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1471 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629; the Oil Pollution Act, 33 U.S.C. § 2701 et seq.; the

Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; all similar Laws of any Governmental Body having jurisdiction over the property in question addressing pollution or protection of the environment; and all regulations implementing the foregoing that are applicable to the operation and maintenance of the BG Assets.

"Applicable Law" means Law (as defined in the BG PSA).

"BG Assets" means the Assets (as defined in the BG PSA).

"BG Assumed Obligations" means the Assumed Obligations (as defined in the BG PSA).

"BG Casualty Losses" means any costs or expenses that Buyer (as defined in the BG PSA) reasonably incurs to repair or restore any of the BG Assets damaged or destroyed by fire or other casualty to the extent (and only to the extent) Seller (as defined in the BG PSA) is not responsible for such costs and expenses pursuant to Section 11.1(b)(ii) of the BG PSA because such costs and expenses would be borne solely by EXCO as operator under an applicable operating agreement.

"BG Contracts" means Contracts (as defined in the BG PSA).

"BG Closing" means consummation of the transactions contemplated by the BG PSA.

"BG Existing Litigation" means the litigation set forth on Schedule 5.7 of the UPCA as it relates to the BG Assets.

"BG Transaction" means the transactions contemplated by the BG PSA.

"HGI Defect Notice" means that certain Environmental Defect Notice, dated December 21, 2012, as amended and supplemented December 31, 2012, delivered pursuant to the UPCA by Investor.

"Knowledge" means the Actual Knowledge of the individuals listed on Schedule 5.1 to the UPCA.

"Third Party" means any Person other than BG, EXCO, EXCO Parent, MLP LLC, the Partnership or the General Partner.

Section 1.2 Representations and Warranties. Subject to the terms and conditions of this Letter Agreement and Section 5.1(a) of the UPCA, EXCO represents and warrants to the Partnership Parties the matters set forth in this Section 1.2 as of the Execution Date.

(a) ***Litigation***. Except as set forth in Schedule 5.7 of the UPCA, there are no actions, suits or proceedings pending, or to EXCO's Knowledge, threatened in writing, by or before any Governmental Body or arbitrator (i) with respect to EXCO in connection with the BG Assets or (ii) that would reasonably be expected to impair that ability of any EXCO or any other Person that is a party to the BG PSA to perform its obligations under the BG PSA. EXCO is not subject to any outstanding settlement or other similar

agreement or order of any Governmental Body with respect to the ownership or operation of the BG Assets that is or would reasonably be expected to be material.

(b) ***Capital Commitments***. Except as set forth on Schedule 5.9 to the UPCA and for those AFEs or other similar capital commitments to Third Parties that were provided to Investor pursuant to Section 7.4 of the UPCA, as of January 1, 2013, there were no outstanding AFEs or other similar capital commitments to Third Parties to which BG and EXCO (or any of its Affiliates) are parties that were binding on the BG Assets and could reasonably be expected to require expenditures by the owner of such BG Assets on or after January 1, 2013, in excess of $100,000 either individually or, in the case of any Well, in the aggregate with respect to such Well.

(c) ***Notices***. Neither EXCO nor any of its Affiliates has received any notice for breach of contract, tort, or violation of Applicable Law that relates to the BG Assets and not the EOC Assets (except for notices between EXCO and its Affiliates, on the one hand, and BG and its Affiliates, on the other hand, that will not be binding on the BG Assets or the EOC Assets or MLP LLC).

(d) ***Compliance with Laws***. To EXCO's Knowledge, except as set forth on Schedule 5.10 of the UPCA, (i) with respect to BG Assets operated by EXCO, EXCO's operation of such BG Assets is in compliance with all Applicable Laws in all respects, and (ii) with respect to BG Assets operated by Third Parties, such Third Party's operation of such BG Assets is in compliance with all Applicable Laws in all respects. EXCO has not received any written notice from any Governmental Body or other Person regarding any actual or alleged violation of any Applicable Law with respect to EXCO's operation of the BG Assets. Notwithstanding anything herein to the contrary, this Section 1.2(d) does not address any matters with respect to Applicable Environmental Laws or Taxes.

(e) ***Contracts***.

(i) Except for Contracts that were provided to Investor pursuant to Section 7.4 of the UPCA, Schedule 5.11 of the UPCA sets forth a list of all BG Contracts of the type described in Section 5.11 of the UPCA with respect to Contracts (as defined therein) (x) to which EXCO or any of its Affiliates is a party or is bound (in each case) as of the Execution Date, (y) by which any BG Asset is bound as of the Execution Date, and (z) that will be binding on a Partnership Party after the BG Closing (collectively, the "BG Material Contracts").

(ii) EXCO Parent has made available to MLP LLC and Investor complete copies of the BG Material Contracts and all amendments thereto. EXCO is not in any default in any material respect under any of the BG Material Contracts and, except as would not have a Material Adverse Effect, to EXCO's knowledge, no other party to any such BG Material Contract is in default thereunder.

(f) ***Imbalances***. Except as set forth on Schedule 5.12 to the UPCA, there are no Imbalances attributable to the BG Assets.

(g) ***Plugging and Abandonment***. Since January 1, 2013 up to the Execution Date, neither EXCO nor its Affiliates has received any notice, demand or proposal from any Governmental Body or by any Third Party to plug or abandon any of the wells comprising part of the BG Assets.

(h) ***Suspense Funds***. Except as set forth in Schedule 5.17 to the UPCA, as of September 30, 2012, neither EXCO nor its Affiliates holds any Third Party funds in suspense with respect to production of Hydrocarbons from any of the BG Assets other than amounts less than the statutory minimum amount that such party is permitted to accumulate prior to payment.

(i) ***Environmental***. With respect to the BG Assets, neither EXCO or any of its Affiliates has entered into and is subject to any agreements, consents, orders, decrees, judgments or other directives of any Governmental Body in existence as of Execution Date based on any Environmental Laws that relate to the future use of any BG Assets and that require any Remediation or other material change in the present conditions of any of the BG Assets. Except (i) as set forth in Schedule 5.18 of the UPCA, (ii) as set forth in the HGI Defect Notice and (iii) as would not have a Material Adverse Effect, to EXCO's Knowledge, the BG Assets are, as of the Execution Date, in compliance in all material respects with Applicable Environmental Laws. Except as set forth in the HGI Defect Notice, to EXCO's Knowledge, all necessary Permits required under Environmental Laws with regard to the ownership or operation of the BG Assets, as of the Execution Date, have been obtained and maintained in effect and no material violations exist in respect of such Permits. Except for the HGI Defect Notice, neither EXCO nor any of its Affiliates has received written notice from any Person of any release, disposal, event, condition, circumstance, activity, practice or incident concerning any land, facility, asset or property included in the BG Assets that would constitute a violation of any Environmental Law. There are no actions, suits or proceedings pending, or to EXCO's Knowledge, threatened in writing, by or before any Governmental Body or arbitrator with respect to EXCO or its Affiliates (in each case) alleging any violations or remediation obligations under any Environmental Laws in connection with the BG Assets. All material reports, studies, written notices from Governmental Bodies, tests, analyses and other material documents specifically addressing environmental matters related to the ownership or operation of BG Assets, which are in EXCO's or its Affiliates' possession, have been made available to Investor.

(j) ***Bonds***. Schedule 5.19 of the UPCA lists all bonds, letters of credit and other similar credit support instruments maintained by EXCO or its Affiliates with respect to the BG Assets.

(k) ***Absence of Changes***. Except (i) as set forth in Schedule 5.9 of the UPCA, (ii) as set forth in Schedule 5.26 of the UPCA, (iii) as set forth in Schedule 7.4 of the UPCA and (iv) for actions or inactions previously approved in writing by Investor under the UPCA in connection with the EOC Assets, since the Effective Date up to the date of this Letter Agreement, EXCO has (x) operated those BG Assets currently operated by it in the ordinary course consistent with past practice and (y) not taken any action or failed to take any action that, if taken after November 5, 2012, would have required the consent

of Investor under Section 7.4(ii), Section 7.4(iii)(C), Section 7.4(x) or 7.4(xii) of the UPCA (if such Sections were applicable to both of the BG Assets and the EOC Assets).

(l) ***Assumed EXCO Obligations/Liabilities***. EXCO has disclosed to BG, such that BG would have knowledge (within the meaning of such term under the BG PSA) as of the Execution Date (as defined in the BG PSA), all obligations and/or Liabilities (as defined in the BG PSA) to the extent attributable to the ownership, use or operation of the Assets (as defined in the BG PSA) during the period prior to the Effective Time (as defined in the BG PSA), of which EXCO (or its Affiliates) had knowledge (within the meaning of such term under the BG PSA) as of the Execution Date. Notwithstanding anything herein to the contrary, this Section 1.2(l) does not address any title or environmental matters.

Section 1.3 Indemnification.

(a) ***Partnership Parties Indemnification***. From and after the BG Closing, the Partnership Parties shall indemnify, defend and hold harmless the EXCO Group from and against all Damages incurred or suffered by such Persons caused by, arising out of or resulting from the BG Assumed Obligations, **EVEN IF SUCH DAMAGES ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), STRICT LIABILITY OR OTHER LEGAL FAULT (EXCLUDING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF ANY MEMBER OF THE EXCO GROUP** but excepting those Damages for which EXCO is required, in accordance with the terms of this Section 1.3 (including provisions requiring the timely delivery of a Claim Notice prior to expiration of an applicable provision of this Agreement), to indemnify the Partnership Group under Section 1.3(b). For the avoidance of doubt, notwithstanding the provisions of the MLP LLC Assignment, any claim by any EXCO Group member against any Partnership Party in respect of the BG Assumed Obligations by virtue of the MLP LLC Assignment shall be made only pursuant to this Section 1.3(a) in accordance with this Agreement.

(b) ***EXCO Parent Indemnification***. From and after the BG Closing, EXCO Parent shall indemnify, defend and hold harmless the Partnership Parties from and against all Damages incurred or, suffered by such Persons caused by, arising out of or resulting from:

(i) any failure of any representation or warranty made by EXCO contained in Section 1.2 to be true and correct;

(ii) any BG Casualty Losses;

(iii) the BG Existing Litigation;

(iv) any personal injury or death occurring or attributable to the BG Assets prior to January 1, 2013; and

(v) any Abandoned Well Liability.

(c) ***Exclusive Remedy.*** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LETTER AGREEMENT, AND EXCEPT WITH RESPECT TO (i) FRAUD AND (ii) THE PARTIES' RIGHTS AND REMEDIES UNDER THE UPCA, THE RELATED AGREEMENTS AND THE MLP LLC ASSIGNMENT, SECTION 1.3 CONTAINS THE PARTIES' EXCLUSIVE REMEDIES AGAINST EACH OTHER AND THEIR RESPECTIVE AFFILIATES WITH RESPECT TO BREACHES OF THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS CONTAINED HEREIN.

(d) ***Indemnification Procedures***. All claims for indemnification under this Section 1.3 shall be asserted and resolved in accordance with the provisions of Section 12.3 of the UPCA, which provisions are hereby incorporated into this Letter Agreement *mutatis mutandis*.

Section 1.4 Limitation on Actions.

(a) ***Survival***. The representations and warranties of EXCO in Section 1.2 and the indemnity in Section 1.3(b)(i) for a breach of such representations or warranties or covenant, shall survive the BG Closing until the later of 12 months following the BG Closing and the Expiration Date. Subject to Section 1.4(b), the remainder of this Letter Agreement shall survive the BG Closing without time limit except as may otherwise be expressly provided herein. Representations, warranties, covenants and agreements shall be of no further force and effect after the date of their expiration, *provided, however,* that there shall be no termination of any claim asserted pursuant to this Letter Agreement with respect to such a representation, warranty, covenant or agreement prior to its expiration date. The indemnities in Section 1.3(b)(i) shall terminate as of the termination date of each respective representation or warranty that is subject to indemnification thereunder, except in each case as to matters for which a specific written claim for indemnity has been delivered to the Indemnifying Person on or before such termination date.

(b) ***Threshold, Deductible, Cap***. Notwithstanding anything in Section 12.4(c) of the UPCA to the contrary, the parties agree that neither EXCO Parent or EOC (x) shall not have any liability for indemnification under Section 1.3(b)(i) of this Letter Agreement nor Section 12.2(b)(ii) or Section 12.2(b)(iv) of the UPCA or in connection with the breach of any such Sections (other than a failure to comply with the final resolution of a claim pursuant to such Sections as determined by a final, non-appealable judgment or a settlement agreement) (i) with respect to any individual claim (or series of related claims) until the aggregate amount of Damages with respect to such claim(s) (or series of claims) asserted under Section 1.3(b)(i) of this Letter Agreement, Section 12.2(b)(ii) of the UPCA and/or Section 12.2(b)(iv) of the UPCA exceeds $75,000 (after which point all such Damages shall, subject to the other limitations of this Section 1.4, be subject to indemnification hereunder) and (ii) until and unless the aggregate amount of Damages for which Claim Notices are delivered with respect to Section 1.3(b)(i) of this Letter Agreement, Section 12.2(b)(ii) of the UPCA and/or Section 12.2(b)(iv) of the UPCA exceeds $16,650,000 and then, in the case of this clause (ii), only to the extent such Damages exceed such amount and (y) shall not have any liability for any indemnification under Section 1.3(b)(i) of this Letter Agreement, Section 12.2(b)(ii) of the UPCA and/or

Section 12.2(b)(iv) of the UPCA or in connection with the breach of any such Sections (other than a failure to comply with the final resolution of a claim pursuant to such Sections as determined by a final, non-appealable judgment or a settlement agreement) for Damages in excess of $83,250,000.

(c) ***Materiality***. For purposes of determining whether there has been a breach of any of EXCO's representations and warranties for which the Partnership Parties are entitled to indemnification under Section 1.3(b)(i) and the Damages resulting therefrom, any dollar, materiality or Material Adverse Effect qualifiers in such representations or warranties shall be disregarded.

(d) ***Insurance***. The amount of any Damages for which an indemnified Person is entitled to indemnity under Section 1.3 shall be reduced by the amount of insurance proceeds realized by the indemnified Person or its Affiliates with respect to such Damages (net of any collection costs, and excluding the proceeds of any insurance policy issued or underwritten by the indemnified Person or its Affiliates), and each indemnified Person shall use commercially reasonable efforts to claim such insurance coverage with respect to such Damages.

(e) ***No Duplication***. In no event shall any indemnified Person be entitled to duplicate compensation with respect to the same Damage, liability, loss, cost, expense, claim, award or judgment under more than one provision of this Letter Agreement. No indemnified Person shall be entitled to indemnification pursuant to Section 1.3(b) to the extent that such indemnified Person has been compensated with respect to the applicable Damages by an adjustment pursuant to Section 3.3 of the BG PSA.

(f) ***Limitation on Damages***. **NOTWITHSTANDING ANYTHING TO THE CONTRARY, EXCEPT IN CONNECTION WITH ANY DAMAGES OR LOSSES INCURRED BY THIRD PARTIES FOR WHICH INDEMNIFICATION IS SOUGHT UNDER THE TERMS OF THIS LETTER AGREEMENT, NONE OF THE PARTIES HERETO OR ANY OF THEIR RESPECTIVE AFFILIATES SHALL BE ENTITLED TO CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE (EXCEPT TO THE EXTENT PAYABLE TO THIRD PARTIES) OR EXEMPLARY DAMAGES, IN EACH CASE IN CONNECTION WITH THIS LETTER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND, EXCEPT AS OTHERWISE PROVIDED ABOVE IN THIS SENTENCE, EACH OF THE PARTIES HERETO, FOR ITSELF AND ON BEHALF OF ITS RESPECTIVE AFFILIATES, HEREBY EXPRESSLY WAIVES ANY RIGHT TO CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE (EXCEPT TO THE EXTENT PAYABLE TO THIRD PARTIES) OR EXEMPLARY DAMAGES IN CONNECTION WITH THIS LETTER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.**

Section 1.5 Disclaimers.

(a) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 1.2, (I) NONE OF EXCO, EXCO PARENT OR ANY AFFILIATE OF**

EXCO MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) EACH OF THE EXCO PARTIES (ON ITS OWN BEHALF AND BEHALF OF ITS AFFILIATES) EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ANY PARTNERSHIP PARTY OR INVESTOR (INCLUDING ANY OPINION, INFORMATION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO INVESTOR, A PARTNERSHIP PARTY, OR ANY MEMBER OF THE PARTNERSHIP GROUP BY ANY MEMBER OF THE EXCO GROUP).

(b) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 1.2, WITHOUT LIMITING THE GENERALITY OF SECTION 1.5(a), EACH OF THE EXCO PARTIES (ON ITS OWN BEHALF AND ON BEHALF OF ITS AFFILIATES) EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, ORAL OR WRITTEN, AS TO (I) TITLE TO ANY OF THE BG ASSETS, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE BG ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE BG ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE BG ASSETS OR FUTURE REVENUES GENERATED BY THE BG ASSETS, (V) THE PRODUCTION OF PETROLEUM SUBSTANCES FROM THE BG ASSETS, OR WHETHER PRODUCTION HAS BEEN CONTINUOUS OR IN PAYING QUANTITIES, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE BG ASSETS OR (VII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO MLP LLC, INVESTOR, A PARTNERSHIP PARTY OR ANY MEMBER OF THE PARTNERSHIP GROUP IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, AND FURTHER DISCLAIM ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT MLP LLC SHALL BE DEEMED TO BE ACQUIRING THE BG ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS, AND THAT, AS OF THE BG CLOSING, MLP LLC (ON ITS OWN BEHALF AND ON BEHALF OF THE PARTNERSHIP PARTIES) HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS MLP LLC DEEMS APPROPRIATE.**

(c) **EXCEPT AS AND TO THE EXTENT EXPRESSLY PROVIDED IN SECTION 1.2(i), NO EXCO PARTY HAS MADE (AND EACH OF THE EXCO PARTIES HEREBY DISCLAIMS ON BEHALF OF ITSELF AND ITS**

AFFILIATES) ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, ENVIRONMENTAL DEFECTS, ENVIRONMENTAL LIABILITIES, THE RELEASE OF HAZARDOUS SUBSTANCES, HYDROCARBONS OR NORM INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT OR ANY OTHER ENVIRONMENTAL CONDITION OF THE BG ASSETS, AND NOTHING IN THIS LETTER AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND, EXCEPT FOR THE REMEDIES UNDER SECTION 1.3(b)(i) FOR A BREACH OF THE REPRESENTATIONS SET FORTH IN SECTION 1.2(i) MLP LLC SHALL BE DEEMED TO BE TAKING THE BG ASSETS "AS IS" AND "WHERE IS" FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION.

(d) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 1.2, MLP LLC ACKNOWLEDGES (ON ITS BEHALF AND ON BEHALF OF THE PARTNERSHIP PARTIES) THERE ARE NO REPRESENTATIONS AND WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, BY ANY EXCO PARTY AS TO THE BG ASSETS OR PROSPECTS THEREOF AND MLP LLC HAS NOT RELIED UPON ANY ORAL OR WRITTEN INFORMATION PROVIDED BY ANY EXCO PARTY.**

(e) **NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 1.5 SHALL AMEND OR OTHERWISE MODIFY ANY PARTY'S REPRESENTATIONS, WARRANTIES, COVENANTS OR AGREEMENTS UNDER THE UPCA, THE RELATED AGREEMENTS OR THE MLP LLC ASSIGNMENT.**

Section 1.6 Abandoned Well Liability. EXCO hereby agrees to properly plug and abandon the Abandoned Wells in compliance with Applicable Laws.

Section 1.7 Counterparts. This Letter Agreement may be executed in counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together constitute but one agreement. A party's delivery of an executed counterpart signature page by facsimile (or email) is as effective as executing and delivering this Letter Agreement in the presence of the other Parties. No party hereto shall be bound until such time as all of the parties hereto have executed counterparts of this Letter Agreement.

Section 1.8 Application of Certain Provisions. Section 1.2 of the UPCA, Section 14.2 and Section 14.4 of the UPCA shall apply *mutatis mutandis* to this Letter Agreement.

[*signature page follows.*]

Very truly yours,

EXCO RESOURCES, INC.

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President and General Counsel

EXCO OPERATING COMPANY, LP
By: EXCO Partners OLP GP, LLC, its general partner

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President and General Counsel

Acknowledged and agreed, as of the date set forth above:

EXCO/HGI JV ASSETS, LLC

By: /s/ R. L. Hodges
Name: R. L. Hodges
Title: Vice President - Land

EXCO/HGI GP, LLC

By: /s/ R. L. Hodges
Name: R. L. Hodges
Title: Vice President - Land

EXCO/HGI PRODUCTION PARTNERS, LP
By: EXCO/HGI GP, LLC, its general partner

By: /s/ R. L. Hodges
Name: R. L. Hodges
Title: Vice President - Land

EXHIBIT 10.1

Execution Version

AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

EXCO/HGI PRODUCTION PARTNERS, LP

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AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP OF EXCO/HGI PRODUCTION PARTNERS, LP

This AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF EXCO/HGI PRODUCTION PARTNERS, LP, a Delaware limited partnership (the "***Partnership***"), effective as of February 14, 2013, is entered into by and among EXCO/HGI GP, LLC, a Delaware limited liability company, as the General Partner, EXCO Holding MLP, Inc., a Texas corporation ("***EXCO Holding***"), as an Initial Limited Partner and in its capacity as the Organizational Limited Partner, and HGI ENERGY HOLDINGS, LLC, a Delaware limited liability company ("***HGI Energy***"), as an Initial Limited Partner, together with any other Persons who become Partners in the Partnership or parties hereto as provided herein. Unless the context otherwise requires, capitalized terms shall have the respective meanings ascribed to them in Article I.

R E C I T A L S

WHEREAS, the Partnership was formed as a limited partnership under the Delaware Act, pursuant to the Certificate of Limited Partnership filed with the Secretary of State of the State of Delaware (the "***Secretary of State***") on January 9, 2013;

WHEREAS, prior to the Closing Date, the Partnership was governed by the Agreement of Limited Partnership of the Partnership, dated January 4, 2013 (the "***Original Partnership Agreement***"), entered into by the General Partner and the Organizational Limited Partner; and

WHEREAS, the parties desire that the Original Partnership Agreement be amended and restated in its entirety by this Agreement and the Partnership be governed by the Delaware Act and this Agreement.

A G R E E M E N T

NOW, THEREFORE, in consideration of the promises and the covenants hereinafter contained and to induce the parties hereto to enter into this Agreement, it is agreed as followed:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"***100% Affiliate***" means (a) with respect to any Person, another Person that has beneficial ownership of all of the outstanding Equity Interests of such first Person, has all of its outstanding Equity Interests beneficially owned by such first Person or has all of its outstanding Equity Interests beneficially owned by the same Person who has beneficial ownership of all of the outstanding Equity Interests of such first Person (including for these purposes where the relevant outstanding Equity Interests are held through a chain of ownership in which each Person

owns all of the outstanding Equity Interests the next relevant Person) or (b) with respect to any investment fund or similar vehicle, a Person who Controls, is Controlled by, or is under common Control with, such investment fund or similar vehicle.

"***Accredited Investor***" is defined in Section 10.4(h).

"***Additional Units***" is defined in Section 5.2(b).

"***Adjusted Capital Account***" means the Capital Account maintained for each Partner as of the end of each taxable period of the Partnership, (a) increased by any amounts that such Partner is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5)) and (b) decreased by (i) the amount of all losses and deductions that, as of the end of such taxable period, are reasonably expected to be allocated to such Partner in subsequent taxable periods under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such taxable period, are reasonably expected to be made to such Partner in subsequent taxable periods in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Partner's Capital Account that are reasonably expected to occur during (or prior to) the taxable period in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 6.1(d)(i) or Section 6.1(d)(ii)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The "Adjusted Capital Account" of a Partner in respect of any Partnership Interest shall be the amount that such Adjusted Capital Account would be if such Partnership Interest were the only interest in the Partnership held by such Partner from and after the date on which such Partnership Interest was first issued.

"***Adjusted Property***" means any property the Carrying Value of which has been adjusted pursuant to Section 5.5(d).

"***Administrative Services Agreement***" means the Administrative Services Agreement, dated as of the date hereof, by and among the Operating Company, Vernon Gathering, the General Partner, the Partnership and EXCO.

"***Affiliate***" means any Person that is a Subsidiary of, or directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, the Person in question; *provided*, that notwithstanding the foregoing, (i) each Partner and its Affiliates will be deemed not to be Affiliates of the Partnership or any of its Subsidiaries and (ii) each Partner and its Affiliates will be deemed not to be an Affiliate of any other Partner or its Affiliates unless there is a basis for such Affiliation independent of such Partners' respective ownership or Control of the Partnership.

"***Affiliate Transfer***" means a Transfer by a Limited Partner of Limited Partner Interests to a 100% Affiliate of such Limited Partner that remains a 100% Affiliate of the Transferor at all times following such Transfer; it being understood and agreed that if and when such 100% Affiliate ceases to be a 100% Affiliate of such Limited Partner, it will be deemed to

be a new Transfer of the Limited Partner Interests held by such 100% Affiliate, which would be subject to Section 4.5(c).

"***Agreed Allocation***" means any allocation, other than a Required Allocation, of an item of income, gain, loss or deduction pursuant to the provisions of Section 6.1, including a Curative Allocation (if appropriate to the context in which the term "Agreed Allocation" is used).

"***Agreed Value***" of any Contributed Property means the Fair Market Value of such property at the time of contribution and in the case of an Adjusted Property, the Fair Market Value of such Adjusted Property on the date of the revaluation event as described in Section 5.5(d).

"***Agreement***" means this Amended and Restated Agreement of Limited Partnership of EXCO/HGI Production Partners, LP, as executed and as it may be amended, modified, supplemented or restated from time to time, as the context requires.

"***Amended Drag-Along Notice***" is defined in Section 4.9(c).

"***Annual Plan***" means the annual operating budget and business plan, which shall include hedging plans, on a quarterly basis established by the General Partner for the Partnership Group, including the "Annual Plan" and the "Interim Annual Plan," as such terms are defined in Section 5.8 of the GP LLC Agreement.

"***Available Cash***" means, as of the date of determination with respect to any cash distribution to be made to the Partners prior to the Liquidation Date, the following, without duplication:

(a) the sum of (i) all cash and cash equivalents of the Partnership Group (or the Partnership's proportionate share of cash and cash equivalents in the case of Subsidiaries that are not wholly owned) on hand at the end of such Quarter (and, in the case of cash held at Subsidiaries, distributable to the Partnership) collected or received from all sources (other than Capital Contributions) and (ii) all cash and cash equivalents on hand on the date of determination of Available Cash resulting from cash distributions received after the end of such Quarter from any Group Member's equity interest in any Person (other than a Subsidiary), which distributions are paid by such Person in respect of operations conducted by such Person during such Quarter, less;

(b) the amount of any cash reserves (or the Partnership's proportionate share of cash reserves in the case of Subsidiaries that are not wholly owned) established by the General Partner to (i) provide for the proper conduct of the business, and the satisfaction of anticipated obligations, of the Partnership Group (including reserves for future Budgeted Capital Expenditures and any other maintenance capital expenditures and for anticipated future credit needs of the Partnership Group) subsequent to such Quarter, or (ii) comply with applicable Law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which any Group Member is a party or by which it is bound or its assets are subject, or (iii) provide funds for distributions under Section 6.3 in respect of any one or more of the next four Quarters;

provided, that disbursements made by a Group Member or cash reserves established, increased or reduced after the end of any such Quarter but on or before the date of determination of Available Cash with respect to such Quarter shall be deemed to have been made, established, increased or reduced, for purposes of determining Available Cash, within such Quarter if the General Partner so determines.

"***BG***" means BG US Production Company, LLC, a Delaware limited liability company, and its Affiliates.

"***Board***" means the board of directors of the General Partner.

"***Bona Fide Pledge***" is defined in Section 4.5(c).

"***Book Fiscal Year***" is defined in Section 8.2.

"***Book-Tax Disparity***" means with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for U.S. federal income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Section 5.5 and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained strictly in accordance with U.S. federal income tax accounting principles.

"***Budgeted Capital Expenditures***" means, as of the date of any determination, the capital expenditures approved pursuant to the then applicable Annual Plan that are reasonably required to maintain the then current production level over the long term of the Partnership Group's oil and natural gas properties or to maintain the then current operating capacity of the Partnership Group's other capital assets, including capital expenditures to bring nonproducing reserves into production (such as drilling and completion costs, enhanced recovery costs and other construction costs, costs to acquire reserves that replace the reserves that the Partnership Group expects to produce in the future, well plugging and abandonment costs and site restoration and similar costs).

"***Business Day***" means a day other than a Saturday, Sunday or other day on which banks in the State of New York or Texas are required or authorized to close.

"***Call Notice***" is defined in Section 5.9(a).

"***Capital Account***" means the capital account maintained for a Partner pursuant to Section 5.5. The "Capital Account" of a Partner in respect of any Partnership Interest shall be the amount that such Capital Account would be if such Partnership Interest were the only interest in the Partnership held by such Partner from and after the date on which such Partnership Interest was first issued.

"***Capital Amount***" means, as of any date of determination and with respect to each Unit, an amount equal the sum of (x) the Initial Unit Price plus (y) the aggregate amount of Capital Contributions made in respect of such Unit following the date hereof and prior to such

date of determination, as appropriately adjusted for any distribution, subdivision or combination of Units.

"***Capital Contribution***" means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Partner contributes to the Partnership or that is contributed or deemed contributed to the Partnership on behalf of a Partner (including, in the case of an underwritten primary offering of Units, the amount of any underwriting discounts or commissions).

"***Capital Contribution Event***" is defined in Section 5.9(a).

"***Capital Stock***" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"***Capital Transaction***" means any transaction or series of transactions involving the sale of any capital assets of the Partnership or any of its Subsidiaries that is outside the ordinary course of business, whether structured as a sale of assets, sale of Equity Interests, or otherwise.

"***Carrying Value***" means (a) with respect to a Contributed Property or an Adjusted Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions charged to the Partners' Capital Accounts in respect of such property, and (b) with respect to any other Partnership property, the adjusted basis of such property for U.S. federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Section 5.5(d) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the General Partner.

"***Certificate***" is defined in Section 4.1(a).

"***Certificate of Limited Partnership***" means the Certificate of Limited Partnership of the Partnership filed with the Secretary of State of the State of Delaware as referenced in Section 7.3, as such Certificate of Limited Partnership may be amended, supplemented or restated from time to time.

"***Change of Control***" means, with respect to EXCO, a Change of Control of EXCO, with respect to Harbinger, a Change of Control of Harbinger, and with respect to any other Person, the direct or indirect (a) sale of all or substantially all of such Person's assets in one transaction or series of related transactions, (b) a merger, consolidation, refinancing or recapitalization as a result of which the holders of such Person's issued and outstanding Voting Stock immediately before such transaction own or Control less than 50% of the Voting Stock of the continuing or surviving entity immediately after such transaction and/or (c) acquisition (in one or more transactions) by any Person or Persons acting together or constituting a "group" under Section 13(d) of the Exchange Act together with any Affiliates thereof (other than equity holders of such Person as of the date hereof and their respective Affiliates) of beneficial

ownership (as defined in Rule 13d-3 under the Exchange Act) or Control, directly or indirectly, of at least 50% of the total voting power of all classes of securities entitled to vote generally in the election of such Person's board of directors or similar governing body.

"***Change of Control of EXCO***" means the occurrence of any of the following events:

(1) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (including, for the avoidance of doubt, any "group"), is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (1) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of EXCO;

(2) individuals who on the Closing Date constituted the board of directors of EXCO (together with any new directors whose election by such board of directors of EXCO or whose nomination for election by the shareholders of EXCO was approved by a vote of a majority of the directors of EXCO then still in office who were either directors on the Closing Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of EXCO then in office;

(3) the adoption of a plan relating to the liquidation or dissolution of EXCO; or

(4) the merger or consolidation of EXCO with or into another Person or the merger of another Person with or into EXCO, or the sale of all or substantially all the assets of EXCO (determined on a consolidated basis) to another Person other than a transaction following which (i) in the case of a merger or consolidation transaction, holders of securities that represented 100% of the Voting Stock of EXCO immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and (ii) in the case of a sale of assets transaction, each Transferee becomes a Subsidiary of the Transferor of such assets.

Notwithstanding the foregoing, a Change of Control of EXCO shall not occur solely as a result of EXCO undergoing a management-led buyout of the public share ownership of such party resulting in the conversion of EXCO to a privately-held company, *provided*, that following such management-led buyout, (i) Doug Miller is, and remains for a period of not less than 12 months (or, in the case of a management-led buyout that is not sponsored by a financial buyer, 24 months), chief executive officer or executive chairman of the board of directors of EXCO or the surviving company and (ii) EXCO or the surviving company shall have the operational capability at all times during the ninety (90) days following a Change of Control of EXCO to conduct activities as a reasonably prudent operator, in a good and workmanlike manner, with due diligence and dispatch in accordance with good oilfield practice.

"***Change of Control of Harbinger***" means the occurrence of any of the following events:

(1) (x) the failure of Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., Global Opportunities Breakaway Ltd., Harbinger Holdings, LLC and/or Harbinger Capital Partners LLC (collectively, "***HCP***") or any of their affiliates or any other Person, investment fund, managed account or special purpose entity which is directly or indirectly controlled or managed by, or is under common control with, or controls, HCP and/or each of its affiliates and/or subsidiaries, or any successor thereto, or is otherwise controlled or managed, directly or indirectly, by Philip A. Falcone (collectively, "***HCP Holders***") to own 20% or greater of the outstanding Voting Stock of Harbinger or any successor thereto, and (y) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (including, for the avoidance of doubt, any "group") acquires an aggregate interest in Harbinger, greater than the aggregate interest held by HCP Holders; or

(2) the adoption of a plan relating to the liquidation or dissolution of Harbinger.

"***Claims***" means any pending or threatened claims, investigations or inquiries by any Governmental Authority or third party that may reasonably be expected to result in any dispute, litigation or liability.

"***Closing Date***" means the date of this Agreement.

"***Code***" means the Internal Revenue Code of 1986, as amended from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

"***Commission***" means the United States Securities and Exchange Commission.

"***Common Unit***" means a Partnership Interest representing a fractional part of the Partnership Interests of all Limited Partners and having the rights and obligations specified with respect to Common Units in this Agreement, or any similar equity interests in the IPO Issuer issued in connection with the Initial Public Offering which equity interests entitle the holder(s) thereof to quarterly cash distributions of the IPO Issuer.

"***Confidential Information***" means information disclosed to a Partner or known by a Partner as a consequence of or through his or its relationship with the Partnership and its Subsidiaries (including information relating to the customers, employees, business methods, public relations methods, organization, procedures and techniques or finances of the Partnership and its Subsidiaries) and including in the case of any EXCO Partner, any information disclosed to or known by such EXCO Partner or any of its Affiliates as a consequence of or through its or its Affiliates' relationship with the Partnership or its Subsidiaries (or any of their respective businesses or assets) prior to the Closing Date. Notwithstanding the foregoing, information will not constitute Confidential Information for the purpose of this Agreement if such information is shown by a Partner to have been (a) in the possession of such Partner (or any of its Affiliates) at the time of its disclosure or becoming known as a consequence of or through his or its relationship with the Partnership and its Subsidiaries as provided in the preceding sentence,

independent of such relationship, (b) in the public domain or otherwise generally known to the industry (either prior to or after the furnishing of such information hereunder) through no fault of such Partner (or any of its Affiliates) or (c) later acquired by such Partner from another source not Affiliated with such Partner if such source is not under an obligation to another party, including the Partnership, to keep such information confidential.

"***Contributed Property***" means each property, in such form as may be permitted by the Delaware Act, but excluding cash, contributed to the Partnership. Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 5.5(d), such property shall no longer constitute a Contributed Property, but shall be deemed an Adjusted Property.

"***Contribution Agreement***" means that Unit Purchase and Contribution Agreement, dated as of November 5, 2012, by and among EXCO, EOC, the Operating Company and HGI Energy, as the same may be amended, revised, supplemented or otherwise modified from time to time.

"***Control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of Voting Stock, by contract or otherwise.

"***Curative Allocation***" means any allocation of an item of income, gain, deduction, loss or credit pursuant to the provisions of Section 6.1(d)(ix).

"***Default Interest Amount***" is defined in Section 5.10(c).

"***Default Interest Rate***" means the lesser of (a) eight percent (8%) per annum and (b) the maximum rate of interest permitted by applicable Law.

"***Delaware Act***" means the Delaware Revised Uniform Limited Partnership Act, 6 Del C. Section 17-101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

"***Delinquent Partner***" is defined in Section 5.10(a).

"***Departing General Partner***" means a former General Partner from and after the effective date of any withdrawal or removal of such former General Partner pursuant to Section 11.1 or Section 11.2.

"***Depletable Property***" means an oil and gas property (as defined in Section 614 of the Code).

"***Derivative Instruments***" means options, rights, warrants, appreciation rights, tracking, profit and phantom interests and other derivative instruments relating to, convertible into or exchangeable for Partnership Interests.

"***Dilution Percentage***" means 11%.

"***Distribution Period***" means, with respect to any Quarter, the period beginning on the first day of the Book Fiscal Year including such Quarter and ending on the last day of such Quarter.

"***Drag-Along Investor Group***" means any Investor Group that is seeking to exercise Drag-Along Rights in accordance with Section 4.9.

"***Drag-Along Notice***" is defined in Section 4.9(c).

"***Drag-Along Right***" is defined in Section 4.9(a).

"***Drag-Along Sale***" is defined in Section 4.9(a)(i).

"***Drag-Along Transferee***" is defined in Section 4.9(a).

"***Economic Interest***" means a Person's right to share in the Net Income, Net Loss or similar items of, and to receive distributions from, the Partnership, but does not include any other rights of a Partner including the right to vote, consent or otherwise participate in the management of the Partnership or, except as specifically provided in this Agreement or required under the Delaware Act, any right to information concerning the business and affairs of the Partnership.

"***Economic Risk of Loss***" has the meaning set forth in Treasury Regulation Section 1.752-2(a).

"***EOC***" means EXCO Operating Company, LP, a Delaware limited partnership.

"***Equity Interests***" means all shares, participations, capital stock, partnership or limited liability company interests, units, participations or similar equity interests issued by any Person, however designated.

"***Event of Withdrawal***" is defined in Section 11.1(a).

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

"***EXCO***" means EXCO Resources, Inc., a Texas corporation.

"***EXCO Group***" means the EXCO Partner and its Affiliates, other than the General Partner, the Partnership and their respective Subsidiaries.

"***EXCO Holding***" is defined in the preamble.

"***EXCO Partner***" means EXCO Holding, together with its Permitted Transferees that hold Limited Partner Interests.

"***Fair Market Value***" means with respect to any assets, the fair market value of such assets on an arm's length basis between a willing buyer and willing seller, as agreed to by (i) each Investor Group, or (ii) if either the EXCO Group or Harbinger Group no longer owns at least 20% of the limited liability company membership interests in the General Partner, by the

Board. If the Investor Groups are unable to agree on such a determination of fair market value, or if any Limited Partner or group of Limited Partners holding at least 20% of the limited liability company membership interests in the General Partner objects to such determination by the Board, each of the Investor Groups or the Board and the objecting Limited Partner or group of Limited Partners, as applicable, will use their commercially reasonable efforts to agree on the selection of one Valuation Firm to complete, within 21 days of selection, a determination of such fair market value. If the Investor Groups or the Board and the objecting Limited Partner or group of Limited Partners, as applicable, are unable to agree on the selection of one Valuation Firm, then each of the Investor Groups or the Board, as applicable, will select one Valuation Firm to complete, within 21 days of selection, a determination of fair market value, and such two valuations will be delivered to such Investor Groups or the objecting Limited Partner or group of Limited Partners, as applicable, and the Partnership at the same time. If the higher of the resulting valuations as determined by the Valuation Firms in the preceding sentence is not more than 20% greater than the lower of such resulting valuations, then such fair market value shall equal the average of the two valuations, and if such valuations are more than 20% apart as determined by the preceding sentence, then a third Valuation Firm will be selected by the first two Valuation Firms to come up with its own valuation on the basis described above (within a corresponding 21-day deadline), and such fair market value will be the average of the two of the three valuations that are the closest in value (on a dollar basis). The determination of "Fair Market Value" in accordance with this definition shall be final and binding on the Limited Partners.

"***First Refusal Interests***" is defined in Section 4.6(b).

"***First Refusal Notice***" is defined in Section 4.6(c).

"***First Refusal Notice Deadline***" is defined in Section 4.6(c).

"***First Refusal Period***" is defined in Section 4.6(b).

"***Foreclosure***" is defined in Section 4.5(c).

"***GAAP***" means the United States generally accepted accounting principles.

"***Gas Marketing Agreement***" means that certain Marketing Agreement, dated as of the Closing Date, by and between EOC and the Operating Company.

"***General Partner***" means EXCO/HGI GP, LLC, a Delaware limited liability company, and its successors and permitted assigns that are admitted to the Partnership as general partner of the Partnership, in their capacities as general partner of the Partnership (except as the context otherwise requires).

"***General Partner Interest***" means the management and ownership interest of the General Partner in the Partnership (in its capacity as a general partner and without reference to any Limited Partner Interest held by it), which is evidenced in part by Notional General Partner Units and includes any and all rights, powers and benefits to which the General Partner is entitled as provided in this Agreement, together with all obligations of the General Partner to comply with the terms and provisions of this Agreement.

"***Governmental Authority***" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States of America, the United States of America or a foreign entity or government.

"***GP LLC Agreement***" means that certain Amended and Restated Limited Liability Company Agreement of the General Partner, dated as of the Closing Date, by and between EXCO Holding and HGI Energy, as amended from time to time.

"***Gross Liability Value***" means, with respect to any Liability of the Partnership described in Treasury Regulation Section 1.752-7(b)(3)(i), the amount of cash that a willing assignor would pay to a willing assignee to assume such Liability in an arm's-length transaction.

"***Group***" has the meaning set forth in Section 13(d)(3) of the Exchange Act.

"***Group Member***" means a member of the Partnership Group.

"***Group Member Agreement***" means the partnership agreement of any Group Member, other than the Partnership, that is a limited or general partnership, the limited liability company agreement of any Group Member that is a limited liability company, the certificate of incorporation and bylaws or similar organizational documents of any Group Member that is a corporation, the joint venture agreement or similar governing document of any Group Member that is a joint venture and the governing or organizational or similar documents of any other Group Member that is a Person other than a limited or general partnership, limited liability company, corporation or joint venture, as such may be amended, supplemented or restated from time to time.

"***Harbinger***" means Harbinger Group Inc., a Delaware corporation.

"***Harbinger Director***" means any director designated to the Board by the Harbinger Group pursuant to the GP LLC Agreement.

"***Harbinger Group***" means the Harbinger Partner and its Affiliates, other than the General Partner, the Partnership and their respective Subsidiaries.

"***Harbinger Partner***" means HGI Energy, together with its Permitted Transferees that hold Limited Partner Interests.

"***HGI Energy***" is defined in the preamble.

"***Hydrocarbons***" means oil and gas and other hydrocarbons produced or processed in association therewith (whether or not any such item is in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

"***Incapacity***" means with respect to any Person, the bankruptcy, liquidation, dissolution or termination of such Person.

"***Incentive Distribution Right***" means a Limited Partner Interest having the rights and obligations specified with respect to "Incentive Distribution Rights" in this Agreement, or any similar equity interest in the IPO Issuer issued in connection with the Initial Public Offering, which equity interest entitles the holder(s) thereof to an increasing percentage of cash distributions of the IPO Issuer as per unit distributions increase.

"***Incentive Distributions***" means any amount of cash distributed to the holders of the Incentive Distribution Rights pursuant to Section 6.3(a).

"***Indemnitee***" means (a) any General Partner, (b) any Departing General Partner, (c) any Person who is or was an Affiliate of the General Partner or any Departing General Partner, (d) any Person who is or was a manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of any Group Member, a General Partner, any Departing General Partner or any of their respective Affiliates, (e) any Person who is or was serving at the request of a General Partner, any Departing General Partner or any of their respective Affiliates as an officer, director, manager, managing member, general partner, employee, agent, fiduciary or trustee of another Person owing a fiduciary or similar duty to any Group Member; *provided* that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services, (f) any Person who Controls a General Partner or Departing General Partner and (g) any Person the General Partner designates as an "Indemnitee" for purposes of this Agreement because such Person's service, status or relationship exposes such Person to potential Claims, demands, actions, suits or proceedings relating to the Partnership Group's business and affairs.

"***Indemnitee-Related Entities***" is defined in Section 7.13(a).

"***Initial Limited Partners***" means the Investors, upon being admitted to the Partnership in accordance with Section 10.1 and the General Partner (solely with respect to the Incentive Distribution Rights issued to the General Partner pursuant to Section 5.2(a)).

"***Initial Public Offering***" means any underwritten initial public offering by the IPO Issuer of Common Units pursuant to an effective registration statement under the Securities Act and pursuant to which the Common Units will be listed on a National Securities Exchange and the aggregate net proceeds to the IPO Issuer (after deducting underwriting discounts and commissions) is at least 20% of the total then-outstanding Equity Interests in the Partnership or any successor hereto; *provided*, that an Initial Public Offering shall not include an offering made in connection with a business acquisition or combination pursuant to a registration statement on Form S-4 or any similar form, or an employee benefit plan pursuant to a registration statement on Form S-8 or any similar form.

"***Initial Unit Price***" means with respect to the Common Units, the Specified Amount per Unit, as appropriately adjusted for any distribution, subdivision or combination of Common Units.

"***Initiating Holder***" is defined in Section 4.7(a).

"***Investor Group***" means, as the context requires, either the EXCO Group or the Harbinger Group, and "***Investor Groups***" means both the EXCO Group and the Harbinger Group.

"***Investor***" means, as the context requires, either the EXCO Partner or the Harbinger Partner, and "***Investors***" means both the EXCO Partner and the Harbinger Partner.

"***IPO Issuer***" means (i) the Partnership or (ii) an Affiliate of the Partnership or a Subsidiary of the Partnership that will be a successor to the Partnership and the issuer in an Initial Public Offering.

"***Laws***" means all federal, state and local statutes, laws (including common law and the Delaware Act), rules, regulations, codes, orders, ordinances, licenses, writs, injunctions, judgments, awards (including awards of any arbitrator) and decrees and other legally enforceable requirements enacted, adopted, issued or promulgated by any Governmental Authority.

"***Lender***" is defined in Section 4.5(c)

"***Liability***" means any liability or obligation of any nature, whether accrued, contingent or otherwise.

"***Limited Partner***" means, unless the context otherwise requires, each Initial Limited Partner, each additional Person that becomes a Limited Partner pursuant to the terms of this Agreement and any Departing General Partner upon the change of its status from General Partner to Limited Partner pursuant to Section 11.3, in each case, in such Person's capacity as a limited partner of the Partnership; *provided, however,* that when the term "*Limited Partner*" is used herein in the context of any vote or other approval, including Article XIII and Article XIV, such term shall not, solely for such purpose, include any holder of Incentive Distribution Rights (solely with respect to its Incentive Distribution Rights and not with respect to any other Limited Partner Interest held by such Person) except as may be required by Law.

"***Limited Partner Interest***" means the ownership interest of a Limited Partner in the Partnership, which may be evidenced by Common Units, Incentive Distribution Rights or other Partnership Interests or a combination thereof or interest therein, and includes any and all benefits to which such Limited Partner is entitled as provided in this Agreement, together with all obligations of such Limited Partner to comply with the terms and provisions of this Agreement.

"***Liquidation Date***" means (a) in the case of an event giving rise to the dissolution of the Partnership of the type described in clauses (a) and (b) of the first sentence of Section 12.2, the date on which the applicable time period during which the holders of Outstanding Units have the right to elect to continue the business of the Partnership has expired without such an election being made, and (b) in the case of any other event giving rise to the dissolution of the Partnership, the date on which such event occurs.

"***Liquidator***" means one or more Persons selected pursuant to Section 12.3 to perform the functions described in Section 12.4 as liquidating trustee of the Partnership within the meaning of the Delaware Act.

"***Loss***" is defined in Section 7.7.

"***Make-Up Contribution***" is defined in Section 5.10(c).

"***Merger Agreement***" is defined in Section 14.1.

"***National Securities Exchange***" means an exchange registered with the Commission under Section 6(a) of the Exchange Act (or any successor to such section).

"***NDM Amount***" is defined in Section 5.10(b).

"***NDM Capital Account***" is defined in Section 5.10(b)(ii).

"***NDM Interest***" is defined in Section 5.10(b)(ii).

"***Net Agreed Value***" means, (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any Liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed and (b) in the case of any property distributed to a Partner by the Partnership, the Partnership's Carrying Value of such property (as adjusted pursuant to Section 5.5(d)(ii)) at the time such property is distributed, reduced by any Liabilities either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution.

"***Net Cash Proceeds***" from a Capital Transaction means cash payments received therefrom, including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and cash proceeds from the sale or other disposition of any non-cash consideration received as consideration, but only as and when received as cash, but excluding any other consideration received in the form of assumption by the acquiring Person of indebtedness or other obligations relating to such properties, in each case net of (without duplication):

(a) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, including without limitation, all attorneys' fees, accountants' fees, advisors' or other consultants' fees and other fees actually incurred in connection therewith, and all federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Capital Transaction;

(b) all payments made on any indebtedness which is secured by any assets subject to such Capital Transaction, in accordance with the terms of any lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Capital Transaction, or by applicable Law, be repaid out of the proceeds from such Capital Transaction;

(c) all distributions and other payments required to be made to minority interest holders in Subsidiaries of the Partnership as a result of such Capital Transaction;

(d) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets

disposed in such Capital Transaction and retained by the Partnership or any of its Subsidiaries after such Capital Transaction; and

(e) any portion of the purchase price from an Capital Transaction placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Capital Transaction or otherwise in connection with that Capital Transaction; *provided, however*, that upon the termination of that escrow, Net Cash Proceeds will be increased by any portion of funds in the escrow that are released to the Partnership or any of its Subsidiaries.

"***Net Income***" and "***Net Loss***" mean, for each Tax Fiscal Year or other relevant period, an amount equal to the Partnership's taxable income or loss for such Tax Fiscal Year or relevant period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Code Section 705(a)(2)(B), or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition shall be subtracted from such taxable income or loss;

(c) If the Gross Asset Value of any Partnership asset is adjusted pursuant to clause (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account in the taxable year of such adjustment as gain (if the adjustment increases the Gross Asset Value of the asset) or loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) Gain or loss resulting from any disposition of Partnership assets (other than a Depletable Property) with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Partnership assets disposed of, notwithstanding that the adjusted tax basis of such Partnership assets differs from its Gross Asset Value;

(e) Gain or loss resulting from any disposition of a Depletable Property with respect to which gain or loss is recognized for federal income tax purposes shall be treated as being equal to the corresponding Simulated Gain or Simulated Loss;

(f) In lieu of the deduction for depreciation, cost recovery, or amortization taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Tax Fiscal Year;

(g) To the extent an adjustment to the adjusted tax basis of any asset included in Partnership assets pursuant to Code Section 734(b) or Section 743(b) is required

pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's Units, the amount of such adjustment will be treated as an item of gain (if the adjustment includes the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Net Income and Net Loss; and

(h) Notwithstanding any other provision of this definition, any items of Partnership income, gain, loss or deduction that are specially allocated pursuant to Section 6.1(d) shall not be taken into account in computing Net Income or Net Loss.

The amount of the items of Partnership income, gain, loss or deduction available to be specially allocated pursuant to Section 6.1(d) shall be determined pursuant to rules analogous to those set forth in this definition.

"***Net Termination Gain***" means, for any taxable year, the sum, if positive, of all items of income, gain, loss or deduction recognized by the Partnership (i) after the Liquidation Date and (ii) upon the sale, exchange or other disposition of all or substantially all of the assets of the Partnership in a single transaction or a series of related transactions. The items included in the determination of Net Termination Gain shall be determined in accordance with Section 5.5(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(d).

"***Net Termination Loss***" means, for any taxable year, the sum, if negative, of all items of income, gain, loss or deduction recognized by the Partnership (i) after the Liquidation Date and (ii) upon the sale, exchange or other disposition of all or substantially all of the assets of the Partnership in a single transaction or a series of related transactions. The items included in the determination of Net Termination Gain shall be determined in accordance with Section 5.5(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(d).

"***New Interests***" means Additional Units and Derivative Instruments issued or to be issued by the Partnership after the Closing Date; *provided*, that the term "New Interests" shall not include Additional Units or Derivative Instruments (to the extent approved by the General Partner, as applicable) issued or to be issued (i) in connection with any merger, consolidation, acquisition or any similar transaction; (ii) in connection with any reorganization or recapitalization, in each case, in which such Additional Units or Derivative Instruments are issued for or in respect of previously outstanding Units and the Percentage Interests of holders of such Additional Units issued upon completion of the transaction is the same as the Percentage Interests of such holders of previously outstanding Units prior to the completion of the transaction; (iii) to the selling Persons in connection with the acquisition by the Partnership of a Person or other assets; *provided*, that such Units or other equity securities are issued as consideration for such acquisition (including issuances to management of such Person in connection with such acquisition); (iv) in any underwritten public offering registered under the Securities Act pursuant to an effective registration statement; (v) as compensation to employees, officers or consultants of the General Partner, the Partnership or any Subsidiary; or (vi) to any unaffiliated debt holders of the Partnership in connection with financing transactions in which the Units or other equity securities issued do not exceed five percent (5%) of the aggregate Units

held by all Partners; *provided*, that any such transaction described in the foregoing clauses (i) through (vi) is approved in accordance with this Agreement.

"***New Interests Notice***" is defined in Section 4.8(c).

"***Non-Subscribing Member***" is defined in Section 4.8(e).

"***Non-Transferable Provisions***" is defined in Section 4.5(e).

"***Nonrecourse Built-in Gain***" means with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Partners pursuant to Section 6.2(a) if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"***Nonrecourse Deductions***" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(b), are attributable to a Nonrecourse Liability.

"***Nonrecourse Liability***" has the meaning set forth in Treasury Regulation Section 1.752-1(a)(2).

"***Notional General Partner Unit***" means a notional unit used solely to calculate the General Partner's Percentage Interest. Notional General Partner Units shall not constitute "Units" for any other purpose of this Agreement. There shall initially be 1,000,000 Notional General Partner Units (resulting in the General Partner's Percentage Interest being 2%). If the General Partner makes additional Capital Contributions pursuant to Section 5.2(b) to maintain its Percentage Interest, the number of Notional General Partner Units shall be increased proportionally to reflect the maintenance of such Percentage Interest.

"***Oil and Gas Properties***" means all or any of the following:

(a) oil, gas and/or mineral leases, subleases, fee interests, fee mineral interests, mineral servitudes, royalties, overriding royalties, production payments, net profits interests, carried interests, reversionary interests and other interests in oil, gas and/or minerals in place (collectively, "***Oil and Gas Interests***"), the leasehold estates created by Oil and Gas Interests, lands covered by Oil and Gas Interests ("***Lands***"), and interests in any pooled acreage, communitized acreage or units arising on account of Oil and Gas Interests or Lands pooled, communitized or unitized into such units ("***O&G Units***");

(b) oil and gas wells and injection wells located on Oil and Gas Interests, Lands or Units ("***Wells***"), and all Hydrocarbons produced therefrom or allocated thereto (Oil and Gas Interests, Lands, O&G Units and Wells being collectively referred to hereinafter as "***Properties***");

(c) equipment, machinery, fixtures, and other real, immovable, personal, movable and mixed property primarily used or held for use in connection with Properties,

including saltwater disposal wells, water sourcing and disposal facilities and systems, well equipment, casing, rods, tanks, boilers, buildings, tubing, pumps, motors, fixtures, machinery, compression equipment, flow lines, and separation facilities, structures, materials, and other items used or held for use in the operation thereof and located upstream of the outlet flange of the relevant custody transfer meter (or, in the case of Hydrocarbon liquids, upstream of the outlet flange in the tanks);

(d) surface fee interests, surface leases, easements, rights-of-way, permits, licenses, servitudes, and other surface rights relating to the Properties;

(e) water withdrawal and disposal and other permits, licenses, orders, approvals, variances, waivers, franchises, rights and other authorizations issued by any Governmental Authority relating to the Properties;

(f) contracts primarily relating to any of the other items identified in this definition;

(g) files, records, maps, information, and data, whether written or electronically stored, relating to any of the other items identified in this definition, including: (i) land and title records (including abstracts of title, title opinions, and title curative documents); (ii) contract files; (iii) correspondence; (iv) operations, environmental, production, and accounting records and (v) production, facility and well records and data (including logs and cores);

(h) geophysical and other seismic and related technical data and information relating to the Properties; and/or

(i) rights, Claims and causes of action to the extent, and only to the extent, that such rights, Claims or causes of action are associated with other items identified in this definition.

"***Operating Agreements***" means the EXCO Parent Operating Agreement, dated as of the Closing Date, by and between EXCO and the Operating Company, and the EOC Operating Agreement, dated as of the Closing Date, between EOC and the Operating Company.

"***Operating Company***" means EXCO/HGI JV Assets, LLC, a Delaware limited liability company.

"***Opinion of Counsel***" means a written opinion of counsel (who may be regular counsel to the Partnership or the General Partner or any of its Affiliates) acceptable to the General Partner.

"***Organizational Limited Partner***" means EXCO Holding, in its capacity as the organizational limited partner of the Partnership pursuant to this Agreement.

"***Original Partnership Agreement***" is defined in the recitals.

"***Other Indemnification Agreement***" means one or more certificates or articles of incorporation, by-laws, limited liability company operating agreement, limited partnership agreement and any other organizational document, and insurance policies maintained by the General Partner, director of the Board or Affiliate thereof providing for, among other things, indemnification of and advancement of expenses for any Indemnitee for, among other things, the same matters that are subject to indemnification and advancement of expenses under this Agreement.

"***Outstanding***" means, with respect to Partnership Interests, all Partnership Interests that are issued by the Partnership and reflected as outstanding on the Partnership's books and records as of the date of determination.

"***Participating Holder***" is defined in Section 4.7(i)(i).

"***Partner Nonrecourse Debt***" has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

"***Partner Nonrecourse Debt Minimum Gain***" has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2).

"***Partner Nonrecourse Deductions***" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(i), are attributable to a Partner Nonrecourse Debt.

"***Partners***" means the General Partner and the Limited Partners.

"***Partnership***" is defined in the preamble.

"***Partnership Appropriate Oil and Gas Properties***" means any of the following: (a) the interests of BG in any of the Oil and Gas Properties located in East Texas and North Louisiana that were contributed to the Partnership or its Subsidiaries pursuant to the Contribution Agreement (to the extent covering the same depths and underlying assets) and/or (b) Oil and Gas Properties meeting all of the following criteria: (i) such Oil and Gas Properties are located onshore in the United States of America, (ii) the proved developed reserves of such Oil and Gas Properties comprise at least 65% of proved reserves and have a projected decline rate of 12.5% or less on an annualized basis in the three calendar years post-acquisition, (iii) undeveloped acreage contributes less than 30% of the value of such Oil and Gas Properties, (iv) substantially all of the future development opportunities on such Oil and Gas Properties could economically occur through drilling vertical wells, (v) the cash flow from such Oil and Gas Properties in the aggregate are reasonably estimated to be sufficient to cover the cost of future development and (vi) such Oil and Gas Properties are valued at an amount equal to or less than the aggregate amount of the available borrowing capacity under the any then-existing credit facility (pro forma for the acquisition), cash on hand and other sources of secured debt financing reasonably available to the Partnership or its Subsidiaries.

"***Partnership Group***" means, collectively, the Partnership and its Subsidiaries.

"***Partnership Interest***" means any class or series of Equity Interest in the Partnership, which shall include any General Partner Interest and Limited Partner Interests, but shall exclude Derivative Instruments.

"***Partnership Minimum Gain***" means that amount determined in accordance with the principles of Treasury Regulation Sections 1.704-2(b)(2) and 1.704-2(d).

"***Percentage Interest***" means as of the date of determination (a) as to the General Partner with respect to Notional General Partner Units and as to any Unitholders with respect to Units, the product obtained by multiplying (i) 100% less the percentage applicable to clause (b) below by (ii) the quotient obtained by dividing (A) the number of Notional General Partner Units held by the General Partner or the number of Units held by such Unitholder, as the case may be, by (B) the total number of all Outstanding Units as of such date of determination and all Notional General Partner Units, and (b) as to the holders of additional Partnership Interests issued by the Partnership pursuant to Section 5.6, the percentage of each Partnership Interest as determined by the General Partner as a part of such issuance. The Percentage Interest with respect to an Incentive Distribution Right shall at all times be zero.

"***Permitted Transfer***" means Affiliate Transfers.

"***Permitted Transferee***" means any Person that has received Partnership Interests pursuant to a Permitted Transfer.

"***Person***" means an individual or a corporation, partnership, limited liability company, trust, estate, unincorporated organization, association, "group" (as such term is defined in Section 13(d) of the Exchange Act) or other entity.

"***Pledged Interests***" is defined in Section 4.5(c)

"***PR Holder***" is defined in Section 4.8(b).

"***Preemptive Rights***" is defined in Section 4.8(b).

"***Preference Amount***" means, as of any date of determination and with respect to each Unit, the then-applicable Capital Amount multiplied by 110%.

"***Preferred Stock***" as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"***Proceeding***" is defined in Section 7.7.

"***Proposed Transferee***" is defined in Section 4.6(b).

"***pro rata***" means (a) when used with respect to Units or any class thereof, apportioned equally among all designated Units in accordance with their relative Percentage

Interests, (b) when used with respect to Partners or Record Holders, apportioned among all Partners or Record Holders in accordance with their relative Percentage Interests, and (c) when used with respect to holders of Incentive Distribution Rights, apportioned equally among all holders of such Incentive Distribution Rights in accordance with the relative number or percentage of such Incentive Distribution Rights held by each such holder.

"***Quarter***" means, unless the context requires otherwise, a fiscal quarter of the Partnership, or, with respect to the fiscal quarter of the Partnership in which the Closing Date occurs, the portion of such fiscal quarter after the Closing Date.

"***Qualified Public Offering***" means the completion of an underwritten public offering of Equity Interests in the Partnership or any successor thereto pursuant to an effective registration statement filed by the Partnership or any successor thereto with the Commission (other than (a) a registration relating solely to an employee benefit plan or employee stock plan, a dividend reinvestment plan, or a merger or a consolidation, (b) a registration incidental to an issuance of securities under Rule 144A of the Securities Act, (c) a registration on Form S-4 under the Securities Act or any successor form under the Securities Act, or (d) a registration on Form S-8 under the Securities Act or any successor form under the Securities Act), pursuant to which the aggregate amount of such Equity Interests for which a registration filing is made (together with the aggregate amount of such Equity Interests registered from any prior such offerings) is at least 35% of the total then-outstanding Equity Interests in the Partnership or any successor thereto, as applicable.

"***Recapture Income***" means any gain recognized by the Partnership (computed without regard to any adjustment required by Section 734 or Section 743 of the Code) upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"***Record Date***" means the date established by the General Partner or otherwise in accordance with this Agreement for determining (a) the identity of the Record Holders entitled to notice of, or to vote at, any meeting of Limited Partners or entitled to vote by ballot or give approval of Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners or (b) the identity of Record Holders entitled to receive any report or distribution or to participate in any offer.

"***Record Holder***" is defined in Section 4.2.

"***Registration Rights Agreement***" means the Registration Rights Agreement, dated as of the date hereof, by and among the Partnership, HGI Energy and EXCO Holding.

"***Regulations***" means the proposed, temporary and final Treasury Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding Treasury Regulations).

"***Remaining New Interests***" is defined in Section 4.8(e).

"***Required Allocations***" means any allocation of an item of income, gain, loss or deduction pursuant to Section 6.1(d)(i), Section 6.1(d)(ii), Section 6.1(d)(iii), Section 6.1(d)(iv), Section 6.1(d)(v), Section 6.1(d)(vi) or Section 6.1(d)(viii).

"***Required Contribution***" is defined in Section 5.9(a).

"***ROFR Holders***" is defined in Section 4.6(b).

"***Sale Price***" is defined in Section 4.6(b).

"***Secretary of State***" is defined in the recitals.

"***Securities Act***" means the Securities Act of 1933, as amended.

"***Seller's Notice***" is defined in Section 4.6(b).

"***Shared Assets Agreement***" means, collectively, (a) that certain Shared Assets/Use Agreement, dated as of even date herewith, by and among the Operating Company, EXCO and EOC, as amended, and (b) that certain Shared Assets Agreement, dated as of even date herewith, by and among the Operating Company, EOC and BG US Production Company, LLC, a Delaware limited liability company, as amended.

"***Significant Transaction***" means any Capital Transaction or series of Capital Transactions (whether related or unrelated) resulting in aggregate net proceeds paid to the Partnership Group exceeding fifty million dollars ($50,000,000.00).

"***Simulated Basis***" means the Carrying Value of any Depletable Property.

"***Simulated Depletion***" means, with respect to each separate Depletable Property, a depletion allowance computed in accordance with federal income tax principles (as if the Simulated Basis of the property was its adjusted tax basis) and in the manner specified in Regulation Section 1.704-1(b)(4)(iv)(k)(2). For purposes of computing Simulated Depletion with respect to any property, the Simulated Basis of such property shall be deemed to be the Carrying Value of such property, and in no event shall such allowance for Simulated Depletion, in the aggregate, exceed such Simulated Basis.

"***Simulated Gain***" means the excess, if any, of the amount realized from the sale or other disposition of a Depletable Property over the Carrying Value of such property.

"***Simulated Loss***" means the excess, if any, of the Carrying Value of an oil and gas property over the amount realized from the sale or other disposition of such property.

"***Specified Amount***" means the quotient of the Cash Contribution (as defined in the Contribution Agreement) divided by the Investor Issued Units (as defined in the Contribution Agreement).

"***Subscribing Member***" is defined in Section 4.8(e).

"***Subsidiary***" means, with respect to any Person at any date, any other Person of which the parent, directly or indirectly, owns Equity Interests that (a) represent more than 50% of the total number of outstanding common or other residual Equity Interests (however denominated) of such Person, (b) represent more than 50% of the total voting power of all outstanding Equity Interests of such Person which are entitled to vote in the election of directors, managers or other Persons performing similar functions for and on behalf of such Person, (c) are entitled to more than 50% of the dividends paid and other distributions made by such Person prior to liquidation or (d) are entitled to more than 50% of the assets of such Person or proceeds from the sale thereof upon liquidation.

"***Surviving Business Entity***" is defined in Section 14.2(b)(ii).

"***Tag-Along Notice***" is defined in Section 4.7(a).

"***Tag-Along Notice Period***" is defined in Section 4.7(c).

"***Tag-Along Response Notice***" is defined in Section 4.7(c).

"***Tag-Along Right***" is defined in Section 4.7(c).

"***Tag-Along Sale***" is defined in Section 4.7(a).

"***Tagging Holder***" is defined in Section 4.7(a).

"***Tax Fiscal Year***" is defined in Section 8.2.

"***Tax Matter***" is defined in Section 9.3.

"***Threshold Amount***" means $1.00 per Unit per Book Fiscal Year (or for the period commencing on the date hereof and ending on September 30, 2013, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period and the denominator is the total number of days in such Book Fiscal Year), subject to adjustment in accordance with Section 6.4.

"***Threshold Base Amount***" means, as of any date of determination and with respect to each Unit, the excess, if any, of (x) the Capital Amount over (y) the aggregate amount (or the Net Agreed Value of any distribution in kind) of distributions of proceeds (as identified by the Board) from a Significant Transaction made pursuant to Section 6.3(b) in respect of a Unit following the date hereof and prior to such date of determination, as adjusted for any distributions, subdivision or combination of Units.

"***Transfer***" means any direct or indirect transfer, sale, assignment, exchange, gift, conveyance or other disposition, and any direct (but, for the avoidance of doubt, excluding any indirect) pledge or grant of a security interest, in each case, whether voluntary, by operation of law or otherwise of all or any portion of a Partner's Partnership Interest (including through a direct or indirect transfer, sale, assignment, exchange, gift, conveyance or other disposition, but excluding any indirect pledge of or grant of a security interest, in beneficial ownership of Equity Interests or of Control of any Person which owns or Controls a Partner's Partnership Interest, or

another Person in any chain of ownership of Equity Interests or chain of Control of such Person). Any reference to a "Transfer" by a Partner of its Partnership Interest will include any direct or indirect transfer, sale, assignment, exchange, gift, conveyance or other disposition of beneficial ownership of Equity Interests or of Control of such Partner or of another Person in any chain of ownership of Equity Interests or chain of Control of such Partner, including through direct or indirect transfer, sale, assignment, exchange, gift, conveyance or other disposition of beneficial ownership of Equity Interests or of Control of one or more other Persons directly or indirectly Controlling or beneficially owning any Equity Interests in such Partner; provided, that neither (i) a transfer of securities, or a Change of Control, of the ultimate parent entity of a Partner nor (ii) the pledge or grant of a security interest in one or more other Persons directly or indirectly Controlling such Partner (as opposed to the direct pledge of or grant of a security interest in such Partner's Partnership Interests) shall constitute a "Transfer" of a Partner's Partnership Interest. For the avoidance of doubt, the parties acknowledge that Harbinger Group Inc. is the ultimate parent entity of HGI Energy for purposes of the definition of "Transfer."

"***Transfer Agent***" means such bank, trust company or other Person (including the General Partner or one of its Affiliates) as may be appointed from time to time by the Partnership to act as registrar and transfer agent for any class of Partnership Interests; *provided*, that if no Transfer Agent is specifically designated for any class of Partnership Interests, the General Partner shall act in such capacity.

"***Transferee***" means a Person that acquires all or any portion of a Partner's Partnership Interest as a result of a Transfer.

"***Transferor***" means a Person that Transfers all or any portion of such Person's Partnership Interest.

"***Transferring Partner***" is defined in Section 4.6(a).

"***Unilateral Capital Contribution Event***" is defined in Section 5.9(b).

"***Unit***" means a Partnership Interest that is designated as a "Unit" and shall include the Common Units, but shall not include the Notional General Partner Units (or the General Partner Interest represented thereby) or the Incentive Distribution Rights.

"***Unit Majority***" means at least a majority of the Outstanding Common Units.

"***Unitholders***" means the holders of Units.

"***Unrealized Gain***" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the Fair Market Value of such property as of such date (as determined under Section 5.5(d)) over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.5(d) as of such date).

"***Unrealized Loss***" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.5(d) as of such date) over (b) the Fair Market Value of such property as of such date (as determined under Section 5.5(d)).

"***Unrecovered Preference Amount***" means, as of any date of determination and with respect to each Unit, the excess, if any, of (x) the Preference Amount over (y) the aggregate amount (or the Net Agreed Value of any distribution in kind) of all distributions made in respect of a Unit following the date hereof and prior to such date of determination, as appropriately adjusted for any distribution, subdivision or combination of Units.

"***Unrestricted Person***" means (a) each Indemnitee, (b) each Partner, (c) each Person who is or was a member, partner, director, officer, employee or agent of any Group Member, a General Partner or any Departing General Partner or any Affiliate of any Group Member, a General Partner or any Departing General Partner and (d) any Person the General Partner designates as an "Unrestricted Person" for purposes of this Agreement.

"***Valuation Firm***" means a nationally recognized independent investment banking or valuation firm with expertise in the oil and gas sector.

"***Vernon Gathering***" means Vernon Gathering, LLC, a Delaware limited liability company.

"***Voting Stock***" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

ARTICLE II

ORGANIZATION

Section 2.1 Formation. The General Partner and the Organizational Limited Partner have previously formed the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. This amendment and restatement shall become effective on the date of this Agreement. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Delaware Act.

Section 2.2 Name. The name of the Partnership shall be "EXCO/HGI Production Partners, LP". The Partnership's business may be conducted under any other name or names as determined by the General Partner, including the name of the General Partner. The words "Limited Partnership," the letters "LP," "L.P." or "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The General Partner may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to the Limited Partners.

Section 2.3 Registered Office; Registered Agent; Principal Office; Other Offices. Unless and until changed by the General Partner, the registered office of the Partnership in the State of Delaware shall be located at that location reflected in the Certificate of Limited Partnership, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office shall be that Person reflected in the Certificate of Limited

Partnership. The principal office of the Partnership shall be located at 12377 Merit Drive, Suite 1700, Dallas, Texas 75251, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner determines to be necessary or appropriate. The address of the General Partner shall be 12377 Merit Drive, Suite 1700, Dallas, Texas 75251, or such other place as the General Partner may from time to time designate by notice to the Limited Partners.

Section 2.4 Purpose and Business. The purpose and nature of the business to be conducted by the Partnership shall be to (a) engage directly in, or enter into or form, hold and dispose of any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by the General Partner, in its sole discretion, and that lawfully may be conducted by a limited partnership organized pursuant to the Delaware Act and, in connection therewith, to exercise all of the powers now or hereafter conferred upon the Partnership pursuant to the agreements relating to such business activity, and (b) do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to a Group Member; *provided, however,* that the General Partner shall not cause the Partnership to engage, directly or indirectly, in any business activity that the General Partner determines would be reasonably likely to cause the Partnership to be treated as an association taxable as a corporation or otherwise taxable as an entity for U.S. federal income tax purposes (determined as if the Partnership Interests were at all times publicly traded). To the fullest extent permitted by Law, the General Partner shall have no duty or obligation to propose or approve, and may, in its sole discretion, decline to propose or approve, the conduct by the Partnership of any business.

Section 2.5 Powers. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 2.4 and for the protection and benefit of the Partnership.

Section 2.6 Term. The term of the Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Delaware Act and shall continue in existence until the dissolution of the Partnership in accordance with the provisions of Article XII. The existence of the Partnership as a separate legal entity shall continue until the cancellation of the Certificate of Limited Partnership as provided in the Delaware Act.

Section 2.7 Title to Partnership Assets. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner, one or more of its Affiliates or one or more nominees, as the General Partner may determine. The General Partner hereby declares and warrants that any Partnership assets for which record title is held in the name of the General Partner or one or more of its Affiliates or one or more nominees shall be held by the General Partner or such Affiliate or nominee for the use and benefit of the Partnership in accordance with the provisions of this Agreement; *provided, however*, that the General Partner shall use reasonable efforts to cause record title to such assets (other than those assets in respect

of which the General Partner determines that the expense and difficulty of conveyancing makes transfer of record title to the Partnership impracticable) to be vested in the Partnership or one or more of the Partnership's designated Affiliates (excluding the Investor Groups) as soon as reasonably practicable; *provided, further*, that prior to the withdrawal or removal of the General Partner or as soon thereafter as practicable, the General Partner shall use reasonable efforts to effect the transfer of record title to the Partnership and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to the General Partner. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Partnership assets is held.

Section 2.8 Foreign Qualification. The General Partner is authorized to cause the Partnership to comply, to the extent procedures are available, with all requirements necessary to qualify the Partnership as a foreign limited partnership in any jurisdiction in which the Partnership owns property or transacts business or elsewhere where such qualification may be necessary or advisable for the protection of the limited liability of the Limited Partners or to permit the Partnership to lawfully own property or transact business, and to obtain similar qualifications for the Partnership's Subsidiaries. Each officer of the General Partner is authorized, on behalf of the Partnership, to execute, acknowledge and deliver all certificates and other instruments as may be necessary or appropriate in connection with the foregoing qualifications. Further, upon request of the General Partner, each Limited Partner will execute, acknowledge and deliver all certificates and other instruments that are reasonably necessary or appropriate to obtain, continue, modify or terminate such qualifications.

ARTICLE III

RIGHTS OF LIMITED PARTNERS

Section 3.1 Limitation of Liability. The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement or the Delaware Act.

Section 3.2 Management of Business. No Limited Partner, in its capacity as such, shall participate in the operation, management or control (within the meaning of the Delaware Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. All actions taken by any Affiliate of the General Partner or any officer, director, employee, manager, member, general partner, agent or trustee of the General Partner or any of its Affiliates, or any officer, director, employee, manager, member, general partner, agent or trustee of a Group Member, in its capacity as such, shall not be deemed to be participating in the control of the business of the Partnership by a limited partner of the Partnership (within the meaning of Section 17-303(a) of the Delaware Act) and shall not affect, impair or eliminate the limitations on the liability of the Limited Partners under this Agreement.

Section 3.3 Rights of Limited Partners.

(a) Subject to Section 3.3(c), each Limited Partner shall have the right, for a purpose that is reasonably related, as determined by the General Partner, to such Limited

Partner's interest as a Limited Partner in the Partnership, upon reasonable written demand stating the purpose of such demand and at such Limited Partner's own expense, to obtain:

(i) true and full information regarding the status of the business and financial condition of the Partnership (*provided* that the requirements of this Section 3.3(a)(i) shall be satisfied if the Limited Partner is furnished the reports described in Section 8.3);

(ii) a current list of the name and last known business, residence or mailing address of each Record Holder; and

(iii) a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto, together with copies of all executed powers of attorney pursuant to which this Agreement, the Certificate of Limited Partnership and all amendments thereto have been executed.

(b) The rights to information granted the Limited Partners pursuant to Section 3.3(a) replace in their entirety any rights to information provided for in Section 17-305(a) of the Delaware Act, and each of the Partners and each other Person or Group who acquires an interest in Partnership Interests hereby agrees to the fullest extent permitted by Law that they do not have any rights as Partners to receive any information either pursuant to Section 17-305(a) of the Delaware Act or otherwise except for the information identified in Section 3.3(a).

(c) The General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner deems reasonable, (i) any information that the General Partner reasonably believes to be in the nature of trade secrets or (ii) other information the disclosure of which the General Partner believes (A) is not in the best interests of the Partnership Group, (B) could damage the Partnership Group or its business or (C) that any Group Member is required by Law or by agreement with any third party to keep confidential (other than agreements with Affiliates of the Partnership the primary purpose of which is to circumvent the obligations set forth in this Section 3.3).

(d) Notwithstanding any other provision of this Agreement or Section 17-305 of the Delaware Act, each of the Partners, each other Person who acquires an interest in a Partnership Interest and each other Person bound by this Agreement hereby agrees to the fullest extent permitted by Law that they do not have rights to receive information from the Partnership or any Indemnitee for the purpose of determining whether to pursue litigation or assist in pending litigation against the Partnership or any Indemnitee relating to the affairs of the Partnership except pursuant to the applicable rules of discovery relating to litigation commenced by such Person.

(e) Notwithstanding anything to the contrary herein, none of the rights that a Limited Partner may have in respect of its limited liability company equity interests in the General Partner pursuant to the GP LLC Agreement shall be limited by this Agreement.

ARTICLE IV

CERTIFICATES; RECORD HOLDERS; TRANSFER OF PARTNERSHIP INTERESTS; REDEMPTION OF PARTNERSHIP INTERESTS

Section 4.1 Certificates.

(a) Notwithstanding anything to the contrary herein, unless the General Partner shall determine and authorize otherwise in respect of some or all of any classes of Partnership Interests, Partnership Interests shall not be evidenced by certificates and shall be recorded on the books and records of the Partnership (including Exhibit A). Partnership Interests may be evidenced by certificates in a form approved by the General Partner ("***Certificates***") but there shall be no requirement that the Partnership issue Certificates to evidence Partnership Interests. If at any time the General Partner determines to issue any Certificates, such Certificates shall on the face thereof bear the following legend reflecting the restrictions on the Transfer of such securities:

"TRANSFER IS SUBJECT TO RESTRICTIVE LEGEND ON THE BACK HEREOF"

Such Certificate shall also bear a legend on the reverse side thereof substantially in the following form:

"THE PARTNERSHIP INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND MAY NOT BE OFFERED OR SOLD, UNLESS THEY HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE GENERAL PARTNER SHALL HAVE BEEN DELIVERED TO THE PARTNERSHIP TO THE EFFECT THAT SUCH OFFER OR SALE IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT). THE PARTNERSHIP INTERESTS ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF THE PARTNERSHIP, DATED AS OF FEBRUARY 14, 2013, AS AMENDED FROM TIME TO TIME, COPIES OF WHICH MAY BE OBTAINED FROM THE PARTNERSHIP AT ITS PRINCIPAL EXECUTIVE OFFICES.

EACH PARTNERSHIP INTEREST SHALL CONSTITUTE A "SECURITY" WITHIN THE MEANING OF, AND SHALL BE GOVERNED BY, (I) ARTICLE 8 OF THE UNIFORM COMMERCIAL CODE (INCLUDING SECTION 8-102(A)(15) THEREOF) AS IN EFFECT FROM TIME TO TIME IN THE STATE OF DELAWARE, AND (II) ARTICLE 8 OF THE UNIFORM COMMERCIAL CODE OF ANY OTHER APPLICABLE JURISDICTION

THAT NOW OR HEREAFTER SUBSTANTIALLY INCLUDES THE 1994 REVISIONS TO ARTICLE 8 THEREOF AS ADOPTED BY THE AMERICAN LAW INSTITUTE AND THE NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS AND APPROVED BY THE AMERICAN BAR ASSOCIATION ON FEBRUARY 14, 1995. NOTWITHSTANDING ANY PROVISION OF THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP TO THE CONTRARY, TO THE EXTENT THAT ANY PROVISION OF THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP IS INCONSISTENT WITH ANY NON-WAIVABLE PROVISION OF ARTICLE 8 OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF DELAWARE (6 DEL. C. SECTION 8-101, ET SEQ.) (THE "UCC"), SUCH PROVISION OF ARTICLE 8 OF THE UCC SHALL CONTROL."

(b) If Partnership Interests are certificated, upon any Transfer of all or a portion of Partnership Interests hereunder, the Transferor shall surrender the Certificate(s) representing the Partnership Interests so Transferred to the Transfer Agent for cancellation. If a Certificate represents a greater portion of the Transferor's Partnership Interests than that intended for Transfer, upon surrender of such Certificate for cancellation the Transfer Agent shall issue to the Transferor a new Certificate which represents the Partnership Interests being retained by such Transferor. If Partnership Interests are certificated, the Transfer Agent shall issue to each Transferee who is Transferred Partnership Interests pursuant to this Agreement and who is admitted to the Partnership as a Partner in accordance with Article X, a Certificate evidencing the Partnership Interests held by such Transferee. Such Certificate shall indicate the Partnership Interests then owned by such Transferee and shall represent the Partnership Interests owned by such Transferee from time to time thereafter as set forth in the books and records of the Partnership, regardless of the Partnership Interests indicated in the Certificate. Upon receipt of written notice or other evidence reasonably satisfactory to the Partnership of the loss, theft, destruction or mutilation of any Certificate and, in the case of any such loss, theft or destruction upon receipt of the Partner's unsecured indemnity agreement, or in the case of any other holder of a Certificate or Certificates, other indemnity reasonably satisfactory to the General Partner or in the case of any such mutilation upon surrender or cancellation of such Certificate, the Partnership will make and deliver a new Certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Certificate.

Section 4.2 Record Holders. The Partnership shall keep a register or other records which reflect the Partnership Interests and any Certificates. Except as otherwise required by law, the Partnership shall be entitled to, and shall only, recognize the exclusive right of a Person registered on its books as the record holder of a Partnership Interest (the "***Record Holder***"), whether or not represented by a Certificate, to receive distributions in respect of such Partnership Interest, to vote as the owner of such Partnership Interest and to be entitled to the benefits, and subject to the obligations, of this Agreement with respect to such Partnership Interest.

Section 4.3 Registration and Transfer of Limited Partner Interests.

(a) The General Partner shall keep or cause to be kept on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe, the Partnership will provide for the registration and Transfer of Limited Partner Interests.

(b) By acceptance of the Transfer of any Limited Partner Interests in accordance with this Section 4.3, each Transferee of a Limited Partner Interest (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) acknowledges and agrees to the provisions of Section 10.1.

Section 4.4 Transfer of the General Partner's General Partner Interest.

(a) Subject to Section 4.5, the General Partner may at its option Transfer all or any part of its General Partner Interest without the approval of any Limited Partner.

(b) Notwithstanding anything herein to the contrary, no Transfer by the General Partner of all or any part of its General Partner Interest to another Person shall be permitted unless the Transferee agrees to assume the rights and duties of the General Partner under this Agreement and to be bound by the provisions of this Agreement. In a Transfer pursuant to and in compliance with this Section 4.4, the Transferee or successor (as the case may be) shall, subject to compliance with the terms of Section 10.2, be admitted to the Partnership as the General Partner effective immediately prior to the Transfer of the General Partner Interest, and the business of the Partnership shall continue without dissolution.

Section 4.5 Restrictions on Transfers.

(a) Notwithstanding the other provisions of this Article IV, no Transfer of any Partnership Interests shall be made if such Transfer would (i) violate the then applicable Laws or rules and regulations of the Commission, any state securities commission or any other Governmental Authority with jurisdiction over such Transfer, (ii) terminate the existence or qualification of the Partnership under the laws of the jurisdiction of its formation, (iii) cause the Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (if not already so treated or taxed) or (iv) cause the Partnership to be required to register as an investment company under the Investment Company Act of 1940 or subject the Partnership or its Subsidiaries to the Investment Advisers Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended.

(b) The General Partner may impose restrictions on the Transfer of Partnership Interests if it determines, with the advice of counsel, that such restrictions are necessary or advisable to (i) avoid a significant risk of the Partnership becoming taxable as a corporation or otherwise becoming taxable as an entity for U.S. federal income tax purposes or (ii) preserve the uniformity of the Limited Partner Interests (or any class or classes thereof). The General Partner may impose such restrictions by amending this Agreement.

(c) Except for transfers made pursuant to and in compliance with (x) Section 4.6, Section 4.7 and Section 4.9, or (y) the exercise of any demand or piggyback registration rights pursuant to the Registration Rights Agreement, any Transfer of Limited

Partner Interests by any Partner or any of its Affiliates shall be consummated only in accordance with this Section 4.5(c). Prior to a Qualified Public Offering, no Limited Partner shall Transfer all or any portion of its Limited Partner Interests without the prior written consent (which such consent shall not be unreasonably withheld, delayed or conditioned) of the General Partner; *provided*, that such consent shall not be required for (A) a Permitted Transfer, (B) a bona fide pledge by a Limited Partner of its Limited Partner Interests (the "***Pledged Interests***") to a lender of such Limited Partner or an agent for such lender (in such capacity, together with its successors and assigns, in such capacity, a "***Lender***") if such Limited Partner provides at least ten (10) days advance written notice of such pledge to the non-pledging Limited Partners and such pledging arrangement provides that the non-pledging Limited Partners will have thirty (30) days to cure any default of the pledging Limited Partner prior to such Lender initiating foreclosure proceedings on the Limited Partner Interests (a "***Bona Fide Pledge***") or (C) foreclosure upon Pledged Interests by a Lender (a "***Foreclosure***"). In the event of (1) a Foreclosure by a Lender on either (x) a pledge of a Limited Partner's Limited Partner Interests or (y) an indirect pledge of Equity Interests of such Member by one or more Persons directly or indirectly Controlling any Equity Interests in such Member (other than a Member's ultimate public parent company) or (2) a Transfer of Pledged Interests by a Lender to another Person, then the proportionate amount of such Limited Partner Interests subject to such Foreclosure shall, for purposes of any rights or obligations set forth herein, be treated as having been Transferred by such Limited Partner to a third party that is not an Affiliate of such Limited Partner.

(d) In the event that a Transfer of Limited Partner Interests under this Agreement subject to Section 4.6, Section 4.7 or Section 4.9 occurs in connection with a Transfer of limited liability company equity interests in the General Partner subject to similar rights of first refusal, tag-along rights or drag-along rights under the GP LLC Agreement, such rights shall be exercised substantially concurrently with the rights under the foregoing sections of this Agreement.

(e) Notwithstanding anything to the contrary contained herein, the rights and obligations of this Agreement that refer specifically to any Investor Group or member of an Investor Group (the "***Non-Transferable Provisions***") shall be personal to such Investor Group or member of an Investor Group and may not be Transferred without the written consent of each Investor Group other than pursuant to Affiliate Transfers. Immediately following any Transfer of a Partnership Interest by a member of an Investor Group in a manner pursuant to which the Non-Transferable Provisions are not Transferred, the Non-Transferable Provisions shall continue to apply solely with respect to that portion, if any, of such Investor Group's Partnership Interests retained by such Investor Group. For the avoidance of doubt, Non-Transferable Provisions include, but are not limited to, the rights and obligations set forth in Section 4.6, Section 4.7, Section 4.8, Section 4.9 and Section 4.10.

Section 4.6 Right of First Refusal.

(a) Prior to a Qualified Public Offering, any Limited Partner seeking to Transfer Limited Partner Interests (a "***Transferring Partner***"), other than in a Permitted Transfer, Bona Fide Pledge or Foreclosure pursuant to Section 4.5(c), shall be subject to the provisions of Section 4.6(b) through Section 4.6(i) in connection with the Transfer of such Limited Partner Interests.

(b) If a Transferring Partner subject to this Section 4.6(b) desires to Transfer all or any portion of its Limited Partner Interests to any Person (other than pursuant to a Permitted Transfer, Bona Fide Pledge or Foreclosure), the Transferring Partner shall give written notice (the "***Seller's Notice***") to the Investor Groups that own a Percentage Interest of at least 25% of the outstanding Limited Partner Interests (except, if the Transferring Partner is a member of one of the Investor Groups, its own Investor Group) (the "***ROFR Holders***") at least thirty (30) days prior to the closing of the Transfer (such period herein referred to as the "***First Refusal Period***"), stating that the Transferring Partner intends to make such proposed Transfer, identifying the material terms and conditions of such Transfer, including the name and address of the prospective purchaser or transferee (the "***Proposed Transferee***"), the number of Limited Partner Interests proposed to be sold or acquired pursuant to the offer (the "***First Refusal Interests***") and the per Limited Partner Interest purchase price which the Proposed Transferee has offered to pay for the First Refusal Interests (the "***Sale Price***"). A copy of the offer, if available, shall be attached to the Seller's Notice.

(c) Each ROFR Holder shall have the irrevocable right and option to purchase all but not less than all of the First Refusal Interests at the Sale Price and on terms no less favorable to the Transferring Partner than those set forth in the Seller's Notice prior to the expiration of the First Refusal Period. Within twenty (20) days following delivery of the Seller's Notice (the "***First Refusal Notice Deadline***"), each ROFR Holder shall have the right to deliver a written notice ("***First Refusal Notice***") to the Transferring Partner stating whether it elects to exercise its option under this Section 4.6, and such notice shall constitute an irrevocable commitment to purchase the First Refusal Interests on the terms set forth in the Seller's Notice.

(d) If the ROFR Holders do not elect to purchase all of the First Refusal Interests prior to the expiration of the First Refusal Notice Deadline or notify the Transferring Partner that they do not wish to purchase all of the First Refusal Interests pursuant to Section 4.6(c), then, subject to this Article IV, the Transferring Partner shall be free, for a period of ninety (90) calendar days from the date of the expiration of the First Refusal Period, to Transfer all such First Refusal Interests to the Proposed Transferee (i) at a price per Unit equal to or greater than the Sale Price and upon terms no more favorable to the Proposed Transferee than those specified in the Seller's Notice and (ii) subject to the terms and restrictions of this Agreement, including as set forth in this Article IV. Any proposed Transfer of such First Refusal Interests by the Transferring Partner after the end of such 90-day period or any change in the terms of the proposed Transfer as set forth in the Seller's Notice that are more favorable to the Proposed Transferee shall require a new Seller's Notice to be delivered to the ROFR Holders and shall give rise anew to the rights provided in the preceding paragraphs in this Section 4.6.

(e) If the ROFR Holders elect to purchase all of the First Refusal Interests set forth in the Seller's Notice, such ROFR Holders shall have the right to purchase all, but not less than all, of the First Refusal Interests for cash consideration whether or not part or all of the consideration specified in the Seller's Notice is other than cash. If part or all of the consideration to be paid for the First Refusal Interests as stated in the Seller's Notice is other than cash, the price stated in such Seller's Notice shall be deemed to be the sum of the cash consideration, if any, specified in such Seller's Notice, plus the fair market value of the non-cash consideration. The fair market value of the non-cash consideration shall be determined by the Board; *provided*, that if the Board does not or is unable to make such a determination of fair

market value, such determination of fair market value shall be made by a Valuation Firm selected by the Board, and such firm shall be engaged and paid by the Partnership. The determination of fair market value by such Valuation Firm (or, if such firm determines a range of fair market values, the mid-point of such range) shall be final and binding on the Transferring Partner and the ROFR Holders; *provided*, that, in the event of a disagreement with the determination of such Valuation Firm (but not any determination of the Board), the Transferring Partner may elect to withdraw the Transfer of the First Refusal Interests, in which case the Transferring Partner may not Transfer (including pursuant to a new First Refusal Notice) any First Refusal Interests during the ninety (90) day period immediately following the date of such withdrawal.

(f) If the Transferring Partner receives a First Refusal Notice from more than one ROFR Holder entitled to purchase the First Refusal Interests, each such ROFR Holder shall be allocated its *pro rata* portion (based on the Percentage Interest of Limited Partner Interests) of the First Refusal Interests that would have been Transferred to the Proposed Transferee, unless otherwise agreed to by such ROFR Holders and the Transferring Partner.

(g) The closing of the Transfer of the First Refusal Interests under this Section 4.6 will be held at any location agreed to by the Transferring Partner and the ROFR Holder(s) purchasing the First Refusal Interests and on a mutually acceptable date not more than ninety (90) days after a ROFR Holder delivers a First Refusal Notice (or if more than one ROFR Holder is purchasing the First Refusal Interests, a date not more than ninety (90) days following the latest of the dates that the last electing ROFR Holder delivered its First Refusal Notice). At any closing contemplated by this Section 4.6, in consideration of the receipt of the purchase price in immediately available funds, the Transferring Partner shall Transfer to the ROFR Holder(s) all right, title and interest in and to the First Refusal Interests, free and clear of all liens, and, at the request of the ROFR Holder(s), shall execute all other documents and take other actions as may be reasonably necessary or desirable to effectuate the Transfer of the First Refusal Interests and to carry out the purposes of this Agreement.

(h) Notwithstanding the foregoing paragraphs in this Section 4.6, in the event that the Harbinger Partner exercises its Drag-Along Rights as provided in Section 4.9, the EXCO Partner may only exercise its rights under this Section 4.6 if the EXCO Partner offers to purchase all of the Units (as defined in the GP LLC Agreement) and Common Units and other Limited Partner Interests held in the aggregate by the Harbinger Group at a price no less than 2% higher than the price offered by the Drag-Along Transferee for such securities and upon terms no less favorable than those offered by the Drag-Along Transferee.

(i) Notwithstanding anything contained in this Section 4.6 to the contrary, there shall be no liability on the part of the Transferring Partner to the Investor Groups entitled to a Seller's Notice if the Transfer of First Refusal Interests pursuant to this Section 4.6 is not consummated for any reason. Whether to effect a Transfer of First Refusal Interests by the Transferring Partner to a Proposed Transferee is in the sole and absolute discretion of such Transferring Partner.

Section 4.7 Tag-Along Rights.

(a) If, prior to the occurrence of a Qualified Public Offering, any Limited Partner proposes to Transfer all or any portion of its Limited Partner Interests to any Person other than through a Permitted Transfer, Bona Fide Pledge or Foreclosure (a "***Tag-Along Sale***"), such Limited Partner (the "***Initiating Holder***") shall provide to each Investor Group holding the same class of Limited Partner Interests of the Partnership that are subject to the Tag-Along Sale (except, if the Initiating Holder is a member of one of the Investor Groups, its own Investor Group) notice of the terms and conditions of such proposed Transfer (the "***Tag-Along Notice***") (which notice may also be given concurrent with any Seller's Notice) and offer such other Investor Groups the opportunity to participate in such Transfer with respect to their Limited Partner Interests of the same class of Limited Partner Interests that are subject to the Tag-Along Sale, in accordance with this Section 4.7 (each such electing Investor Group, a "***Tagging Holder***") by including in the proposed Transfer a number of the Tagging Holder's Limited Partner Interests not to exceed the Tagging Holder's *pro rata* portion (based on the Percentage Interest of Limited Partner Interests that are subject to the Tag-Along Sale) of the Limited Partner Interests being Transferred in the Tag-Along Sale. No Tagging Holder may (i) Transfer a greater percentage of its Limited Partner Interests than the Initiating Holder is Transferring or (ii) Transfer a class of Limited Partner Interests of the Partnership different than the Initiating Holder.

(b) The Tag-Along Notice shall identify the consideration for which the Transfer is proposed to be made, and all other material terms and conditions of the Tag-Along Sale, including the form of the proposed agreement, if any.

(c) From the date of its receipt of the Tag-Along Notice, each Tagging Holder shall have the right (a "***Tag-Along Right***"), exercisable by written notice (the "***Tag-Along Response Notice***") given to the Initiating Holder within (i) ten (10) days after the end of the First Refusal Period, if the Tag-Along Notice is given during the First Refusal Period, or (ii) ten (10) days after its receipt of the Tag-Along Notice (the "***Tag-Along Notice Period***"), to request that the Initiating Holder include in the proposed Transfer such number of Limited Partner Interests held by such Tagging Holder as permitted by this Section 4.7.

(d) Each Tag-Along Response Notice shall include wire transfer instructions for payment of the purchase price for the Limited Partner Interests to be Transferred in such Tag-Along Sale and a limited power-of-attorney authorizing the Initiating Holder to Transfer such Tagging Holder's Limited Partner Interests that are subject to the Tag-Along Sale at a price and on terms set forth in the Tag-Along Notice. Delivery of the Tag-Along Response Notice to the Initiating Holder shall constitute an irrevocable exercise and acceptance of the Tag-Along Right by such Tagging Holder. If any Tagging Holder accepts the terms of the Tag-Along Notice, the Initiating Holder shall, to the extent necessary, reduce the number of Limited Partner Interests it otherwise would have included in such proposed Tag-Along Sale so as to permit the Tagging Holders to include in the Tag Along Sale a number of Limited Partner Interests that they are entitled to include pursuant to this Section 4.7. Each Tagging Holder shall promptly execute all other documents required to be executed in connection with such Tag-Along Sale.

(e) If, within ninety (90) days after delivery of the Tag-Along Response Notice, the Initiating Holder has not completed the Transfer of its Limited Partner Interests on substantially the same terms and conditions set forth in the Tag-Along Notice, the Initiating Holder shall (i) return to each Tagging Holder any documents in the possession of the Initiating Holder executed by the Tagging Holders in connection with the proposed Tag-Along Sale and (ii) not conduct any Transfer of its Limited Partner Interests without again complying with this Section 4.7.

(f) Concurrently with the consummation of the Tag-Along Sale, the Initiating Holder shall (i) notify the Tagging Holders of the consummation of such Tag-Along Sale, (ii) remit to each Tagging Holder the total consideration for the Limited Partner Interests that such Tagging Holder Transferred pursuant to the Tag-Along Sale and (iii) promptly after the consummation of the Tag-Along Sale, furnish such other evidence of the completion and the date of completion of such Transfer and the terms thereof as may be reasonably requested by the Tagging Holders.

(g) If at the termination of the Tag-Along Notice Period any Limited Partner has not elected to participate in the Tag-Along Sale, such Limited Partner shall be deemed to have waived its rights under this Section 4.7 with respect to the Transfer of its Limited Partner Interests pursuant to such Tag-Along Sale.

(h) Notwithstanding anything contained in this Section 4.7 to the contrary, there shall be no liability on the part of the Initiating Holder to the Tagging Holders if the Transfer of Limited Partner Interests pursuant to this Section 4.7 is not consummated for any reason. Whether to effect a Transfer of Limited Partner Interests by the Initiating Holder is in the sole and absolute discretion of such Initiating Holder.

(i) In connection with a Tag-Along Sale, each Tagging Holder who exercises Tag-Along Rights will execute such documents, and make such representations, warranties, covenants and indemnities, as are (and when) executed and made by the Initiating Holder, *provided* that any such indemnification or similar obligations will be apportioned *pro rata* among the Limited Partners participating in the Tag-Along Sale based on the net proceeds received by them, other than with respect to representations made individually by a Limited Partner (e.g., as to such Limited Partner's title to the applicable securities and the Transfer of such securities free and clear of all liens, and with respect to such Limited Partner's existence, power and authority to effect such Transfer, the due execution and enforceability of the relevant documents against such Limited Partner, the absence of conflicts or required consents, absence of litigation with respect to such Limited Partner relating to such transaction and absence of obligations with respect to brokers' fees). In connection with a Tag-Along Sale, each participating Limited Partner will also (A) consent to and raise no objections against the Tag-Along Sale or the process pursuant to which the Tag-Along Sale was arranged, (B) waive any dissenter's rights and other similar rights, (C) take all actions reasonably required or desirable or requested by the Initiating Holder to consummate such Tag-Along Sale and (D) comply with the terms of the documentation relating to such Tag-Along Sale. In connection with a Tag-Along Sale, the General Partner will use commercially reasonable efforts to, and cause any Officer to, take all actions reasonably necessary and appropriate to facilitate such Tag-Along Sale.

Notwithstanding anything contained in this Section 4.7 to the contrary, the rights and obligations of the Limited Partners to participate in a Tag-Along Sale are subject to the following conditions:

(i) upon the consummation of such Tag-Along Sale, all of the Limited Partners participating therein will receive the same form and amount of consideration per Common Unit or Limited Partner Interest, as the case may be, and, except for such consideration, no Initiating Holder or Tagging Holder (each, a "***Participating Holder***") will receive any other payments of any nature whatsoever from the Transferee in connection with or arising from the Tag-Along Sale; and

(ii) no Participating Holder (other than the Initiating Holder) shall be obligated to pay any expenses incurred in connection with any unconsummated Tag-Along Sale, and each Participating Holder shall be obligated to pay only its *pro rata* share (based on the number of Limited Partner Interests Transferred) of expenses incurred in connection with a consummated Tag-Along Sale to the extent such expenses are incurred for the benefit of all such Participating Holders and are not otherwise paid by the Partnership.

Section 4.8 Preemptive Rights.

(a) Except as provided in this Section 4.8 or as otherwise provided in a separate agreement by the Partnership, no Person shall have any preemptive, preferential or other similar right with respect to the issuance of any Partnership Interest, whether unissued, held in the treasury or hereafter created. The General Partner shall have the right, which it may from time to time assign in whole or in part to any of its Affiliates, to purchase Partnership Interests from the Partnership whenever, and on the same terms that, the Partnership issues Partnership Interests to Persons other than the General Partner and its Affiliates, to the extent necessary to maintain the Percentage Interests of the General Partner and its Affiliates equal to that which existed immediately prior to the issuance of such Partnership Interests.

(b) Subject to and without limiting Section 4.8(a), the Partnership grants to each Limited Partner who is part of an Investor Group (a "***PR Holder***"), and each PR Holder shall have the right to purchase, in accordance with the procedures set forth herein, up to such PR Holder's *pro rata* portion (based on Percentage Interest of Limited Partner Interests immediately prior to the time of sale) of any New Interests that the Partnership may, from time to time, propose to issue and sell (hereinafter referred to as the "***Preemptive Rights***").

(c) If the Partnership proposes to issue and sell New Interests, the Partnership shall notify each PR Holder in writing with respect to the proposed New Interests to be issued and sold (the "***New Interests Notice***"). Each New Interests Notice shall set forth: (i) the number of New Interests proposed to be issued and sold by the Partnership and their purchase price; (ii) each PR Holder's *pro rata* portion of New Interests and (iii) any other material terms and conditions, including any applicable regulatory requirements, and, if known, the expected date of consummation of the issuance and sale of the New Interests (which date, in any event shall be no earlier than forty-five (45) days following the date of delivery of the New Interests Notice).

(d) Each PR Holder shall be entitled to exercise its Preemptive Right to purchase such New Interests by delivering an irrevocable written notice to the Partnership within thirty (30) days from the date of receipt of any New Interests Notice specifying the number of New Interests to be subscribed, which in any event can be no greater than such PR Holder's *pro rata* portion of such New Interests, at the price and on the terms and conditions specified in the New Interests Notice.

(e) Each PR Holder exercising its right to purchase its entire *pro rata* portion of New Interests being issued (each, a "***Subscribing Member***") shall have a right of over-allotment such that if another PR Holder fails to exercise its Preemptive Right to purchase its entire *pro rata* portion of New Interests (each, a "***Non-Subscribing Member***," including any PR Holder that fails to exercise its right to purchase its entire *pro rata* share of Remaining New Interests, as described below), such Subscribing Member may purchase its *pro rata* share, based on the relative Percentage Interest of Limited Partner Interests then owned by the Subscribing Members, of those New Interests in respect to which the Non-Subscribing Members have not exercised their Preemptive Right (the "***Remaining New Interests***") by giving written notice to the Partnership within three (3) Business Days from the date that the Partnership provides written notice of the amount of New Interests as to which such Non-Subscribing Members have failed to exercise their rights thereunder.

(f) If no PR Holder elects within the applicable notice periods described above to exercise its Preemptive Rights with respect to any of the New Interests proposed to be issued and sold by the Partnership, the Partnership shall have ninety (90) days after the expiration of all such notice periods to issue and sell or to enter into an agreement to issue and sell such unsubscribed New Interests proposed to be sold by the Partnership, at a price and on terms no more favorable to the purchaser than those offered to the PR Holders pursuant to this Section 4.8.

(g) No PR Holder will be required to take up and pay for any New Interests pursuant to its Preemptive Right unless all New Interests (other than those to be taken up by such PR Holder) are sold, whether to the other PR Holders or pursuant to Section 4.8(f).

(h) Each PR Holder may assign its rights to acquire New Interests under this Section 4.8 to, and such rights may be exercised on behalf of such PR Holder by, any 100% Affiliate of such PR Holder to whom such PR Holder would have been permitted to Transfer such New Interests immediately following such PR Holder's acquisition thereof.

(i) This Section 4.8 shall terminate upon a Qualified Public Offering.

Section 4.9 Drag-Along Rights.

(a) Subject to prior compliance with Section 4.5 and Section 4.6, after the third anniversary of the Closing Date, prior to the occurrence of a Qualified Public Offering, if any Drag-Along Investor Group elects to consummate a Transfer of Limited Partner Interests to any Person or Persons (except pursuant to a Permitted Transfer, Bona Fide Pledge or Foreclosure) (collectively, a "***Drag-Along Transferee***") in a bona fide arm's-length transaction or series of related transactions (including by way of a purchase agreement, tender offer, merger

or other business combination transaction or otherwise) pursuant to which all, but not less than all, of the Limited Partner Interests and limited liability company equity interests in the General Partner, if any, held in the aggregate by such Drag-Along Investor Group would be Transferred to such Drag-Along Transferee (subject to allowance for "rollover" transactions in which the Drag-Along Investor Group and its Affiliates continue to hold no more than 20% of the equity in the General Partner and the Partnership, or their successor entity or entities, following completion of such transactions), such Drag-Along Investor Group shall have the right (a "***Drag-Along Right***"), upon the terms and subject to the conditions of this Section 4.9, to require all other Limited Partners to Transfer all, but not less than all, of the Limited Partner Interests held by such other Limited Partners to such Drag-Along Transferee; *provided, however,* that the Drag-Along Investor Group must hold at least 25% of the Units (as defined in the GP LLC Agreement) in the General Partner and at least at least 60% of the Outstanding Limited Partner Interests to exercise its Drag-Along Rights; *provided, further*, that such Drag-Along Investor Group must also exercise its drag-along rights under the GP LLC Agreement; and *provided, further*, that if all or a portion of the consideration to be received in connection with the Drag-Along Sale consists of securities of the Drag-Along Transferee or another Person, such securities must be listed on a National Securities Exchange and be (x) issued pursuant to an effective registration statement under the Securities Act or (y) subject to a demand registration rights agreement with all Limited Partners receiving such securities, on reasonable and customary terms (including mutual indemnities and piggyback registration rights) and providing for the issuer to use commercially reasonable efforts to register (upon the request of any Limited Partner) under the Securities Act the resale of all such securities received by all Limited Partners.

(i) Subject to Section 4.9(b), each Limited Partner will Transfer all of the Limited Partner Interests it is required to Transfer in connection with the valid exercise of Drag-Along Rights by a Drag-Along Investor Group on the same terms (other than aggregate price) and conditions applicable to, and for the same type of consideration payable to, each member of the Drag-Along Investor Group, at the price calculated in accordance with Section 4.9(a)(ii) (a "***Drag-Along Sale***"); and

(ii) The aggregate purchase price payable for the Limited Partner Interests purchased by a Drag-Along Transferee will be allocated, paid and distributed among the Limited Partners participating in such Drag-Along Sale based on the Percentage Interest of each such Limited Partner. The aggregate net purchase price payable in respect of Partnership Interests and Units in the General Partner in a Drag-Along Sale pursuant to this Section 4.9 and pursuant to the GP LLC Agreement shall be allocated among such securities in the same manner as such amount would be distributed among the holders of such securities in a liquidation of the Partnership followed by a liquidation of the General Partner.

(b) In connection with a Drag-Along Sale, each Limited Partner subject thereto will execute such documents, and make such representations, warranties, covenants and indemnities with respect to the matters set forth below, as are (and when) executed and made by the applicable Drag-Along Investor Group, and will take and cause its Affiliates to take, and cause any director designated to the Board by such Limited Partner, if applicable, to take, any and all other actions as may be reasonably necessary or advisable to consummate the Drag-Along Sale; *provided*, that any indemnification or similar obligations will be apportioned *pro rata* among the Limited Partners participating in the Drag-Along Sale based

on the net proceeds received by them, other than with respect to representations and covenants made individually by a Limited Partner. In connection with a Drag-Along Sale, each Limited Partner subject thereto will also (A) consent to and raise no objections against the Drag-Along Sale or the process pursuant to which the Drag-Along Sale was arranged, (B) waive any dissenter's rights and other similar rights, (C) take all actions reasonably required or desirable or requested by the Drag-Along Investor Group to consummate such Drag-Along Sale, (D) comply with the terms of the documentation relating to such Drag-Along Sale and (E) use commercially reasonable efforts to cause any director designated to the Board by such Limited Partner, if applicable, to facilitate and take, and cause the General Partner to facilitate and take, the actions described in the foregoing clauses (A) through (D). In connection with any Drag-Along Sale, no Limited Partner required to participate in such Drag-Along Sale shall be required to make any representations or warranties in connection with such Transfer, other than representations or warranties made individually by such Limited Partner as to such Limited Partner's title to the applicable securities and the Transfer of such securities free and clear of all liens, and with respect to such Limited Partner's existence, power and authority to effect such Transfer, the due execution and enforceability of the relevant documents against such Limited Partner, the absence of conflicts or required consents, absence of litigation with respect to such Limited Partner relating to such transaction and absence of obligations with respect to brokers' fees.

(c) The rights set forth in this Section 4.9 will be exercised by the Drag-Along Investor Group giving written notice (the "***Drag-Along Notice***") to the other Limited Partners at least thirty (30) Business Days prior to the date on which the Drag-Along Investor Group expects to consummate the Drag-Along Sale. In the event that the terms and/or conditions set forth in the Drag-Along Notice are thereafter amended in any material respect, such Drag-Along Investor Group will promptly give written notice (an "***Amended Drag-Along Notice***") of the amended terms and conditions of the proposed Transfer to each of the other Limited Partners. The Drag-Along Investor Group shall cause each Drag-Along Notice and Amended Drag-Along Notice to set forth: (i) the name and address of the Drag-Along Transferee, (ii) the proposed amount and form of consideration and terms and conditions of payment offered by the Drag-Along Transferee and (iii) all other material terms of the proposed transaction, including the expected closing date of the transaction, and the Drag-Along Investor Group shall provide copies of the definitive documents and agreements relating to the Drag-Along Sale to the other Limited Partners reasonably in advance of the consummation of such Drag-Along Sale; *provided*, that any such document or agreement to which the other Limited Partners are not a party may be redacted to exclude provisions not directly relevant, in the Drag-Along Investor Group's reasonable discretion, to the other Limited Partners.

(d) Notwithstanding anything to the contrary in this Section 4.9, if the consideration in a Drag-Along Sale includes securities with respect to which no registration statement covering the issuance of such securities has been declared effective under the Securities Act and which may not be resold pursuant to Rule 144 (or are subject to volume limitations thereunder), each Limited Partner that is not then an Accredited Investor (without regard to Rule 501(a)(4) under the Securities Act) may be required (notwithstanding Section 4.9(a)(i)), at the request and election of the Drag-Along Investor Group, to (i) appoint a purchaser representative (as such term is defined in Rule 501 under the Securities Act) reasonably acceptable to such Limited Partners or (ii) accept cash in lieu of any securities such

non-Accredited Investor would otherwise receive in an amount equal to the fair market value of such securities as determined by the Board in its reasonable judgment.

(e) If some or all of the consideration received in connection with a Drag-Along Sale is other than cash, then such consideration shall be deemed to have a dollar value equal to the fair market value of such consideration as determined by the Board; *provided*, that if the Board does not or is unable to make such a determination of fair market value, such determination of fair market value shall be made by a Valuation Firm selected by the Board, and such firm shall be engaged and paid by the Partnership. The determination of fair market value by such Valuation Firm (or, if such firm determines a range of fair market values, the mid-point of such range) shall be final and binding on all parties.

Section 4.10 Change of Control.

(a) *Change of Control of EXCO*. Upon a Change of Control of EXCO, the Harbinger Partner shall have the right, exercisable until the expiration of six months following notice to the Harbinger Partner by the EXCO Partner of the Change of Control of EXCO, to acquire all, but not less than all, of the Limited Partner Interests of the EXCO Partner for Fair Market Value.

(b) *Change of Control of Harbinger.* If, within a twelve-month period following a Change of Control of Harbinger, the Harbinger Directors on the Board cause the Partnership to reject each opportunity relating to Partnership Appropriate Oil and Gas Properties presented to the Partnership by the EXCO Partner pursuant to the GP LLC Agreement reasonably and in good faith and substantially consistent with past practice and (i) such opportunity is reasonably expected to be accretive to the Partnership on a per Unit basis and (ii) the Partnership has available borrowing capacity under any then-existing credit facility, cash on hand and other sources of secured debt financing reasonably available to consummate such opportunity, the EXCO Partner shall have the right, exercisable until the expiration of six months following the twelve-month anniversary of the Change of Control of Harbinger, to acquire all, but not less than all, of the Limited Partner Interests held by the Harbinger Partner for Fair Market Value.

(c) *Change of Control of Other Limited Partners*. Upon a Change of Control of any Limited Partner other than the Harbinger Partner or the EXCO Partner, the Harbinger Partner and the EXCO Partner shall each have the right, exercisable until the expiration of six months following notice to the General Partner of the Change of Control of such Limited Partner, to acquire all, but not less than all, of the Limited Partner Interests of such Limited Partner for Fair Market Value.

Section 4.11 Expenses.. Each Partner shall bear its own expenses incurred in connection with this Article IV, and any Partner effecting a Transfer pursuant to this Article IV shall reimburse the General Partner or the Partnership, as the case may be, for any expenses incurred by the General Partner or the Partnership in connection therewith.

Section 4.12 Closing Date. Any Transfer and any related admission of a Person as a Partner in compliance with this Article IV shall be deemed effective on such date that the Transferee or successor in interest complies with the requirements of this Agreement.

Section 4.13 Effect of Incapacity. Except as otherwise provided herein, the Incapacity of a Partner shall not dissolve or terminate the Partnership. In the event of such Incapacity, the executor, administrator, guardian, trustee or other personal representative of the Partner that has experienced such Incapacity shall be deemed to be the assignee of such Partner's Economic Interest and may, subject to the terms and conditions set forth in this Article IV, become a Partner.

Section 4.14 No Appraisal Rights. No Partner shall be entitled to any valuation, appraisal or similar rights with respect to such Partner's Partnership Interests, whether individually or as part of any class or group of Partners, in the event of a merger, consolidation, sale of the Partnership or other transaction involving the Partnership or its securities unless such rights are expressly provided by the agreement of merger, agreement of consolidation or other document effectuating such transaction.

Section 4.15 Effect of Non-Compliance.

(a) *Improper Transfers Void*. ANY ATTEMPTED TRANSFER NOT STRICTLY IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE IV WILL BE VOID AB INITIO AND OF NO FORCE OR EFFECT WHATSOEVER, PROVIDED, THAT ANY SUCH ATTEMPTED TRANSFER MAY BE A BREACH OF THIS AGREEMENT, NOTWITHSTANDING THAT SUCH ATTEMPTED TRANSFER IS VOID.

(b) *Other Consequences*. Without limiting the foregoing, if any Partnership Interest or Certificate representing a Partnership Interest is purported to be Transferred in whole or in part in contravention of this Article IV, the Person to whom such purported Transfer was made shall not be entitled to any rights as a Partner whatsoever, including any of the following rights:

(i) (A) with respect to a purported Transfer of a Limited Partner Interest, to vote at a meeting of Limited Partners or to give approvals without a meeting as provided in Section 13.11 or (B) with respect to a purported Transfer of a General Partner Interest, to participate in the management, business or affairs of the Partnership;

(ii) to receive any reports pursuant to Section 8.3 or obtain information concerning the Partnership pursuant to any other provision hereof;

(iii) to inspect or copy the Partnership's books or records;

(iv) to receive any Economic Interest in the Partnership; or

(v) to receive upon the dissolution and winding up of the Partnership the net amount otherwise distributable to the Transferor pursuant to Section 12.4.

ARTICLE V

CAPITAL CONTRIBUTIONS AND ISSUANCE OF PARTNERSHIP INTERESTS

Section 5.1 Organizational Contributions. In connection with the formation of the Partnership under the Delaware Act, the General Partner made an initial contribution to the Partnership in the amount of $20.00 in exchange for a General Partner Interest equal to a 2% Percentage Interest and was admitted as the General Partner of the Partnership. The Organizational Limited Partner made an initial Capital Contribution to the Partnership in the amount of $980.00 in exchange for a Limited Partner Interest equal to a 98% Percentage Interest and has been admitted as a Limited Partner of the Partnership. As of the Closing Date, and effective with the admission of another Limited Partner to the Partnership, the interests of the Organizational Limited Partner will be redeemed as provided in the Contribution Agreement and the initial Capital Contribution of the Organizational Limited Partner will be refunded. One-hundred percent of any interest or other profit that may have resulted from the investment or other use of such initial Capital Contribution will be allocated and distributed to the Organizational Limited Partner.

Section 5.2 Contributions by the General Partner and Its Affiliates.

(a) On the Closing Date and pursuant to the Contribution Agreement, the 1,000,000 Common Units held by the General Partner shall be automatically cancelled and the General Partner's interests in the Partnership shall be converted into 1,000,000 Notional General Partner Units, representing a General Partner Interest with a 2% Percentage Interest, subject to all of the rights, privileges and duties of the General Partner under this Agreement, and the Incentive Distribution Rights.

(b) Upon the issuance of any additional Limited Partner Interests by the Partnership (other than the Common Units issued pursuant to Section 5.3(a)) (any of which for purposes of this Agreement shall be "***Additional Units***"), the General Partner may, in order to maintain the Percentage Interest with respect to its General Partner Interest, make additional Capital Contributions in an amount equal to the product obtained by multiplying (i) the quotient determined by dividing (A) the Percentage Interest with respect to the Notional General Partner Units immediately prior to the issuance of such additional Limited Partner Interests by the Partnership by (B) 100% less the Percentage Interest with respect to the Notional General Partner Units immediately prior to the issuance of such additional Limited Partner Interests by the Partnership times (ii) the gross amount contributed to the Partnership by the Limited Partners (before deduction of underwriting discounts and commissions) in exchange for such additional Limited Partner Interests. Any Capital Contribution pursuant to this Section 5.2(b) shall be evidenced by the issuance to the General Partner of a proportionate number of additional Notional General Partner Units.

Section 5.3 Contributions, Distributions and Issuances of Partnership Interests.

(a) On the Closing Date, the EXCO Partner, the Harbinger Partner and the General Partner, as applicable, shall make the contributions, be issued the Partnership

Interests and receive the distributions, and the Partnership shall take the other actions of the Partnership, contemplated by Section 2.1 of the Contribution Agreement.

(b) The Partnership shall, at the request of the General Partner, take the actions required of the Partnership as set forth on Annex A to the Contribution Agreement in accordance with the terms and provisions thereof.

(c) No Initial Limited Partner shall be required to make any Capital Contributions to the Partnership, except as set forth in Section 5.9 or unless otherwise agreed to in writing by such Initial Limited Partner.

(d) Subject to Section 5.6, additional Capital Contributions may be made to the Partnership pursuant to the issuance by the Partnership of additional Partnership Interests.

Section 5.4 Interest and Withdrawal. No interest shall be paid by the Partnership on Capital Contributions. No Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon liquidation of the Partnership may be considered as such by Law and then only to the extent provided for in this Agreement. Unless expressly provided in this Agreement, no Partner shall have priority over any other Partner either as to the return of Capital Contributions or as to profits, losses or distributions. Any such return shall be a compromise to which all Partners agree within the meaning of Section 17-502(b) of the Delaware Act.

Section 5.5 Capital Accounts.

(a) The Partnership shall maintain for each Partner (or a beneficial owner of Partnership Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method acceptable to the General Partner) owning a Partnership Interest a separate Capital Account with respect to such Partnership Interest in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made to the Partnership with respect to such Partnership Interest and (ii) all items of Partnership income and gain (including Simulated Gain and income and gain exempt from tax) computed in accordance with Section 5.5(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1, and decreased by (x) the amount of cash or Net Agreed Value of all actual and deemed distributions of cash or property made with respect to such Partnership Interest and (y) all items of Partnership deduction and loss (including Simulated Depletion and Simulated Loss) computed in accordance with Section 5.5(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1.

(b) For purposes of computing the amount of any item of income, gain, loss, deduction, Simulated Depletion, Simulated Gain or Simulated Loss that is to be allocated pursuant to Article VI and is to be reflected in the Partners' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for U.S. federal income tax purposes (including any method of depreciation, cost recovery or amortization used for that purpose), *provided*, that:

(i) Solely for purposes of this Section 5.5, the Partnership shall be treated as owning directly its proportionate share (as determined by the General Partner based upon the provisions of the applicable Group Member Agreement) of all property owned by (x) any other Group Member that is classified as a partnership for U.S. federal income tax purposes and (y) any other partnership, limited liability company, unincorporated business or other entity classified as a partnership for U.S. federal income tax purposes of which a Group Member is, directly or indirectly, a partner, member or other equity holder.

(ii) All fees and other expenses incurred by the Partnership to promote the sale of (or to sell) a Partnership Interest that can neither be deducted nor amortized under Section 709 of the Code, if any, shall, for purposes of Capital Account maintenance, be treated as an item of deduction at the time such fees and other expenses are incurred and shall be allocated among the Partners pursuant to Section 6.1.

(iii) Except as otherwise provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss, deduction, Simulated Depletion, Simulated Gain and Simulated Loss shall be made without regard to any election under Section 754 of the Code that may be made by the Partnership and, as to those items described in Section 705(a)(1)(B) or 705(a)(2)(B) of the Code, without regard to the fact that such items are not includable in gross income or are neither currently deductible nor capitalized for U.S. federal income tax purposes. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment in the Capital Accounts shall be treated as an item of gain or loss.

(iv) Any income, gain, loss, Simulated Gain or Simulated Loss attributable to the taxable disposition of any Partnership property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the property's Carrying Value as of such date.

(v) In accordance with the requirements of Section 704(b) of the Code, any deductions for depreciation, cost recovery, amortization or Simulated Depletion attributable to any Contributed Property shall be determined as if the adjusted basis of such property were equal to the Agreed Value of such property. Upon an adjustment pursuant to Section 5.5(d) to the Carrying Value of any Partnership property subject to depreciation, cost recovery, amortization or Simulated Depletion, any further deductions for such depreciation, cost recovery, amortization or Simulated Depletion attributable to such property shall be determined under the rules prescribed in Treasury Regulation Section 1.704-3(d)(2) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately following such adjustment.

(vi) The Gross Liability Value of each Liability of the Partnership described in Treasury Regulation Section 1.752-7(b)(3)(i) shall be adjusted at such times as provided in this Agreement for an adjustment to Carrying Values. The amount of any such adjustment shall be treated for purposes hereof as an item of loss (if the adjustment

increases the Carrying Value of such Liability of the Partnership) or an item of gain (if the adjustment decreases the Carrying Value of such Liability of the Partnership).

(c) A Transferee of a Partnership Interest shall succeed to a *pro rata* portion of the Capital Account of the Transferor relating to the Partnership Interest so Transferred.

(d) (i) Consistent with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), on an issuance of additional Partnership Interests for cash or Contributed Property, or the issuance of Partnership Interests as consideration for the provision of services, the Carrying Value of each Partnership property immediately prior to such issuance shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, and any such Unrealized Gain or Unrealized Loss shall be treated, for purposes of maintaining Capital Accounts, as if it had been recognized on an actual sale of each such property for an amount equal to its Fair Market Value immediately prior to such issuance and had been allocated among the Partners at such time pursuant to Section 6.1(c) in the same manner as any item of gain, loss, Simulated Gain or Simulated Loss actually recognized following an event giving rise to the dissolution of the Partnership would have been allocated; *provided, however,* that in the event of an issuance of Partnership Interests for a de minimis amount of cash or Contributed Property, or in the event of an issuance of a de minimis amount of Partnership Interests as consideration for the provision of services, the General Partner may determine that such adjustments are unnecessary for the proper administration of the Partnership. In determining such Unrealized Gain or Unrealized Loss, the aggregate Fair Market Value of all Partnership property (including cash or cash equivalents) immediately prior to the issuance of additional Partnership Interests shall be determined by the General Partner using such method of valuation as it may adopt. In making its determination of the Fair Market Values of individual properties, the General Partner may determine that it is appropriate to first determine an aggregate value for the Partnership and then allocate such aggregate value among the individual properties of the Partnership (in such manner as it determines appropriate).

(ii) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), immediately prior to any actual or deemed distribution to a Partner of any Partnership property (other than a distribution of cash that is not in redemption or retirement of a Partnership Interest), the Carrying Value of all Partnership property shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, and any such Unrealized Gain or Unrealized Loss shall be treated, for purposes of maintaining Capital Accounts, as if it had been recognized on an actual sale of each such property immediately prior to such distribution for an amount equal to its fair market value, and had been allocated among the Partners, at such time, pursuant to Section 6.1 in the same manner as any item of gain, loss, Simulated Gain or Simulated Loss actually recognized following an event giving rise to the dissolution of the Partnership would have been allocated. In determining such Unrealized Gain or Unrealized Loss the aggregate fair market value of all Partnership property (including cash or cash equivalents) immediately prior to a distribution shall (A) in the case of an actual or deemed distribution other than a distribution made pursuant to Section 12.4, be determined in the same manner as that provided in Section 5.5(d) or (B) in the case of a liquidating distribution pursuant to Section 12.4, be determined by the Liquidator using such method of valuation as it may adopt.

(e) All Partners acknowledge and agree that the initial Capital Contributions set forth on Exhibit A as of the Closing Date represent the amount of money and the Agreed Value of all property (other than money) contributed by the Partners. The Partners acknowledge and agree that the Capital Account of each Partner as of the date hereof is equal to the amount set forth on Exhibit A as of the date hereof.

Section 5.6 Issuances of Additional Partnership Interests and Derivative Instruments.

(a) Subject to Section 4.8, the Partnership may issue additional Partnership Interests and Derivative Instruments for any Partnership purpose at any time and from time to time to such Persons for such consideration and on such terms and conditions as the General Partner shall determine, all without the approval of any Limited Partners.

(b) Each additional Partnership Interest authorized to be issued by the Partnership pursuant to Section 5.6(a) may be issued in one or more classes, or one or more series of any such classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of Partnership Interests), as shall be fixed by the General Partner, including (i) the right to share in Partnership profits and losses or items thereof; (ii) the right to share in Partnership distributions; (iii) the rights upon dissolution and liquidation of the Partnership; (iv) whether, and the terms and conditions upon which, the Partnership may or shall be required to redeem the Partnership Interest (including sinking fund provisions); (v) whether such Partnership Interest is issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange; (vi) the terms and conditions upon which each Partnership Interest will be issued, evidenced by certificates and assigned or Transferred; (vii) the method for determining the Percentage Interest as to such Partnership Interest; and (viii) the right, if any, of each such Partnership Interest to vote on Partnership matters, including matters relating to the relative rights, preferences and privileges of such Partnership Interest.

(c) The General Partner shall take all actions that it determines to be necessary or appropriate in connection with (i) each issuance of Partnership Interests and Derivative Instruments pursuant to this Section 5.6, (ii) reflecting admission of additional Limited Partners in the books and records of the Partnership as the Record Holders of Limited Partner Interests and (iii) all additional issuances of Partnership Interests. The General Partner shall determine the relative rights, powers and duties of the holders of the Units or other Partnership Interests being so issued.

(d) The Partnership may issue fractional Units.

(e) Immediately prior to the closing of the Initial Public Offering, the Partnership may issue Partnership Interests in the manner described in Section 5.11.

Section 5.7 Splits and Combinations.

(a) The Partnership may make a *pro rata* distribution of Partnership Interests to all Record Holders or may effect a subdivision or combination of Partnership Interests so long as, after any such event, each Partner shall have the same Percentage Interest in

the Partnership as before such event, and any amounts calculated on a per Unit basis or stated as a number of Units are proportionately adjusted retroactive to the beginning of the Partnership.

(b) Promptly following any such distribution, subdivision or combination, the Partnership may issue Certificates to the Record Holders of Partnership Interests as of the applicable Record Date representing the new number of Partnership Interests held by such Record Holders, or the General Partner may adopt such other procedures that it determines to be necessary or appropriate to reflect such changes. If any such combination results in a smaller total number of Partnership Interests Outstanding, the Partnership shall require, as a condition to the delivery to a Record Holder of such new Certificate, the surrender of any Certificate held by such Record Holder immediately prior to such Record Date.

Section 5.8 Fully Paid and Non-Assessable Nature of Limited Partner Interests. All Limited Partner Interests issued pursuant to, and in accordance with the requirements of, this Article V shall be fully paid and non-assessable Limited Partner Interests in the Partnership, except as such non-assessability may be affected by Section 17-607 or 17-804 of the Delaware Act.

Section 5.9 Capital Contribution Events.

(a) Notwithstanding anything in Section 5.3(c) to the contrary, in the event the Board determines in good faith that additional Capital Contributions from the Limited Partners are necessary to fund the Partnership's operations (a "***Capital Contribution Event***"), the Board may issue a notice to each Limited Partner (such notice, together with a notice under Section 5.9(b) for a Unilateral Capital Contribution Event, a "***Call Notice***") for an additional Capital Contribution by each Limited Partner (together with a Unilateral Capital Contribution Event under Section 5.9(b), a "***Required Contribution***") in an amount equal to such Limited Partner's *pro rata* portion (based on Percentage Interest of Units) of the additional Capital Contribution determined to be necessary by the Board not less than fifteen (15) days prior to the date the Board determines such additional Capital Contributions shall be made by the Limited Partners.

(b) Notwithstanding anything in Section 5.9(a) to the contrary, in the event that the Harbinger Directors determine in good faith that the Partnership's gross receipts are not anticipated to be sufficient to equal or exceed the estimated expenditures contemplated in the Annual Plan for any six-month period, after considering available bank borrowing capacity of the Partnership or its Subsidiaries, and the Board is unable to reach a decision for a period of thirty (30) or more days regarding the approval of additional Capital Contributions or the incurrence of additional indebtedness to fund the difference between the estimated expenditures and the anticipated gross receipts, then the Harbinger Directors may, in their sole discretion, issue a Call Notice for an additional Capital Contribution (a "***Unilateral Capital Contribution Event***") in an amount equal to each Limited Partner's *pro rata* portion (based on Percentage Interest of Units) of the difference between such estimated expenditures and anticipated gross receipts. In lieu of issuing all or a portion of a Call Notice, and notwithstanding anything in this Agreement to the contrary, the Harbinger Directors acting alone may authorize and cause the Partnership to incur, in connection with a Unilateral Capital Contribution Event, additional indebtedness that is on terms satisfactory to the Harbinger Directors and non-recourse to the

Limited Partners to fund the difference between estimated expenditures and anticipated gross receipts.

(c) All Call Notices shall be expressed in U.S. dollars and shall state the date on which payment is due and the bank(s) or account(s) to which payment is to be made. Each Call Notice shall specify in reasonable detail the purpose(s) for which such additional Capital Contribution(s) are required, and the amount of the Capital Contribution(s) to be made by each Limited Partner pursuant to such Call Notice. Each Limited Partner shall contribute any additional Capital Contribution within five (5) Business Days of the date of delivery of the relevant Call Notice. The Partnership shall use the proceeds of such additional Capital Contributions exclusively for the purpose specified in the relevant Call Notice.

Section 5.10 Failure to Contribute.

(a) If a Limited Partner fails to contribute all or any portion of a Required Contribution that such Limited Partner (a "***Delinquent Partner***") is required to make as provided in this Agreement, then, while such Limited Partner is a Delinquent Partner, each non-Delinquent Partner may (but shall have no obligation to) elect to fund or arrange for a Permitted Transferee to fund (or, if all other non-Delinquent Partners waive their rights under this Section 5.10, to arrange for any other Person who agrees to become a Limited Partner to fund) all or any portion of the Delinquent Partner's Required Contribution as a Capital Contribution pursuant to this Section 5.10. If a non-Delinquent Partner so desires to fund such amount, such non-Delinquent Partner shall so notify each of the other non-Delinquent Partners, who shall have five (5) days thereafter to elect to participate in such funding.

(b) The portion that each participating non-Delinquent Partner may fund as a Capital Contribution pursuant to this Section 5.10 (the "***NDM Amount***") shall be equal to the product of (x) the delinquent amount of such Required Contribution multiplied by (y) a fraction, the numerator of which shall be the Percentage Interest then held by such participating non-Delinquent Partner and the denominator of which shall be the aggregate Percentage Interest held by all such participating non-Delinquent Partners; *provided*, that if any participating non-Delinquent Partner elects to fund less than its full allocation of such amount, the fully participating non-Delinquent Partners shall be entitled to take up such shortfall (allocated, as necessary, based on their respective Percentage Interests). Upon such funding as a Capital Contribution, at the election of the participating non-Delinquent Partners holding a majority of the aggregate Percentage Interests of all participating non-Delinquent Partners, either:

(i) the Limited Partner Interest, Percentage Interest and Units of each Partner shall be appropriately adjusted to reflect all such funding (based on total Capital Contributions); *provided, however*, that if (A) such funding is in connection with a Unilateral Capital Contribution Event or a Capital Contribution Event in which at least one director designated by EXCO and one director designated by Harbinger voted in favor thereof and (B) the Harbinger Member (as defined in the GP LLC Agreement) has not exercised the Full Special Committee Control Rights (as defined in the GP LLC Agreement), then in addition to the dilutive effect caused by one or more Limited Partners funding the Delinquent Partner's portion of such Required Contribution as set forth in this Section 5.10, (1) the Percentage Interest and Units of such Delinquent Partner shall also be decreased by the Dilution Percentage, and (2) the

aggregate Percentage Interest and Units of the participating non-Delinquent Partner(s) who funded such Required Contribution on behalf of such Delinquent Partner shall be increased by the same amount on the same *pro rata* basis as such participating non-Delinquent Partner(s) funded such Required Contribution; or

(ii) the Partnership shall issue to each participating non-Delinquent Partner newly created, non-voting preferred Additional Interests (the "***NDM Interests***"). The NDM Interests received by each funding non-Delinquent Partner shall (A) have an aggregate capital account (an "***NDM Capital Account***") equal to such non-Delinquent Partner's NDM Amount and (B) be entitled to receive distributions prior to all other Equity Interests in the Partnership until the related NDM Capital Account has been reduced to zero. For the avoidance of doubt, an NDM Interest shall not entitle the holder thereof to any distributions (whether operating, special, liquidating or otherwise) from the Partnership after the related NDM Capital Account has been reduced to zero. NDM Interests shall be non-voting Equity Interests in the Partnership.

(c) Notwithstanding anything in this Section 5.10 to the contrary, the Delinquent Partner may cure such delinquency (i) by contributing its Required Contribution prior to the Capital Contribution being made by another Partner or (ii) on or before the sixtieth (60th) day following the date that the participating non-Delinquent Partner(s) satisfied the Required Contribution, by making a Capital Contribution to the Partnership in an amount equal to the Required Contribution (a "***Make-Up Contribution***") and paying to each participating non-Delinquent Partner an amount equal to its NDM Amount multiplied by the Default Interest Rate for the period from the date such participating non-Delinquent Partner funded its NDM Amount to the date that the Delinquent Member makes its Make-Up Contribution (the "***Default Interest Amount***"). If a Delinquent Partner cures its delinquency pursuant to Section 5.10(c)(ii) by making a Make-Up Contribution and paying the Default Interest Amount, then (A) *first*, the Partnership shall distribute to each existing Partner that is a participating non-Delinquent Partner the NDM Amount that such participating non-Delinquent Partner funded pursuant to Section 5.10(b), (B) *second*, the respective Capital Accounts, Percentage Interests and Units of the Partners, and any issuances or Transfers of Units of the Partners, shall be adjusted with all necessary increases or decreases (in the case of any issuances or Transfers of Units, at the initial price of issuance of such Units) to return the Partners' Capital Accounts and Percentage Interests *status quo ante* application of Section 5.10(b), (C) *third*, all NDM Interests, if any, issued pursuant to Section 5.10(b)(ii) shall be cancelled and (D) *fourth*, the Percentage Interest and Units of each Partner shall be appropriately adjusted to reflect the Make-Up Contribution (based on total Capital Contributions). If the delinquency is remedied by the Delinquent Partner making its Required Contribution or Make-Up Contribution as required above, the Delinquent Partner shall no longer be deemed to be in default with respect to the unfunded Required Contribution. If the default is remedied by funding by the non-Delinquent Partner(s) as a Capital Contribution as set forth above, the Delinquent Partner shall no longer be deemed to be in default with respect to the unfunded Required Contribution.

Section 5.11 Impact of an Initial Public Offering.

(a) In connection with an Initial Public Offering where the Partnership is the IPO Issuer, concurrent with the closing of the Initial Public Offering, all equity interests of

the IPO Issuer (other than equity interests issued and sold to the public in the Initial Public Offering and the Incentive Distribution Rights, if any) will be allocated among the holders of equity in the IPO Issuer immediately prior to the Initial Public Offering based upon the amount of cash each such equityholder would receive if cash in an amount equal to the aggregate value of such equity interests were distributed pursuant to Section 6.3(b). If multiple classes of equity securities are issued in connection with the Initial Public Offering, all equity securities issued in connection with the Initial Public Offering shall be deemed to have the value of the equity securities issued and sold to the public in the Initial Public Offering and each class of outstanding equity securities prior to the Initial Public Offering shall receive a *pro rata* portion of each class of equity securities. Concurrent with the closing of the Initial Public Offering, the General Partner may, in its sole discretion, cause the Partnership to issue Incentive Distribution Rights to the General Partner.

(b) In connection with an Initial Public Offering where the Partnership is not the IPO Issuer, (i) any equity of the IPO Issuer issued (other than those issued and sold to the public in the Initial Public Offering and any Incentive Distribution Rights) shall be issued to the Partnership and (ii) the General Partner may, in its sole discretion, cause the IPO Issuer to issue Incentive Distribution Rights of the IPO Issuer to the General Partner.

(c) The General Partner shall have the sole authority, free of any fiduciary duty or obligation whatsoever to the Limited Partners, to establish the rights and obligations of the Common Units, subordinated units, if any, and Incentive Distribution Rights issued in connection with any Initial Public Offering, including, without limitation:

(i) the minimum quarterly distribution of the IPO Issuer;

(ii) the period for which subordinated units, if any, will be subordinated in right to participate in cash distributions of the IPO Issuer and other events that would result in the subordinated units converting to Common Units;

(iii) the "target distributions" of the IPO Issuer as they relate to the right of the holder(s) of Incentive Distribution Rights to participate in increasing cash distributions of the IPO Issuer;

(iv) the right of the General Partner to require a successor general partner to purchase any Incentive Distribution Rights that it then holds upon the removal of the General Partner under certain circumstances; and

(v) the voting rights attributable to Incentive Distribution Rights and the treatment thereof as they pertain to certain matters submitted to vote (including matters requiring a Unit Majority).

ARTICLE VI

ALLOCATIONS AND DISTRIBUTIONS

Section 6.1 Allocations for Capital Account Purposes. For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among

themselves, the Partnership's items of income, gain, loss, deduction, Simulated Depletion, Simulated Gain and Simulated Loss (computed in accordance with Section 5.5(b)) for each taxable period shall be allocated among the Partners as provided herein below.

(a) *Net Income*. After giving effect to the special allocations set forth in Section 6.1(d) and any allocations to other Partnership Interests, Net Income for each taxable period and all items of income, gain, loss, deduction, Simulated Depletion, Simulated Gain and Simulated Loss taken into account in determining Net Income for such taxable year shall be allocated as follows:

(i) *First*, 100% to the General Partner, in an amount equal to the aggregate Net Losses allocated to the General Partner pursuant to Section 6.1(b)(ii) for all previous taxable years until the aggregate Net Income allocated to the General Partner pursuant to this Section 6.1(a)(i) for the current and all previous taxable years is equal to the aggregate Net Loss allocated to the General Partner pursuant to Section 6.1(b)(ii) for all previous taxable years;

(ii) *Second*, to the General Partner and the Unitholders, in accordance with their respective Percentage Interests, in an amount equal to the aggregate Net Losses allocated to the General Partner and the Unitholders pursuant to Section 6.1(b)(i) for all previous taxable years until the aggregate Net Income allocated to the General Partner and the Unitholders pursuant to this Section 6.1(a)(ii) for the current and all previous taxable years is equal to the aggregate Net Losses allocated to the General Partner and the Unitholders pursuant to Section 6.1(b)(i) for all previous taxable years; and

(iii) *Third*, the balance, if any, 100% to the General Partner and Unitholders in accordance with their respective Percentage Interests.

(b) *Net Losses*. After giving effect to the special allocations set forth in Section 6.1(d) and any allocations to other Partnership Interests, Net Losses for each taxable period and all items of income, gain, loss, deduction, Simulated Depletion, Simulated Gain and Simulated Loss taken into account in determining Net Losses for such taxable year shall be allocated as follows:

(i) *First*, 100% to the General Partner and the Unitholders in accordance with their respective Percentage Interests; *provided* that the Net Losses shall not be allocated pursuant to this Section 6.1(b)(i) to the extent such allocation would cause any Unitholder to have a deficit balance in its Adjusted Capital Account at the end of such taxable year (or increase any existing deficit balance in its Adjusted Capital Account);

(ii) *Second*, the balance, if any, 100% to the General Partner.

(c) *Net Termination Gains and Losses*. Net Termination Gain or Net Termination Loss (including a *pro rata* part of each item of income, gain, loss, deduction, and Simulated Gain taken into account in computing Net Termination Gain or Net Termination Loss) for such taxable period and amounts distributed pursuant to Section 12.4 shall be allocated so that, to the maximum extent possible, each such Person's Capital Account is equal to (i) the amount that would be distributed to such Person if the net proceeds from such Capital

Transactions or amounts distributed pursuant to Section 12.4, as applicable, were distributed in the manner set forth in Section 6.3(b) minus (ii) such Person's share of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain. All allocations under this Section 6.1(c) shall be made after Capital Account balances have been adjusted by all other allocations provided under this Section 6.1 and after all distributions of Available Cash provided under Section 6.3(a)(i) or Section 6.3(a)(ii) have been made.

(d) *Special Allocations*. Notwithstanding any other provision of this Section 6.1, the following special allocations shall be made for each taxable period:

(i) Partnership Minimum Gain Chargeback. Notwithstanding any other provision of this Section 6.1, if there is a net decrease in Partnership Minimum Gain during any Partnership taxable period, each Partner shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(f)(6), 1.704-2(g)(2) and 1.704-2(j)(2)(i), or any successor provision. For purposes of this Section 6.1(d)(i), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(d) with respect to such taxable period (other than an allocation pursuant to Section 6.1(d)(v) and Section 6.1(d)(vi)). This Section 6.1(d)(i) is intended to comply with the Partnership Minimum Gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) Chargeback of Partner Nonrecourse Debt Minimum Gain. Notwithstanding the other provisions of this Section 6.1 (other than Section 6.1(d)(i)), except as provided in Treasury Regulation Section 1.704-2(i)(4), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Partnership taxable period, any Partner with a share of Partner Nonrecourse Debt Minimum Gain at the beginning of such taxable period shall be allocated items of Partnership income, gain and Simulated Gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 6.1(d), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income, gain or Simulated Gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(d), other than Section 6.1(d)(i) and other than an allocation pursuant to Section 6.1(d)(v) and Section 6.1(d)(vi), with respect to such taxable period. This Section 6.1(d)(ii) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) Qualified Income Offset. In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Partnership gross income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible; *provided*, that an allocation pursuant to this Section 6.1(d)(iii) shall be made only if and to the

extent that such Partner would have a deficit balance in its Adjusted Capital Account after all other allocations provided for in this Section 6.1 have been tentatively made as if this Section 6.1(d)(iii) were not in this Agreement.

(iv) Gross Income Allocation. In the event any Partner has a deficit balance in its Capital Account at the end of any taxable period in excess of the sum of (A) the amount such Partner is required to restore pursuant to the provisions of this Agreement and (B) the amount such Partner is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5), such Partner shall be specially allocated items of Partnership gross income, gain and Simulated Gain in the amount of such excess as quickly as possible; *provided*, that an allocation pursuant to this Section 6.1(d)(iv) shall be made only if and to the extent that such Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Section 6.1 have been tentatively made as if Section 6.1(d)(iii) and this Section 6.1(d)(iv) were not in this Agreement.

(v) Nonrecourse Deductions. Nonrecourse Deductions for any taxable period shall be allocated to the Partners *pro rata*. If the General Partner determines that the Partnership's Nonrecourse Deductions should be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the General Partner is authorized to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

(vi) Partner Nonrecourse Deductions. Partner Nonrecourse Deductions for any taxable period shall be allocated 100% to the Partner that bears the Economic Risk of Loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i). If more than one Partner bears the Economic Risk of Loss with respect to a Partner Nonrecourse Debt, the Partner Nonrecourse Deductions attributable thereto shall be allocated between or among such Partners in accordance with the ratios in which they share such Economic Risk of Loss.

(vii) Nonrecourse Liabilities. For purposes of Treasury Regulation Section 1.752-3(a)(3), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (A) the amount of Partnership Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners *pro rata*.

(viii) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts as a result of a distribution to a Partner in complete liquidation of such Partner's interest in the Partnership, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain or Simulated Loss (if the adjustment increases the basis of the asset) or loss or Simulated Loss (if the adjustment decreases such basis) taken into account pursuant to Section 5.5, and such item of gain, loss, Simulated Gain or Simulated Loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(ix) Curative Allocation.

(1) Notwithstanding any other provision of this Section 6.1, other than the Required Allocations, the Required Allocations shall be taken into account in making the Agreed Allocations so that, to the extent possible, the net amount of items of gross income, gain, loss, deduction, Simulated Depletion, Simulated Gain and Simulated Loss allocated to each Partner pursuant to the Required Allocations and the Agreed Allocations, together, shall be equal to the net amount of such items that would have been allocated to each such Partner under the Agreed Allocations had the Required Allocations and the related Curative Allocation not otherwise been provided in this Section 6.1 and Simulated Depletion and Simulated Loss had been included in the definition of Net Income and Net Loss. In exercising its discretion under this Section 6.1(d)(ix)(1), the General Partner may take into account future Required Allocations that, although not yet made, are likely to offset other Required Allocations previously made. Allocations pursuant to this Section 6.1(d)(ix)(1) shall only be made with respect to Required Allocations to the extent the General Partner determines that such allocations will otherwise be inconsistent with the economic agreement among the Partners.

(2) The General Partner shall, with respect to each taxable period, (1) apply the provisions of Section 6.1(d)(ix)(1) in whatever order is most likely to minimize the economic distortions that might otherwise result from the Required Allocations, and (2) divide all allocations pursuant to Section 6.1(d)(ix)(1) among the Partners in a manner that is likely to minimize such economic distortions.

(x) Priority Allocations. Items of Partnership gross income or gain for the taxable year, if any, shall be allocated (1) to the holders of Incentive Distribution Rights, *pro rata*, until the aggregate amount of such items allocated to the holders of Incentive Distribution Rights pursuant to this Section 6.1(d)(x) for the current taxable year and all previous taxable years is equal to the aggregate amount of Incentive Distributions made to the holders of Incentive Distribution Rights from the Closing Date to a date 45 days after the end of the current taxable period; and (2) to the General Partner an amount equal to the product of (A) an amount equal to the quotient determined by dividing (y) the General Partner's Percentage Interest by (z) the sum of 100 less the General Partner's Percentage Interest times (B) the sum of the amounts allocated in clause (1) above.

(e) Simulated Depletion and Simulated Loss.

(i) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(k), Simulated Depletion with respect to each oil and gas property shall be allocated among the General Partner and the Unitholders in accordance with their respective Percentage Interests.

(ii) Simulated Loss with respect to the disposition of an oil and gas property shall be allocated among the Partners in proportion to their allocable share of total amount realized from such disposition under Section 6.2(c)(i).

Section 6.2 Allocations for Tax Purposes.

(a) Except as otherwise provided herein, for U.S. federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Partners in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Section 6.1.

(b) The deduction for depletion with respect to each separate Depletable Property shall be computed for federal income tax purposes separately by the Partners rather than by the Partnership in accordance with Section 613A(c)(7)(D) of the Code. Except as provided in Section 6.2(c), for purposes of such computation (before taking into account any adjustments resulting from an election made by the Partnership under Section 754 of the Code), the adjusted tax basis of each Depletable Property shall be allocated among the Partners *pro rata*. Each Partner shall separately keep records of his share of the adjusted tax basis in each oil and gas property, allocated as provided above, adjust such share of the adjusted tax basis for any cost or percentage depletion allowable with respect to such property, and use such adjusted tax basis in the computation of its cost depletion or in the computation of his gain or loss on the disposition of such property by the Partnership.

(c) For the purposes of the separate computation of gain or loss by each Partner on the sale or disposition of each separate Depletable Property, the Partnership's allocable share of the "amount realized" (as such term is defined in Section 1001(b) of the Code) from such sale or disposition shall be allocated for federal income tax purposes among the Partners as follows:

(i) *first*, to the extent such amount realized constitutes a recovery of the Simulated Basis of the property, to the Partners in the same proportion as the depletable basis of such property was allocated to the Partners pursuant to Section 6.2(b); and

(ii) *second*, the remainder of such amount realized, if any, to the Partners so that, to the maximum extent possible, the amount realized allocated to each Partner under this Section 6.2(c)(ii) will equal such Partner's share of the Simulated Gain recognized by the Partnership from such sale or disposition.

The Partners recognize that with respect to Contributed Property and Adjusted Property there will be a difference between the Carrying Value of such property at the time of contribution or revaluation, as the case may be, and the adjusted tax basis of such property at that time. All items of tax depreciation, cost recovery, amortization, adjusted tax basis of depletable properties, amount realized and gain or loss with respect to such Contributed Property and Adjusted Property shall be allocated among the Partners to take into account the disparities between the Carrying Values and the adjusted tax basis with respect to such properties in accordance with the principles of Treasury Regulation Section 1.704-3(d).

(d) In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation, amortization and cost recovery deductions shall be allocated for U.S. federal income tax purposes among the Partners in the manner provided under Section 704(c) of the Code, and the

Treasury Regulations promulgated under Section 704(b) and 704(c) of the Code, as determined appropriate by the General Partner; *provided*, that the General Partner shall apply the principles of Treasury Regulation Section 1.704-3(d) in all events.

(e) The General Partner may determine to depreciate or amortize the portion of an adjustment under Section 743(b) of the Code attributable to unrealized appreciation in any Adjusted Property (to the extent of the unamortized Book-Tax Disparity) using a predetermined rate derived from the depreciation or amortization method and useful life applied to the unamortized Book-Tax Disparity of such property, despite any inconsistency of such approach with Treasury Regulation Section 1.167(c)-l(a)(6) or any successor regulations thereto. If the General Partner determines that such reporting position cannot reasonably be taken, the General Partner may adopt depreciation and amortization conventions under which all purchasers acquiring Limited Partner Interests in the same month would receive depreciation and amortization deductions, based upon the same applicable rate as if they had purchased a direct interest in the Partnership's property. If the General Partner chooses not to utilize such aggregate method, the General Partner may use any other depreciation and amortization conventions to preserve the uniformity of the intrinsic tax characteristics of any Limited Partner Interests, so long as such conventions would not have a material adverse effect on the Limited Partners or the Record Holders of any class or classes of Limited Partner Interests.

(f) In accordance with Treasury Regulation Sections 1.1245-1(e) and 1.1250-1(f), any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall, to the extent possible, after taking into account other required allocations of gain pursuant to this Section 6.2, be characterized as Recapture Income in the same proportions and to the same extent as such Partners (or their predecessors in interest) have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

(g) All items of income, gain, loss, deduction and credit recognized by the Partnership for U.S. federal income tax purposes and allocated to the Partners in accordance with the provisions hereof shall be determined without regard to any election under Section 754 of the Code that may be made by the Partnership; *provided, however,* that such allocations, once made, shall be adjusted (in the manner determined by the General Partner) to take into account those adjustments permitted or required by Sections 734 and 743 of the Code.

(h) Allocations that would otherwise be made to a Limited Partner under the provisions of this Article VI shall instead be made to the beneficial owner of Limited Partner Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method determined by the General Partner.

Section 6.3 Distributions of Available Cash.

(a) An amount equal to 100% of Available Cash with respect to each Quarter shall be distributed in accordance with this Section 6.3(a) by the Partnership to the Partners as of the Record Date selected by the General Partner within forty-five (45) days after the end of such Quarter. Except as otherwise required in respect of additional Partnership

Interests or other securities issued pursuant to Section 5.6 or Section 5.10, Available Cash shall be distributed as follows:

(i) *first*, 100% to the General Partner and the Unitholders in accordance with their respective Percentage Interests until there has been distributed pursuant to this Section 6.3(a)(i) for the then-current Distribution Period in respect of each Common Unit then Outstanding an amount equal to the Threshold Amount; and

(ii) *second*, the balance, if any, (x) to the General Partner in accordance with its Percentage Interest with respect to its Notional General Partner Units, (y) 23% to the holders of Incentive Distribution Rights, *pro rata*, and (z) to all Unitholders, *pro rata*, a percentage equal to 100% less the sum of the percentages applicable to subclauses (x) and (y) of this clause (ii).

(b) In the event of a Capital Transaction and to the extent that an amount equal to the Net Cash Proceeds from such transaction are not otherwise designated by the Board to be reinvested in the replacement of capital assets by the Partnership or applied to the repayment of a Group Member's debt or otherwise reserved to provide for the reasonably anticipated obligations of the Company, such Net Cash Proceeds shall be distributed as follows:

(i) *first*, to the General Partner and the Unitholders, *pro rata*, until the amount distributed in respect of each Unit equals the Unrecovered Preference Amount; and

(ii) *second*, the balance, if any, (x) to the General Partner in accordance with its Percentage Interest with respect to its Notional General Partner Units, (y) 23% to the holders of the Incentive Distribution Rights, *pro rata*, and (z) to all Unitholders, *pro rata*, a percentage equal to 100% less the sum of the percentages applicable to subclauses (x) and (y) of this clause (ii).

(c) In the event of the dissolution and liquidation of the Partnership, all Partnership assets shall be applied and distributed solely in accordance with, and subject to the terms and conditions of, Section 12.4.

(d) Each distribution in respect of a Partnership Interest shall be paid by the Partnership, directly or through any Transfer Agent or through any other Person or agent, only to the Record Holder of such Partnership Interest as of the Record Date set for such distribution. Such payment shall constitute full payment and satisfaction of the Partnership's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

(e) Notwithstanding any provision to the contrary contained in this Agreement, the Partnership shall not be required or permitted to make a distribution to any Person in violation of the Delaware Act or other applicable Law. Any distributions pursuant to this Section 6.3 made in error or in violation of applicable Law, will, upon demand by the General Partner, be returned to the Partnership.

Section 6.4 Adjustment of Threshold Amount. In the event of a distribution of net proceeds pursuant to Section 6.3(b) in connection with a Significant Transaction, following such distribution the then-applicable Threshold Amount shall be reduced by an amount equal to the product of (x) the Threshold Amount as in effect immediately prior to such adjustment multiplied by (y) a fraction, the numerator of which is the Threshold Base Amount immediately after giving effect to such distribution and of which the denominator is the Threshold Base Amount immediately prior to giving effect to such distribution. In the event of any Capital Contributions after the Closing Date (other than adjustments made pursuant to the Contribution Agreement) in which additional Partnership Interests are not issued, the Threshold Amount shall be increased by an amount equal to the product of (x) the Threshold Amount as in effect immediately prior to such adjustment multiplied by (y) a fraction, the numerator of which is the Threshold Base Amount immediately after giving effect to such Capital Contribution and of which the denominator is the Threshold Base Amount immediately prior to giving effect to such Capital Contribution.

ARTICLE VII

MANAGEMENT AND OPERATION OF BUSINESS

Section 7.1 Management.

(a) The General Partner shall conduct, direct and manage all activities of the Partnership. Except as otherwise expressly provided in this Agreement, but without limitation on the ability of the General Partner to delegate its rights and power to other Persons, all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and no other Partner shall have any management power over the business and affairs of the Partnership. In addition to the powers now or hereafter granted to a general partner of a limited partnership under applicable Law or that are granted to the General Partner under any other provision of this Agreement, the General Partner shall have full power and authority to do all things and on such terms as it determines to be necessary or appropriate to conduct the business of the Partnership, to exercise all powers set forth in Section 2.5 and to effectuate the purposes set forth in Section 2.4, including the following:

(i) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness, including indebtedness that is convertible or exchangeable into Partnership Interests, and the incurring of any other obligations;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(iii) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership or the merger or other combination of the Partnership with or into another Person (the matters described in this clause (iii) being subject, however, to any prior approval that may be required by Article XIV);

(iv) the use of the assets of the Partnership (including cash on hand) for any purpose consistent with the terms of this Agreement, including the financing of the conduct of the operations of the Partnership Group; the lending of funds to other Persons (including other Group Members); the repayment or guarantee of obligations of any Group Member; and the making of capital contributions to any Group Member;

(v) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit the liability of the Partnership under contractual arrangements to all or particular assets of the Partnership, with the other party to the contract to have no recourse against the General Partner or its assets other than its interest in the Partnership, even if it results in the terms of the transaction being less favorable to the Partnership than would otherwise be the case);

(vi) the distribution of cash or cash equivalents by the Partnership;

(vii) the selection, employment, retention and dismissal of employees (including employees having titles such as "president," "vice president," "secretary" and "treasurer") and agents, outside attorneys, accountants, consultants and contractors of the General Partner or the Partnership Group and the determination of their compensation and other terms of employment or hiring;

(viii) the maintenance of insurance for the benefit of the Partnership Group, the Partners and Indemnitees;

(ix) the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general partnerships, joint ventures, corporations, limited liability companies or other Persons (including the acquisition of interests in, and the contributions of property to, any Group Member from time to time);

(x) the control of any matters affecting the rights and obligations of the Partnership, including the bringing and defending of actions at Law or in equity and otherwise engaging in the conduct of litigation, arbitration or mediation and the incurring of legal expense and the settlement of Claims and litigation;

(xi) the indemnification of any Person against liabilities and contingencies to the extent permitted by Law;

(xii) the entering into of listing agreements with any National Securities Exchange and the delisting of some or all of the Limited Partner Interests from, or requesting that trading be suspended on, any such exchange;

(xiii) the purchase, sale or other acquisition or disposition of Partnership Interests, or the issuance of Derivative Instruments;

(xiv) the undertaking of any action in connection with the Partnership's participation in the management of any Group Member; and

(xv) the entering into of agreements with any of its Affiliates to render services to a Group Member or to itself in the discharge of its duties as General Partner of the Partnership.

(b) Each of the Partners and each other Person who acquires an interest in a Partnership Interest and each other Person who is otherwise bound by this Agreement hereby (i) approves, ratifies and confirms the execution, delivery and performance by the Partnership and its Subsidiaries of all agreements, instruments, certificates and other documents contemplated by the Contribution Agreement to which the Partnership or its Subsidiaries is or is to be made a party in accordance therewith, including the Administrative Services Agreement, the Operating Agreements, the Gas Marketing Agreement and the Shared Assets Agreement and (ii) agrees that the Partnership (on its own behalf or on behalf of its Subsidiaries) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence on behalf of itself and on behalf of its Subsidiaries from and after the closing of the transactions contemplated by the Contribution Agreement, in each case in accordance with the terms thereof.

(c) As used in the following provisions of this Article VII, the term Partnership Interest shall include any Derivative Instruments.

Section 7.2 Replacement of Fiduciary Duties. Notwithstanding any other provision of this Agreement, to the extent that any provision of this Agreement purports or is interpreted (a) to have the effect of replacing, restricting or eliminating the duties that might otherwise, as a result of Delaware or other applicable Law, be owed by the General Partner or any other Indemnitee to the Partnership, the Limited Partners, any other Person who acquires an interest in a Partnership Interest or any other Person who is bound by this Agreement, or (b) to constitute a waiver or consent by the Partnership, the Limited Partners, any other Person who acquires an interest in a Partnership Interest or any other Person who is bound by this Agreement to any such replacement or restriction, such provision shall be deemed to have been approved by the Partnership, all the Partners, each other Person who acquires an interest in a Partnership Interest and each other Person who is bound by this Agreement.

Section 7.3 Certificate of Limited Partnership. The General Partner has caused the Certificate of Limited Partnership to be filed with the Secretary of State of the State of Delaware as required by the Delaware Act. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents that the General Partner determines to be necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware or any other state in which the Partnership may elect to do business or own property. If the General Partner determines such action to be necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership or other entity in which the limited partners have limited liability) under the laws of the State of Delaware or of any other state in which the Partnership may elect to do business or own property. Subject to the terms of Section 3.3(a), the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to any Partner.

Section 7.4 Reimbursement of the General Partner.

(a) The General Partner shall be reimbursed by the Partnership Group on a monthly basis, or such other basis as the General Partner may determine, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership Group (including salary, bonus, incentive compensation and other amounts paid to any Person (including Affiliates of the General Partner), to perform services for the Partnership Group or for the General Partner in the discharge of its duties to the Partnership Group), and (ii) all other expenses allocable to the Partnership Group or otherwise incurred by the General Partner in connection with operating the Partnership Group's business (including expenses allocated to the General Partner by its Affiliates). The General Partner shall determine the expenses that are allocable to the General Partner or any member of the Partnership Group. Reimbursements pursuant to this Section 7.4 shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 7.7. The General Partner and its Affiliates may charge any member of the Partnership Group a management fee to the extent necessary to allow the Partnership Group to reduce the amount of any state franchise or income tax or any tax based upon revenues or gross margin of any member of the Partnership Group if the tax benefit produced by the payment for such management fee exceeds the amount of such fee.

(b) The General Partner, without the approval of the Limited Partners (who shall have no right to vote in respect thereof), may propose and adopt on behalf of the Partnership benefit plans, programs and practices (including plans, programs and practices involving the issuance of Partnership Interests), or cause the Partnership to issue Partnership Interests in connection with, or pursuant to, any benefit plan, program or practice maintained or sponsored by the General Partner or any of its Affiliates, in each case for the benefit of employees, officers, consultants and directors of the General Partner or its Affiliates, in respect of services performed, directly or indirectly, for the benefit of the Partnership Group. The Partnership agrees to issue and sell to the General Partner or any of its Affiliates any Partnership Interests that the General Partner or such Affiliates are obligated to provide to any employees, officers, consultants and directors pursuant to any such benefit plans, programs or practices. Expenses incurred by the General Partner in connection with any such plans, programs and practices (including the net cost to the General Partner or such Affiliates of Partnership Interests purchased by the General Partner or such Affiliates, from the Partnership or otherwise, to fulfill awards under such plans, programs and practices) shall be reimbursed in accordance with Section 7.4(a). Any and all obligations of the General Partner under any benefit plans, programs or practices adopted by the General Partner as permitted by this Section 7.4(b) shall constitute obligations of the General Partner hereunder and shall be assumed by any successor General Partner approved pursuant to Section 11.1 or Section 11.2 or the Transferee of or successor to all of the General Partner's General Partner Interest pursuant to Section 4.4.

Section 7.5 Outside Activities.

(a) The General Partner, for so long as it is the General Partner of the Partnership, shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (A) its performance as general partner or managing member, if any, of one or more Group Members, (B) the acquiring, owning or disposing of debt securities or

equity interests in any Group Member or (C) the direct or indirect provision of management, advisory and administrative services to its Affiliates or to other Persons.

(b) Each Unrestricted Person (other than the General Partner) shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Group Member, independently or with others, including business interests and activities in direct competition with the business and activities of any Group Member. No such business interest or activity shall constitute a breach of this Agreement, any fiduciary or other duty existing at Law, in equity or otherwise, or obligation of any type whatsoever to the Partnership or other Group Member, any Partner, any Person who acquires an interest in a Partnership Interest or any Person who is otherwise bound by this Agreement.

(c) Notwithstanding anything to the contrary in this Agreement, the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to any Unrestricted Person (including the General Partner). No Unrestricted Person (including the General Partner) who acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the Partnership, shall have any duty to communicate or offer such opportunity to any Group Member, and such Unrestricted Person (including the General Partner) shall not be liable to the Partnership or any other Group Member, any Partner, any person who acquires a Partnership Interest or any other Person who is otherwise bound by this Agreement for breach of any fiduciary or other duty existing at Law, in equity or otherwise by reason of the fact that such Unrestricted Person (including the General Partner) pursues or acquires such opportunity for itself, directs such opportunity to another Person or does not communicate such opportunity or information to any Group Member; *provided*, that such Unrestricted Person does not engage in such other business venture or activity as a result of or using Confidential Information.

(d) The General Partner and each of its Affiliates may acquire Units or other Partnership Interests in addition to those acquired on the Closing Date and, except as otherwise expressly provided in this Agreement, shall be entitled to exercise, at their option, all rights relating to all Units or other Partnership Interests acquired by them. The term "Affiliates" when used in this Section 7.5(d) with respect to the General Partner shall not include any Group Member.

Section 7.6 Performance of Duties; No Liability of Indemnitees. No Indemnitee (in its capacity as such) shall have any duty to the Partnership or any Partner of the Partnership except as expressly set forth herein or in other agreements to which such Persons are party or as required by applicable Law. No Indemnitee shall be liable to the Partnership, and no Indemnitee (in its capacity as such) shall be liable to any Partner, for any loss or damage sustained by the Partnership or such Partner (as applicable), unless such loss or damage shall (as finally determined by a court of competent jurisdiction) have resulted from such Person's fraud or willful misconduct or, in the case of any Partner, willful breach of this Agreement. In performing such Person's duties, each such Person shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of

the assets, liabilities, profits or losses of the Partnership or any facts pertinent to the existence and amount of assets from which distributions to Partners might properly be paid) of the following other Persons or groups: one or more officers or employees of the Partnership or the General Partner, any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Partnership, or any other Person who has been selected with reasonable care by or on behalf of the Partnership, in each case as to matters which such relying Person reasonably believes to be within such other Person's competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in Section 17-407 of the Delaware Act. No Indemnitee (in its capacity as such) shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation or liability of the Partnership, whether that liability or obligation arises in contract, tort or otherwise, solely by reason of being an Indemnitee. Nothing in this Agreement shall limit the liabilities and obligations of the Indemnitees, or entitle any Indemnitee to indemnification hereunder from the Partnership with respect to any Claims made under, when acting in any capacity for or on behalf of the Partnership other than those expressly described above. For the avoidance of doubt, nothing in this Agreement shall limit the liability of any Partner to any other Partner for breach of this Agreement.

Section 7.7 Right to Indemnification. Subject to the limitations and conditions as provided in this Section 7.7, each Person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or arbitrative or in the nature of an alternative dispute resolution in lieu of any of the foregoing ("***Proceeding***"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that such Person, or a Person of which such Person is the legal representative, is or was an Indemnitee or, in each case, a representative thereof shall be indemnified by the Partnership to the fullest extent permitted by applicable Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than said Law permitted the Partnership to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including reasonable attorneys' and experts' fees) actually incurred by such Person in connection with such Proceeding, appeal, inquiry or investigation ("***Loss***"), unless (a) such Loss shall have been finally determined by a court of competent jurisdiction to have resulted from such Person's fraud, willful misconduct or, in the case of any Partner, willful breach of this Agreement. Indemnification under this Section 7.7 shall continue as to a Person who has ceased to serve in the capacity which initially entitled such Person to indemnity hereunder. The rights granted pursuant to this Section 7.7, including the rights to advancement granted under Section 7.8, shall be deemed contract rights, and no amendment, modification or repeal of this Section 7.7 shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings, appeals, inquiries or investigations arising prior to any amendment, modification or repeal. The foregoing indemnification is for the benefit of the Persons identified above acting in the capacities described above and not in any other capacity. For the avoidance of doubt and notwithstanding anything in this Section 7.7 to the contrary, nothing in this Agreement shall provide for any indemnification of any Partner or any legal representative thereof in respect of any Proceeding by any other Partner against such Partner for breach of this Agreement or any Affiliate Contract (as defined in the GP LLC Agreement).

Section 7.8 Advance Payment. The right to indemnification conferred in Section 7.7 shall include the right to be paid or reimbursed by the Partnership for the reasonable out-of-pocket expenses incurred by a Person entitled to be indemnified under Section 7.7 who was, or is threatened to be made, a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding and without any determination as to the Person's ultimate entitlement to indemnification; *provided, however*, that the payment of such expenses incurred by any such Person in advance of the final disposition of a Proceeding shall be made only upon delivery to the Partnership of a written affirmation by such Person of its good faith belief that it has met the standard of conduct necessary for indemnification under Section 7.7 and a written undertaking, by or on behalf of such Person, to repay all amounts so advanced if it shall ultimately be determined that such Person is not entitled to be indemnified under Section 7.7 or otherwise.

Section 7.9 Indemnification of Employees and Agents. The Partnership, at the direction of the General Partner, may indemnify and advance expenses to an employee or agent of the Partnership to the same extent and subject to the same conditions under which it may indemnify and advance expenses under Section 7.7 and Section 7.8.

Section 7.10 Appearance as a Witness. Notwithstanding any other provision of this Article VII, the Partnership, at the sole discretion of the General Partner, may pay or reimburse reasonable out-of-pocket expenses incurred by an Indemnitee, employee or agent in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

Section 7.11 Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in Section 7.7 and Section 7.8 shall not be exclusive of any other right that an Indemnitee may have or hereafter acquire under any Law (common or statutory) or provision of this Agreement.

Section 7.12 Insurance. The General Partner may obtain and maintain, at the Partnership's or a member of the Partnership Group's expense, insurance to protect the Indemnitees, employees and agents from any expense, liability or loss arising out of or in connection with such Person's status and actions as an Indemnitee, employee or agent. In addition, the General Partner may cause the Partnership to purchase and maintain insurance, at the Partnership's expense, to protect the Partnership and any other Indemnitee, employee or agent of the Partnership who is or was serving at the request of the Partnership as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of a foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any expense, liability or loss, whether or not the Partnership would have the power to indemnify such Person against such expense, liability or loss under this Article VII.

Section 7.13 Other Indemnification Agreements.

(a) The Partnership hereby agrees that (i) the obligation of the Partnership under this Agreement to indemnify or advance expenses to any Indemnitee for the matters covered thereby shall be the primary source of indemnification and advancement of such

Indemnitee in connection therewith and any obligation on the part of any Indemnitee under any Other Indemnification Agreement to indemnify or advance expenses to such Indemnitee shall be secondary to the Partnership's obligation and shall be reduced by any amount that the Indemnitee may collect as indemnification or advancement from the Partnership, (ii) the Partnership shall be required to advance the full amount of expenses incurred by such Indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable Law and as required by the terms of this Agreement and any Other Indemnification Agreement, without regard to any rights an Indemnitee may have against the Persons other than Subsidiaries of the Partnership which have agreed to indemnify or advance expenses to such Indemnitee ("***Indemnitee-Related Entities***"), and (iii) the Partnership irrevocably waives, relinquishes and releases the Indemnitee-Related Entities from any and all claims against the Indemnitee-Related Entities for contribution, subrogation or any other recovery of any kind in respect thereof. In the event that any of the Indemnitee-Related Entities shall make any advancement or payment on behalf of an Indemnitee with respect to any claim for which such Indemnitee has sought indemnification from the Partnership, the Indemnitee-Related Entity making such payment shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnitee against the Partnership, and such Indemnitee shall execute all papers reasonably required and take all action reasonably necessary to secure such rights, including the execution of such documents as are necessary to enable the Indemnitee-Related Entities to bring suit to enforce such rights. The Partnership and each Indemnitee agree that the Indemnitee-Related Entities are express third party beneficiaries of the terms of this Section 7.13(a), entitled to enforce this Section 7.13(a) as though each of the Indemnitee-Related Entities were a party to this Agreement.

(b) Except as provided in Section 7.13(a), the Partnership shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that an Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(c) Except as provided in Section 7.13(a), the Partnership's obligation to indemnify or advance expenses hereunder to an Indemnitee who is or was serving at the request of the Partnership as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any Subsidiary shall be reduced by any amount such Indemnitee has actually received as indemnification payments or advancement of expenses from such Subsidiary. Notwithstanding any other provision of this Agreement to the contrary, (i) an Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification advancement, contribution or insurance coverage among multiple parties possessing such duties to such Indemnitee prior to the Partnership's satisfaction and performance of all its obligations under this Agreement and (ii) the Partnership shall perform fully its obligations under this Agreement without regard to whether such Indemnitee holds, may pursue or has pursued any indemnification, advancement, contribution or insurance coverage rights against any Person other than the Partnership.

Section 7.14 Savings Clause. If this Article VII or any portion hereof shall be invalidated on any ground by any court or other Governmental Authority of competent

jurisdiction, then the Partnership shall nevertheless indemnify and hold harmless each Person indemnified pursuant to this Article VII as to costs, charges and expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement with respect to any such Proceeding, appeal, inquiry or investigation to the fullest extent permitted by any applicable portion of this Article VII that shall not have been invalidated and to the fullest extent permitted by applicable Law.

Section 7.15 Standards of Conduct and Modification of Duties.

(a) Whenever the General Partner makes a determination or takes or declines to take any other action in its capacity as the general partner of the Partnership as opposed to in its individual capacity, whether under this Agreement, any Group Member Agreement or any other agreement contemplated hereby or otherwise, then, unless another express standard is provided for in this Agreement, the General Partner shall make such determination or take or decline to take such other action in good faith and shall not be subject to any higher standard contemplated hereby or under the Delaware Act or any other Law, rule or regulation or at equity. A determination, other action or failure to act by the General Partner will be deemed to be in good faith unless the General Partner believed such determination, other action or failure to act was adverse to the interests of the Partnership. In any proceeding brought by the Partnership, any Limited Partner, any Person who acquires an interest in a Partnership Interest or any other Person who is bound by this Agreement challenging such action, determination or failure to act, the Person bringing or prosecuting such proceeding shall have the burden of proving that such determination, action or failure to act was not in good faith.

(b) Whenever the General Partner makes a determination or takes or declines to take any other action, or any of its Affiliates causes it to do so, in its individual capacity as opposed to in its capacity as the general partner of the Partnership, whether under this Agreement or any other agreement contemplated hereby or otherwise, then the General Partner, or such Affiliates causing it to do so, are entitled, to the fullest extent permitted by Law, to make such determination or to take or decline to take such other action free of any fiduciary duty or other duty existing at Law, in equity or otherwise or obligation whatsoever to the Partnership, any Limited Partner, any other Person who acquires an interest in a Partnership Interest or any other Person who otherwise is bound by this Agreement, and the General Partner, or such Affiliates causing it to do so, shall not, to the fullest extent permitted by Law, be required to act in good faith or pursuant to any other standard imposed by this Agreement or any other agreement contemplated hereby or under the Delaware Act or any other Law, rule or regulation or at equity. By way of illustration and not of limitation, whenever the phrases "at the option of the General Partner," "in its sole discretion" or some variation of those phrases are used in this Agreement, it indicates that the General Partner is acting in its individual capacity. For the avoidance of doubt, whenever the General Partner votes or transfers its Partnership Interests, or refrains from voting or transferring its Partnership Interests, it shall be acting in its individual capacity.

(c) Each of the Partnership and the Partners acknowledges and agrees that the General Partner shall be governed in accordance with the GP LLC Agreement and that, pursuant to the GP LLC Agreement, each member of the Board may decide or determine any matter subject to the Board's approval in the sole and absolute discretion of such member, and

that such member of the Board shall have the right to make such determination solely on the basis of the interests of the member of the General Partner that designated such member of the Board. Each of the Partnership and the Partners hereby agrees that any Claims against, actions, rights to sue, other remedies or other recourse to or against any member of the Board for or in connection with any such decision or determination, in each case whether arising in common law or equity or created by rule of law, statute, constitution, contract (including this Agreement) or otherwise, are in each case expressly released and waived by the Partnership and each Partner, to the fullest extent permitted by Law, as a condition of, and as part of the consideration for, the execution of this Agreement and any related agreement, and the incurring by the Partners of the obligations provided in such agreements.

(d) Notwithstanding anything to the contrary in this Agreement, the General Partner and its Affiliates or any other Indemnitee shall have no duty or obligation, express or implied, to (i) sell or otherwise dispose of any asset of the Partnership Group or (ii) permit any Group Member to use any facilities or assets of the General Partner and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use. Any determination by the General Partner or any of its Affiliates to enter into such contracts shall be in its sole discretion.

(e) The Partners, each Person who acquires an interest in a Partnership Interest or is otherwise bound by this Agreement hereby authorize the General Partner, on behalf of the Partnership as a partner or member of a Group Member, to approve actions by the general partner or managing member of such Group Member similar to those actions permitted to be taken by the General Partner pursuant to this Section 7.15.

Section 7.16 Other Matters Concerning the General Partner and Indemnitees.

(a) The General Partner and any other Indemnitee may rely upon, and shall be protected in acting or refraining from acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner and any other Indemnitee may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted in reliance upon the advice or opinion (including an Opinion of Counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such advice or opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers, a duly appointed attorney or attorneys-in-fact or the duly authorized officers of any Group Member.

Section 7.17 Purchase or Sale of Partnership Interests. The General Partner may cause the Partnership to purchase or otherwise acquire Partnership Interests. As long as

Partnership Interests are held by any Group Member, such Partnership Interests shall not be considered Outstanding for any purpose, except as otherwise provided herein. The General Partner or any Affiliate of the General Partner may also purchase or otherwise acquire and sell or otherwise dispose of Partnership Interests for its own account, subject to the provisions of Article IV and Article X.

Section 7.18 Reliance by Third Parties. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner and any officer of the General Partner authorized by the General Partner to act on behalf of and in the name of the Partnership has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any authorized contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner or any such officer as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives, to the fullest extent permitted by Law, any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner or any such officer in connection with any such dealing. In no event shall any Person dealing with the General Partner or any such officer or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or any such officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE VIII

BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 8.1 Records and Accounting; Auditors.

(a) The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including all books and records necessary to provide to the Limited Partners any information required to be provided pursuant to Section 3.3(a). The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with GAAP. The Partnership shall not be required to keep books maintained on a cash basis, and the General Partner shall be permitted to calculate cash-based measures by making such adjustments to its accrual basis books to account for non-cash items and other adjustments as the General Partner determines to be necessary or appropriate.

(b) The independent registered public accounting firm and the external audit service provider of the Partnership shall initially be KPMG, LLP, until such firm resigns or

is removed by the Board. Thereafter, the Board shall select the independent registered public accounting firm and the external audit service provider of the Partnership.

Section 8.2 Fiscal Year. The fiscal year of the Partnership for financial statement purposes (the "***Book Fiscal Year***") and federal and applicable state and local income tax purposes (the "***Tax Fiscal Year***") will be as determined by the General Partner or required under the Code; *provided*, that, for so long as the Harbinger Partner consolidates the financial statements of the Partnership with any Affiliate of the Harbinger Partner for accounting purposes, the Book Fiscal Year end shall be the book fiscal year end of the Harbinger Partner (for the avoidance of doubt, initially September 30) unless otherwise determined by the Harbinger Partner.

Section 8.3 Reports.

(a) As soon as practicable, but in no event later than fifty (50) days following the close of each Book Fiscal Year of the Partnership, the General Partner shall cause to be delivered, by any reasonable means, to each Record Holder of a Unit or other Partnership Interest as of a date selected by the General Partner, an annual report containing financial statements of the Partnership for such Book Fiscal Year of the Partnership, presented in accordance with GAAP, including a balance sheet, a statement of income and comprehensive income, a statement of Partners' equity and a statement of cash flows, such statements to be audited by a firm of independent public accountants selected by the General Partner, and such other information, if any, as may be required by applicable Law or regulation or as the General Partner determines to be necessary or appropriate.

(b) As soon as practicable, but in no event later than thirty (30) days after the close of each Quarter except the last Quarter of each Book Fiscal Year, the General Partner shall cause to be delivered, by any reasonable means to each Record Holder of a Unit or other Partnership Interest, as of a date selected by the General Partner, a report containing unaudited financial statements of the Partnership for such Quarter prepared in accordance with GAAP for interim reporting, including a balance sheet, a statement of income and comprehensive income, a statement of Partners' equity and a statement of cash flows and such other information, if any, as may be required by applicable Law or regulation or as the General Partner determines to be necessary or appropriate.

ARTICLE IX

TAX MATTERS

Section 9.1 Tax Returns and Information. The General Partner shall cause the Partnership to prepare and timely file, or cause to be prepared and timely filed, all tax returns of the Partnership that are required for federal, state and local income tax and other applicable tax purposes; *provided*, that, no later than ten Business Days prior to the due date for filing any member of the Partnership Group's federal and state income tax returns (including information returns), the General Partner shall provide a written or electronic copy of such tax returns (and relevant supporting workpapers) to the Harbinger Partner for review and comment and the General Partner shall make revisions to such tax returns as are reasonably requested by the

Harbinger Partner within five Business Days following the Harbinger Partner's receipt of such tax returns from the General Partner; *provided further*, that if the Harbinger Partner has not so requested such revisions within such five Business Day period, then the Harbinger Partner shall be deemed to have no comments to any such tax returns. The Partnership shall furnish to each Record Holder the tax information reasonably required for federal, state and local income tax reporting purposes with respect to a taxable period within 90 days of the close of the calendar year in which the Partnership's taxable period ends.

Section 9.2 Accounting Methods; Tax Elections.

(a) The classification, realization and recognition of income, gains, losses and deductions and other items shall be on the accrual method of accounting for U.S. federal income tax purposes; *provided*, that, subject to the other provisions of this Section 9.2, the Partnership may change the method of accounting used for federal income tax purposes, should a change be possible and desirable (as determined by the General Partner in its sole discretion).

(b) The Partnership shall make an election under Section 754 of the Code in accordance with applicable Regulations promulgated thereunder, for the first taxable year in which there is a transfer or Partnership distribution to which such election would apply.

(c) Except as otherwise provided herein, the General Partner shall determine whether the Partnership should make any other available tax elections and select any other appropriate tax accounting methods and conventions for any purpose under this Agreement; provided, that no material tax election (other than an election under Section 754 of the Code) or selection of a material tax accounting method or convention shall be made without the prior written consent of each of the Harbinger Partner and the EXCO Partner, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the election under Section 6231(a)(1)(B)(ii) of the Code shall not be made with respect to the Partnership without the prior written consent of each Record Holder.

Section 9.3 Tax Controversies. Subject to the provisions hereof, the General Partner is designated as the Tax Matters Partner (as defined in Code Section 6231) as of the date hereof, and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds that have been approved for such purposes by the General Partner for professional services and costs associated therewith. On or before the fifth Business Day after becoming aware of any significant federal and state income tax matters with respect to the Partnership, including any tax audit, examination or proceeding with respect to the federal and state income tax matters of any member of the Partnership Group (any such matter, a "***Tax Matter***"), the General Partner shall inform the Harbinger Partner of such Tax Matter and shall deliver to the Harbinger Partner copies of all written communications it may receive with respect to such Tax Matter. The General Partner shall allow the Harbinger Partner to participate in any decisions relating to such Tax Matter and shall not settle any such Tax Matter without the Harbinger Partner's prior written consent not to be unreasonably withheld. Without the consent of the Harbinger Partner, which consent shall not be unreasonably withheld, the General Partner shall not extend the statute of limitations with

respect to any federal or state income tax liability of any member of the Partnership Group, meet with or initiate contact with any federal or state tax authorities, file a request for administrative adjustment on behalf of any member of the Partnership Group with respect to any federal or state income tax matter, file suit on behalf of any member of the Partnership Group concerning any federal or state income tax refund or deficiency or take any action contemplated by Sections 6222 through 6231 of the Code. In the event the "TEFRA audit provisions" of Code Section 6221 et seq. apply by their terms, the Tax Matters Partner shall ensure that each Record Holder is a notice partner within the meaning of Section 6231(a)(8) of the Code. Each Partner agrees to cooperate with the Tax Matters Partner and to do or refrain from doing any or all things reasonably required by the Tax Matters Partner to conduct such proceedings.

Section 9.4 Withholding; Tax Payments.

(a) The General Partner may treat taxes paid by the Partnership on behalf of, all or less than all of the Partners, either as a distribution of cash to such Partners or as a general expense of the Partnership, as determined appropriate under the circumstances by the General Partner.

(b) Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that may be required to cause the Partnership and other Group Members to comply with any withholding requirements established under the Code or any other federal, state or local Law including pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Partnership is required or elects to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income or from a distribution to any Partner (including by reason of Section 1446 of the Code), the General Partner may treat the amount withheld as a distribution of cash pursuant to Section 6.3 in the amount of such withholding from such Partner.

Section 9.5 Texas Margin Tax Sharing Agreement. If Texas Law allows or requires any Partner and the Partnership to participate in the filing of a Texas margin tax combined group report and such a combined group report is filed by such Partner and such Partner pays the Texas margin tax liability due in connection with such report, the Partners agree that the Partnership shall promptly reimburse the filing Partner for the margin tax paid on behalf of the Partnership as a combined group member. The margin tax paid on behalf of the Partnership shall be equal to the margin tax that the Partnership would have paid if it had computed its margin tax liability for the report period on a separate entity basis rather than as a member of the combined group. The Partners agree that the filing Partner may deduct for federal income tax purposes 100% of the Texas margin tax attributable to the Partnership and paid by Harbinger and that the Partnership's reimbursement obligation shall be limited to the after-tax cost of the Texas margin tax attributable to the Partnership and paid by the filing Partner, computed based on the highest marginal federal tax rate applicable to corporations.

ARTICLE X

ADMISSION OF PARTNERS

Section 10.1 Admission of Limited Partners.

(a) A Person shall be admitted as a Limited Partner and shall become bound by the terms of this Agreement if such Person purchases or otherwise lawfully acquires any Limited Partner Interest and becomes the Record Holder of such Limited Partner Interests in accordance with the provisions of Article IV or Article V hereof. Upon the issuance by the Partnership of Common Units and Incentive Distribution Rights to the Initial Limited Partners as described in Article V, such parties will be automatically admitted to the Partnership as Initial Limited Partners in respect of the Common Units and Incentive Distribution Rights issued to them.

(b) By acceptance of the Transfer of any Limited Partner Interests in accordance with Article IV or the acceptance of any Limited Partner Interests issued pursuant to Article V or pursuant to a merger or consolidation or conversion pursuant to Article XIV, each Transferee of, or other such Person acquiring, Limited Partner Interests (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Limited Partner Interests so Transferred or issued to such Person when any such Transfer or admission is reflected in the books and records of the Partnership and such Limited Partner becomes the Record Holder of the Limited Partner Interests so Transferred, (ii) shall become bound, and shall be deemed to have agreed to be bound, by the terms of this Agreement, (iii) represents that the Transferee or other recipient has the capacity, power and authority to enter into this Agreement and (iv) makes the consents, acknowledgements and waivers contained in this Agreement, all with or without execution of this Agreement by such Person. The Transfer of any Limited Partner Interests and the admission of any new Limited Partner shall not constitute an amendment to this Agreement. A Person may become a Limited Partner or Record Holder of a Limited Partner Interest without the consent or approval of any of the Partners. A Person may not become a Limited Partner without acquiring a Limited Partner Interest and until such Person is reflected in the books and records of the Partnership as the Record Holder of such Limited Partner Interest.

(c) The name and mailing address of each Record Holder shall be listed on the books and records of the Partnership maintained for such purpose by the Partnership or the Transfer Agent. The General Partner shall update the books and records of the Partnership from time to time as necessary to reflect accurately the information therein (or shall cause the Transfer Agent to do so, as applicable). A Limited Partner Interest may be represented by a Certificate, as provided in Section 4.1.

(d) Any Transfer of a Limited Partner Interest shall not entitle the Transferee to share in the profits and losses, to receive distributions, to receive allocations of income, gain, loss, deduction or credit or any similar item or to any other rights to which the Transferor was entitled until the Transferee becomes a Limited Partner pursuant to Section 10.1(b).

Section 10.2 Admission of Successor General Partner. A successor General Partner approved pursuant to Section 11.1 or Section 11.2 or the Transferee of or successor to all of the General Partner Interest pursuant to Section 4.4 who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately prior to the withdrawal or removal of the predecessor or transferring General Partner, pursuant to Section 11.1 or Section 11.2 or the Transfer of the General Partner Interest pursuant to Section 4.4; *provided, however*, that no such successor shall be admitted to the Partnership until compliance with the terms of Section 4.4 has occurred and such successor has executed and delivered such other documents or instruments as may be required to effect such admission. Any such successor shall, subject to the terms hereof, carry on the business of the members of the Partnership Group without dissolution.

Section 10.3 Amendment of Agreement and Certificate of Limited Partnership. To effect the admission to the Partnership of any Partner, the General Partner shall take all steps necessary or appropriate under the Delaware Act to amend the records of the Partnership to reflect such admission and, if necessary, to prepare as soon as practicable an amendment to this Agreement and, if required by Law, the General Partner shall prepare and file an amendment to the Certificate of Limited Partnership.

Section 10.4 Representations and Warranties. Each Partner hereby represents and warrants to the Partnership and each other Partner that:

(a) *Power and Authority*. Such Partner has full power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) *No Conflicts*. None of the execution, delivery and performance of this Agreement (i) constitutes or will constitute a violation of the organizational documents of such Partner or (ii) constitutes or will constitute a breach or violation of, or a default (or an event that, with notice or lapse of time or both, would constitute such a default) under any agreement to which such Partner is a party or by which it is or its assets are bound, except for any breaches, violations or defaults, in the case of clause (ii), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the financial condition, business, properties or results of operations of the Partnership Group, taken as a whole;

(c) *Own Account*. Such Partner has acquired or is acquiring its Partnership Interest in the Partnership for investment purposes only for its own account and not with a view to any distribution, reoffer, resale or other disposition that is not in compliance with the Securities Act or any applicable state securities laws;

(d) *Expertise*. Such Partner alone, or together with its representatives, possesses such expertise, knowledge and sophistication in financial and business matters generally, and in the type of transactions in which the Partnership proposes to engage in particular, that such Partner is capable of evaluating the merits and economic risks of acquiring and holding Partnership Interests, and that such Partner is able to bear all such economic risks now and in the future;

(e) *Awareness of Economic Risk*. Such Partner is aware that it must bear the economic risk of such Partner's investment in the Partnership for an indefinite period of time because Partnership Interests have not been registered under the Securities Act or under the securities laws of any state, and, therefore, such Partnership Interests cannot be sold unless they are subsequently registered under the Securities Act and any applicable state securities laws or an exemption from registration is available;

(f) *No Registration Rights*. Such Partner is aware that only the Partnership can take action to register Partnership Interests in the Partnership under the Securities Act and that the Partnership is under no such obligation and does not propose or intend to attempt to do so;

(g) *Transfer Restrictions*. Such Partner is aware that this Agreement provides restrictions on the ability of a Partner to Transfer Partnership Interests, and such Partner will not seek to effect any Transfer of Partnership Interests other than in accordance with such restrictions; and

(h) *Accredited Investor*. Such Partner is, and at such time that it makes any additional Capital Contributions to the Partnership will be, an "accredited investor" within the meaning of Rule 501 under the Securities Act (an "***Accredited Investor***") unless such status as an Accredited Investor is not required in order for the Transfer of Partnership Interests to such Partner to be exempt from registration under the Securities Act.

ARTICLE XI

WITHDRAWAL OR REMOVAL OF PARTNERS

Section 11.1 Withdrawal of the General Partner.

(a) The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an "***Event of Withdrawal***");

(i) The General Partner voluntarily withdraws from the Partnership by giving written notice to the other Partners;

(ii) The General Partner transfers all of its General Partner Interest pursuant to Section 4.4;

(iii) The General Partner is removed pursuant to Section 11.2;

(iv) The General Partner (A) makes a general assignment for the benefit of creditors; (B) files a voluntary bankruptcy petition for relief under Chapter 7 of the United States Bankruptcy Code; (C) files a petition or answer seeking for itself a liquidation, dissolution or similar relief (but not a reorganization) under any Law; (D) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in clauses (A)-(C) of this Section 11.1(a)(iv); or (E) seeks, consents to or acquiesces in the appointment of a trustee (but not a

debtor-in-possession), receiver or liquidator of the General Partner or of all or any substantial part of its properties;

(v) A final and non-appealable order of relief under Chapter 7 of the United States Bankruptcy Code is entered by a court with appropriate jurisdiction pursuant to a voluntary or involuntary petition by or against the General Partner; or

(vi) (A) if the General Partner is a corporation, a certificate of dissolution or its equivalent is filed for the General Partner, or 90 days expire after the date of notice to the General Partner of revocation of its charter without a reinstatement of its charter, under the laws of its state of incorporation; (B) if the General Partner is a partnership or a limited liability company, the dissolution and commencement of winding up of the General Partner; (C) if the General Partner is acting in such capacity by virtue of being a trustee of a trust, the termination of the trust; (D) if the General Partner is a natural person, his death or adjudication of incompetency; and (E) otherwise upon the termination of the General Partner.

If an Event of Withdrawal specified in Section 11.1(a)(iv), (v) or (vi)(A), (B), (C) or (E) occurs, the withdrawing General Partner shall give notice to the Limited Partners within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section 11.1 shall result in the withdrawal of the General Partner from the Partnership.

(b) Withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall not constitute a breach of this Agreement under the following circumstances: (i) the General Partner voluntarily withdraws by giving at least 90 days' advance notice to the Unitholders, such withdrawal to take effect on the date specified in such notice or (ii) at any time that the General Partner ceases to be the General Partner pursuant to Section 11.1(a)(ii) or is removed pursuant to Section 11.2. The withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall also constitute the withdrawal of the General Partner as general partner or managing member, if applicable, of the other Group Members. If the General Partner gives a notice of withdrawal pursuant to Section 11.1(a)(i), a Unit Majority, may, prior to the effective date of such withdrawal, elect a successor General Partner. The Person so elected as successor General Partner shall automatically become the successor general partner or managing member, if applicable, of the other Group Members of which the General Partner is a general partner or a managing member. If, prior to the effective date of the General Partner's withdrawal pursuant to Section 11.1(a)(i), a successor is not selected by the Unitholders as provided herein, the Partnership shall be dissolved in accordance with Section 12.1 unless the business of the Partnership is continued pursuant to Section 12.2. Any successor General Partner elected in accordance with the terms of this Section 11.1(b) shall be subject to the provisions of Section 10.2.

Section 11.2 Removal of the General Partner. The General Partner may be removed if such removal is approved by the Unitholders holding at least 85% of the Outstanding Units (including Units held by the General Partner and its Affiliates) voting as a single class. Any such action by such holders for removal of the General Partner must also provide for the election of a successor General Partner by the Unitholders holding a majority of the Outstanding Common Units, voting as a class (including Common Units held by the General Partner and its

Affiliates). Such removal shall be effective immediately following the admission of a successor General Partner pursuant to Section 10.2. The removal of the General Partner shall also automatically constitute the removal of the General Partner as general partner or managing member, if applicable, of the other Group Members of which the General Partner is a general partner or a managing member. If a Person is elected as a successor General Partner in accordance with the terms of this Section 11.2, such Person shall, upon admission pursuant to Section 10.2, automatically become a successor general partner or managing member, if applicable, of the other Group Members of which the General Partner is a general partner or a managing member. The right of the holders of Outstanding Units to remove the General Partner shall not exist or be exercised unless the Partnership has received an Opinion of Counsel that such removal (following the selection of a successor General Partner) would not result in the loss of limited liability under the Delaware Act of any Limited Partner or cause any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes to the extent not already so treated or taxed. Any successor General Partner elected in accordance with the terms of this Section 11.2 shall be subject to the provisions of Section 10.2.

Section 11.3 Interest of Departing General Partner and Successor General Partner. The Departing General Partner shall be entitled to receive all reimbursements due such Departing General Partner pursuant to Section 7.4, including any employee-related liabilities (including severance liabilities), incurred in connection with the termination of any employees employed by the Departing General Partner or its Affiliates (other than any Group Member) for the benefit of the Partnership or the other Group Members. In the event the General Partner withdraws or is removed, upon the admission of a successor General Partner, the General Partner Interest of the Departing General Partner shall be cancelled.

Section 11.4 Withdrawal of Limited Partners. No Limited Partner shall have any right to withdraw from the Partnership; *provided, however,* that when a Transferee of a Limited Partner's Limited Partner Interest becomes a Record Holder of the Limited Partner Interest so Transferred, such transferring Limited Partner shall cease to be a Limited Partner with respect to the Limited Partner Interest so Transferred.

ARTICLE XII

DISSOLUTION AND LIQUIDATION

Section 12.1 Dissolution. The Partnership shall not be dissolved by the admission of additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the General Partner, if a successor General Partner is elected pursuant to Section 11.1, Section 11.2 or Section 12.2, the Partnership shall not be dissolved and such successor General Partner is hereby authorized to, and shall, continue the business of the Partnership. Subject to Section 12.2, the Partnership shall dissolve, and its affairs shall be wound up, upon:

(a) an Event of Withdrawal of the General Partner as provided in Section 11.1(a) (other than Section 11.1(a)(ii)), unless a successor is elected and such successor is admitted to the Partnership pursuant to this Agreement;

(b) an election to dissolve the Partnership by the General Partner that is approved by a Unit Majority;

(c) the entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Delaware Act; or

(d) at any time there are no Limited Partners, unless the Partnership is continued without dissolution in accordance with the Delaware Act.

Section 12.2 Continuation of the Business of the Partnership After Dissolution. Upon (a) an Event of Withdrawal caused by the withdrawal or removal of the General Partner as provided in Section 11.1(a)(i) or Section 11.1(a)(iii) and the failure of the Partners to select a successor to such Departing General Partner pursuant to Section 11.1 or Section 11.2, then within 90 days thereafter, or (b) an event constituting an Event of Withdrawal as defined in Section 11.1(a)(iv), (v) or (vi), then, to the maximum extent permitted by Law, within 180 days thereafter, a Unit Majority may elect to continue the business of the Partnership on the same terms and conditions set forth in this Agreement by appointing as a successor General Partner a Person approved by a Unit Majority. Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

(i) the Partnership shall continue without dissolution unless earlier dissolved in accordance with this Article XII;

(ii) if the successor General Partner is not the former General Partner, then the interest of the former General Partner shall be treated in the manner provided in Section 11.3; and

(iii) the successor General Partner shall be admitted to the Partnership as General Partner, effective as of the Event of Withdrawal, by agreeing in writing to be bound by this Agreement; *provided*, that the right of a Unit Majority to approve a successor General Partner and to continue the business of the Partnership shall not exist and may not be exercised unless the Partnership has received an Opinion of Counsel that (x) the exercise of the right would not result in the loss of limited liability under the Delaware Act of any Limited Partner and (y) neither the Partnership nor any Group Member would be treated as an association taxable as a corporation or otherwise be taxable as an entity for U.S. federal income tax purposes upon the exercise of such right to continue (if not already so treated or taxed).

Section 12.3 Liquidator. Upon dissolution of the Partnership, unless the business of the Partnership is continued pursuant to Section 12.2, the General Partner shall select one or more Persons to act as Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by holders of at least a majority of the Outstanding Units, voting as a single class. The Liquidator (if other than the General Partner) shall agree not to resign at any time without 15 days' prior notice and may be removed at any time, with or without cause, by notice of removal approved by holders of at least a majority of the Outstanding Units, voting as a single class. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed

to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by holders of at least a majority of the Outstanding Units, voting as a single class. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XII, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers) necessary or appropriate to carry out the duties and functions of the Liquidator hereunder for and during the period of time required to complete the winding up and liquidation of the Partnership as provided for herein.

Section 12.4 Liquidation. The Liquidator shall proceed to dispose of the assets of the Partnership, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as determined by the Liquidator, subject to Section 17-804 of the Delaware Act and the following:

(a) The assets may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Liquidator and such Partner or Partners may agree. If any property is distributed in kind, the Partner receiving the property shall be deemed for purposes of this Section 12.4 to have received cash equal to its Fair Market Value; and contemporaneously therewith, appropriate cash distributions must be made to the other Partners. The Liquidator may defer liquidation or distribution of the Partnership's assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the Partnership's assets would be impractical or would cause undue loss to the Partners. The Liquidator may distribute the Partnership's assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Partners.

(b) Liabilities of the Partnership include amounts owed to the Liquidator as compensation for serving in such capacity (subject to the terms of Section 12.3) and amounts to Partners otherwise than in respect of their distribution rights under Article VI. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) All property and all cash in excess of that required to discharge liabilities as provided in Section 12.4(b) shall be distributed to the Partners in the manner set forth in Section 6.3(b).

Section 12.5 Cancellation of Certificate of Limited Partnership. Upon the completion of the distribution of Partnership cash and property as provided in Section 12.4 in connection with the liquidation of the Partnership, the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 12.6 Return of Contributions. The General Partner shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate, the return of the Capital Contributions of the Limited Partners or Unitholders, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

Section 12.7 Waiver of Partition. To the maximum extent permitted by Law, each Partner hereby waives any right to partition of the Partnership property.

Section 12.8 Capital Account Restoration. No Limited Partner shall have any obligation to restore any negative balance in its Capital Account upon liquidation of the Partnership. The General Partner shall be obligated to restore any negative balance in its Capital Account upon liquidation of its interest in the Partnership by the end of the taxable period of the Partnership during which such liquidation occurs, or, if later, within 90 days after the date of such liquidation.

ARTICLE XIII

AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS; RECORD DATE

Section 13.1 Amendments to be Adopted Solely by the General Partner. Each Partner agrees that the General Partner, without the approval of any other Partner, may amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;

(b) admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(c) a change that the General Partner determines to be necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of any state or to ensure that the Group Members will not be treated as associations taxable as corporations or otherwise taxed as entities for U.S. federal income tax purposes;

(d) a change that the General Partner determines (i) does not adversely affect the Limited Partners (including any particular class of Partnership Interests as compared to other classes of Partnership Interests) in any material respect, (ii) to be necessary or appropriate to (A) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Delaware Act) or (B) facilitate the trading of the Units (including the division of any class or classes of Outstanding Units into different classes to facilitate uniformity of tax consequences within such classes of Units) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are or will be listed or admitted to trading, (iii) to be necessary or appropriate in connection with

action taken by the General Partner pursuant to Section 5.7 or (iv) is required to effect the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;

(e) a change in the Book Fiscal Year, Tax Fiscal Year or taxable period of the Partnership and any other changes that the General Partner determines to be necessary or appropriate as a result of a change in the Book Fiscal Year, Tax Fiscal Year or taxable period of the Partnership including, if the General Partner shall so determine, a change in the definition of "Quarter" and the dates on which distributions are to be made by the Partnership;

(f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership, or the General Partner or its directors, officers, trustees or agents, from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) an amendment that the General Partner determines to be necessary or appropriate in connection with the creation, authorization or issuance of any class or series of Partnership Interests or Derivative Instruments pursuant to Section 5.6, including an amendment that, in connection with the Initial Public Offering, is necessary or appropriate to carry out the intent of Section 5.11;

(h) any amendment expressly permitted in this Agreement to be made by the General Partner acting alone;

(i) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 14.3;

(j) an amendment that the General Partner determines to be necessary or appropriate to reflect and account for the formation by the Partnership of, or investment by the Partnership in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by the Partnership of activities permitted by the terms of Section 2.4 or Section 7.1(a);

(k) a merger, conveyance or conversion pursuant to Section 14.3(d); or

(l) any other amendments substantially similar to the foregoing.

Section 13.2 Amendment Procedures. Amendments to this Agreement may be proposed only by the General Partner. To the fullest extent permitted by Law, the General Partner shall have no duty or obligation to propose or approve any amendment to this Agreement and may decline to do so in its sole discretion, and, in declining to propose or approve an amendment, to the fullest extent permitted by Law shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Delaware Act or any other Law, rule or regulation or at equity. An amendment shall be effective upon its approval by the General

Partner and, except as otherwise provided by Section 13.1 or Section 13.3, a Unit Majority, unless a greater or different percentage is required under this Agreement or by Delaware Law. Each proposed amendment that requires the approval of the holders of a specified percentage of Outstanding Units shall be set forth in a writing that contains the text of the proposed amendment. If such an amendment is proposed, the General Partner shall seek the written approval of the requisite percentage of Outstanding Units or call a meeting of the Unitholders to consider and vote on such proposed amendment. The General Partner shall notify all Record Holders upon final adoption of any amendments.

Section 13.3 Amendment Requirements.

(a) Notwithstanding the provisions of Section 13.1 and Section 13.2, no provision of this Agreement (other than Section 13.4) that establishes a percentage of Outstanding Units (including Units deemed owned by the General Partner) or requires a vote or approval of Partners (or a subset of Partners) holding a specified Percentage Interest required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing or increasing such percentage, unless such amendment is approved by the written consent or the affirmative vote of holders of Outstanding Units whose aggregate Outstanding Units constitute not less than the voting requirement sought to be reduced or increased, as applicable, or the affirmative vote of Partners whose aggregate Percentage Interests constitute not less than the voting requirement sought to be reduced, as applicable.

(b) Notwithstanding the provisions of Section 13.1 and Section 13.2, no amendment to this Agreement may (i) enlarge the obligations of (including requiring any holder of a class of Partnership Interests to make additional Capital Contributions to the Partnership) any Limited Partner without its consent, unless such shall be deemed to have occurred as a result of an amendment approved pursuant to Section 13.3(c), or (ii) enlarge the obligations of, restrict, change or modify in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, the General Partner or any of its Affiliates without its consent, which consent may be given or withheld at its option.

(c) Except as provided in Section 14.3 or Section 13.1, any amendment that would have a material adverse effect on the rights or preferences of any class of Partnership Interests in relation to other classes of Partnership Interests must be approved by the holders of not less than a majority of the Outstanding Partnership Interests of the class affected. If the General Partner determines an amendment does not satisfy the requirements of Section 13.1(d)(i) because it adversely affects one or more classes of Partnership Interests, as compared to other classes of Partnership Interests, in any material respect, such amendment shall only be required to be approved by the adversely affected class or classes.

(d) Notwithstanding any other provision of this Agreement, except for amendments pursuant to Section 13.1 and except as otherwise provided by Section 14.3(b), no amendments shall become effective without the approval of the holders of at least 80% of the Percentage Interests of all Limited Partners voting as a single class unless the Partnership obtains an Opinion of Counsel to the effect that such amendment will not affect the limited liability of any Limited Partner under applicable partnership Law of the state under whose laws the Partnership is organized.

(e) Except as provided in Section 13.1, this Section 13.3 shall only be amended with the approval of Partners (including the General Partner and its Affiliates) holding at least 80% of the Percentage Interests of all Limited Partners.

Section 13.4 Special Meetings. All acts of Limited Partners to be taken pursuant to this Agreement shall be taken in the manner provided in this Article XIII. Special meetings of the Limited Partners may be called by the General Partner. A meeting shall be held at a time and place determined by the General Partner on a date not less than 10 days nor more than 60 days after the time notice of the meeting is given as provided in Section 15.1. Limited Partners shall not vote on matters that would cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability under the Delaware Act or the Law of any other state in which the Partnership is qualified to do business.

Section 13.5 Notice of a Meeting. Notice of a meeting called pursuant to Section 13.4 shall be given to the Record Holders of the class or classes of Units for which a meeting is proposed in writing by mail or other means of written communication in accordance with Section 15.1. The notice shall be deemed to have been given at the time when deposited in the mail or sent by other means of written communication.

Section 13.6 Record Date. For purposes of determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners or to give approvals without a meeting as provided in Section 13.11 the General Partner may set a Record Date, which shall not be less than 10 nor more than 60 days before (a) the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed or admitted to trading or U.S. federal securities laws, in which case the rule, regulation, guideline or requirement of such National Securities Exchange or U.S. federal securities laws shall govern) or (b) in the event that approvals are sought without a meeting, the date by which Limited Partners are requested in writing by the General Partner to give such approvals. If the General Partner does not set a Record Date, then (a) the Record Date for determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners shall be the close of business on the day next preceding the day on which notice is given, and (b) the Record Date for determining the Limited Partners entitled to give approvals without a meeting shall be the date the first written approval is deposited with the Partnership in care of the General Partner in accordance with Section 13.11.

Section 13.7 Adjournment. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 45 days. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with this Article XIII.

Section 13.8 Waiver of Notice; Approval of Meeting; Approval of Minutes. The transaction of business at any meeting of Limited Partners, however called and noticed, and whenever held, shall be as valid as if it had occurred at a meeting duly held after regular call and

notice, if a quorum is present either in person or by proxy. Attendance of a Limited Partner at a meeting shall constitute a waiver of notice of the meeting, except when the Limited Partner attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened; and except that attendance at a meeting is not a waiver of any right to disapprove the consideration of matters required to be included in the notice of the meeting, but not so included, if the disapproval is expressly made at the meeting.

Section 13.9 Quorum and Voting. The holders of a majority, by Percentage Interest, of Partnership Interests of the class or classes for which a meeting has been called (including Partnership Interests deemed owned by the General Partner) represented in person or by proxy shall constitute a quorum at a meeting of Partners of such class or classes unless any such action by the Partners requires approval by holders of a greater Percentage Interest, in which case the quorum shall be such greater Percentage Interest. At any meeting of the Partners duly called and held in accordance with this Agreement at which a quorum is present, the act of Partners holding Partnership Interests that, in the aggregate, represent a majority of the Percentage Interest of those present in person or by proxy at such meeting shall be deemed to constitute the act of all Partners, unless a greater or different percentage is required with respect to such action under the provisions of this Agreement, in which case the act of the Partners holding Partnership Interests that in the aggregate represent at least such greater or different percentage shall be required; *provided, however,* that if, as a matter of Law or amendment to this Agreement, approval by plurality vote of Partners (or any class thereof) is required to approve any action, no minimum quorum shall be required. The Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Partners to leave less than a quorum, if any action taken (other than adjournment) is approved by Partners holding the required Percentage Interest specified in this Agreement. In the absence of a quorum any meeting of Partners may be adjourned from time to time by the affirmative vote of Partners with at least a majority, by Percentage Interest, of the Partnership Interests entitled to vote at such meeting (including Partnership Interests deemed owned by the General Partner) represented either in person or by proxy, but no other business may be transacted, except as provided in Section 13.7.

Section 13.10 Conduct of a Meeting. The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Limited Partners or solicitation of approvals in writing, including the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 13.4, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting. All minutes shall be kept with the records of the Partnership maintained by the General Partner. The General Partner may make such other regulations consistent with applicable Law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Limited Partners or solicitation of approvals in writing, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of approvals in writing.

Section 13.11 Action Without a Meeting. If authorized by the General Partner, any action that may be taken at a meeting of the Limited Partners may be taken without a meeting, without a vote and without prior notice, if an approval in writing setting forth the action so taken is signed by Limited Partners owning not less than the minimum percentage, by Percentage Interest, of the Partnership Interests of the class or classes for which a meeting has been called (including Partnership Interests deemed owned by the General Partner), as the case may be, that would be necessary to authorize or take such action at a meeting at which all the Limited Partners entitled to vote at such meeting were present and voted; *provided*, that so long as the EXCO Partner is a Limited Partner, such approval in writing setting forth the action so taken is approved and signed by the EXCO Partner. Prompt notice of the taking of action without a meeting shall be given to the Limited Partners who have not approved in writing. The General Partner may specify that any written ballot, if any, submitted to Limited Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period, which shall be not less than 20 days, specified by the General Partner. If a ballot returned to the Partnership does not vote all of the Partnership Interests held by the Limited Partners, the Partnership shall be deemed to have failed to receive a ballot for the Partnership Interests that were not voted. If approval of the taking of any action by the Limited Partners is solicited by any Person other than by or on behalf of the General Partner, the written approvals shall have no force and effect unless and until (a) they are deposited with the Partnership in care of the General Partner and (b) an Opinion of Counsel is delivered to the General Partner to the effect that the exercise of such right and the action proposed to be taken with respect to any particular matter (i) will not cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability, and (ii) is otherwise permissible under the state statutes then governing the rights, duties and liabilities of the Partnership and the Partners. Nothing contained in this Section 13.11 shall be deemed to require the General Partner to solicit all Limited Partners in connection with a matter approved by the holders of the requisite percentage of Partnership Interests acting by written consent without a meeting.

Section 13.12 Right to Vote and Related Matters.

(a) Only those Record Holders of the Outstanding Partnership Interests on the Record Date set pursuant to Section 13.6 shall be entitled to notice of, and to vote at, a meeting of Limited Partners or to act with respect to matters as to which the holders of the Outstanding Partnership Interests have the right to vote or to act. All references in this Agreement to votes of, or other acts that may be taken by, the Outstanding Partnership Interests shall be deemed to be references to the votes or acts of the Record Holders of such Outstanding Partnership Interests.

(b) With respect to Partnership Interests that are held for a Person's account by another Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Partnership Interests are registered, such other Person shall, in exercising the voting rights in respect of such Partnership Interests on any matter, and unless the arrangement between such Persons provides otherwise, vote such Partnership Interests in favor of, and at the direction of, the Person who is the beneficial owner, and the Partnership shall be entitled to assume it is so acting without further inquiry. The

provisions of this Section 13.12(b) (as well as all other provisions of this Agreement) are subject to the provisions of Section 4.2.

ARTICLE XIV

MERGER OR CONSOLIDATION

Section 14.1 Authority. The Partnership may merge or consolidate with or into one or more corporations, limited liability companies, statutory trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a partnership (whether general or limited (including a limited liability partnership)) or convert into any such entity, whether such entity is formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written plan of merger or consolidation ("***Merger Agreement***") in accordance with this Article XIV.

Section 14.2 Procedure for Merger or Consolidation.

(a) Merger or consolidation of the Partnership pursuant to this Article XIV requires the prior consent of the General Partner; *provided, however,* that, to the fullest extent permitted by Law, the General Partner shall have no duty or obligation to consent to any merger or consolidation of the Partnership and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership, any Limited Partner and, in declining to consent to a merger or consolidation, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Delaware Act or any other Law, rule or regulation or at equity.

(b) If the General Partner shall determine to consent to the merger or consolidation, the General Partner shall approve the Merger Agreement, which shall set forth:

(i) the name and jurisdiction of formation or organization of each of the business entities proposing to merge or consolidate;

(ii) the name and jurisdiction of formation or organization of the business entity that is to survive the proposed merger or consolidation (the "***Surviving Business Entity***");

(iii) the terms and conditions of the proposed merger or consolidation;

(iv) the manner and basis of exchanging or converting the equity interests of each constituent business entity for, or into, cash, property or interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any interests, securities or rights of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or interests, rights, securities or obligations of the Surviving Business Entity, then the cash, property or interests, rights, securities or obligations of any general or limited partnership, corporation, trust, limited liability company, unincorporated business or other entity (other than the Surviving Business Entity) which the holders of such interests, securities or rights are to receive in exchange for, or upon conversion of their interests, securities or rights, and (ii)

in the case of equity interests represented by certificates, upon the surrender of such certificates, which cash, property or interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, corporation, trust, limited liability company, unincorporated business or other entity (other than the Surviving Business Entity), or evidences thereof, are to be delivered;

(v) a statement of any changes in the constituent documents or the adoption of new constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership, certificate of formation or limited liability company agreement or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;

(vi) the effective time of the merger, which may be the date of the filing of the certificate of merger pursuant to Section 14.4 or a later date specified in or determinable in accordance with the Merger Agreement (*provided*, that if the effective time of the merger is to be later than the date of the filing of such certificate of merger, the effective time shall be fixed at a date or time certain and stated in the certificate of merger); and

(vii) such other provisions with respect to the proposed merger or consolidation that the General Partner determines to be necessary or appropriate.

Section 14.3 Approval by Limited Partners.

(a) Except as provided in Section 14.3(d) the General Partner, upon its approval of the Merger Agreement shall direct that the Merger Agreement and the merger or consolidation contemplated thereby, as applicable, be submitted to a vote of Limited Partners, whether at a special meeting or by written consent, in either case in accordance with the requirements of Article XIII. A copy or a summary of the Merger Agreement, as the case may be, shall be included in or enclosed with the notice of a special meeting or the written consent.

(b) Except as provided in Section 14.3(d) and Section 14.3(e), the Merger Agreement shall be approved upon receiving the affirmative vote or consent of the holders of a Unit Majority unless the Merger Agreement contains any provision that, if contained in an amendment to this Agreement, the provisions of this Agreement or the Delaware Act would require for its approval the vote or consent of a greater percentage of the Outstanding Units or of any class of Limited Partners, in which case such greater percentage vote or consent shall be required for approval of the Merger Agreement.

(c) Except as provided in Section 14.3(d) and Section 14.3(e), after such approval by vote or consent of the Limited Partners, and at any time prior to the filing of the certificate of merger pursuant to Section 14.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

(d) Notwithstanding anything else contained in this Article XIV or in this Agreement, the General Partner is permitted, without Limited Partner approval, to convert the Partnership or any Group Member into a new limited liability entity, to merge the Partnership or any Group Member into, or convey all of the Partnership's assets to, another limited liability entity that shall be newly formed and shall have no assets, liabilities or operations at the time of

such merger or conveyance other than those it receives from the Partnership or other Group Member if (i) the General Partner has received an Opinion of Counsel that the merger or conveyance, as the case may be, would not result in the loss of the limited liability under the Delaware Act of any Limited Partner or cause the Partnership or any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (if not already treated as such), (ii) the sole purpose of such merger, or conveyance is to effect a mere change in the legal form of the Partnership into another limited liability entity and (iii) the governing instruments of the new entity provide the Limited Partners and the General Partner with substantially the same rights and obligations as are herein contained.

(e) Additionally, notwithstanding anything else contained in this Article XIV or in this Agreement, the General Partner is permitted, without Limited Partner approval, to merge or consolidate the Partnership with or into another entity if (A) the General Partner has received an Opinion of Counsel that the merger or consolidation, as the case may be, would not result in the loss of the limited liability under the Delaware Act of any Limited Partner or cause the Partnership or any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (if not already treated as such), (B) the merger or consolidation would not result in an amendment to this Agreement, other than any amendments that could be adopted pursuant to Section 13.1, (C) the Partnership is the Surviving Business Entity in such merger or consolidation, and (D) each Partnership Interest outstanding immediately prior to the effective date of the merger or consolidation is to be an identical Partnership Interest of the Partnership after the effective date of the merger or consolidation.

(f) Pursuant to Section 17-211(g) of the Delaware Act, an agreement of merger or consolidation approved in accordance with this Article XIV may (a) effect any amendment to this Agreement or (b) effect the adoption of a new partnership agreement for the Partnership if it is the Surviving Business Entity. Any such amendment or adoption made pursuant to this Section 14.3 shall be effective at the effective time or date of the merger or consolidation.

Section 14.4 Certificate of Merger. Upon the required approval by the General Partner and the Unitholders of a Merger Agreement, a certificate of merger shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

Section 14.5 Effect of Merger or Consolidation.

(a) At the effective time of the certificate of merger:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities and all other things and causes of action belonging to each of those business entities, shall be vested in the Surviving Business Entity and after the merger or consolidation shall be the property of the Surviving Business Entity to the extent they were of each constituent business entity;

(ii) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(iii) all rights of creditors and all liens on or security interests in property of any of those constituent business entities shall be preserved unimpaired; and

(iv) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

Section 14.6 Savings Clause. Nothing in this Article XIV shall limit or modify the rights or obligations of any party pursuant to Section 4.10.

ARTICLE XV

GENERAL PROVISIONS

Section 15.1 Addresses and Notices; Written Communications.

(a) Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and must be given either by (i) three (3) Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid (ii) one (1) Business Day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, (iii) on the date of delivery if delivered personally, or (iv) if by facsimile, upon written confirmation of receipt by facsimile, in each case to the intended recipient as set forth below. All notices, requests and consents to be sent to a Partner must be sent to or made at the address given for that Partner on Exhibit A, or such other address as that Partner may specify by notice to the General Partner. Any notice, request or consent to the Partnership or the General Partner must be given to the General Partner or, if appointed, the secretary of the General Partner at the General Partner's principal executive offices. Whenever any notice is required to be given by Law or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

(b) The terms "in writing," "written communications," "written notice" and words of similar import shall be deemed satisfied under this Agreement by use of e-mail and other forms of electronic communication.

Section 15.2 Confidential Information. No Partner shall, and each Partner shall cause its Affiliates not to, disclose (except to such Partner's attorneys, accountants and representatives who agree to keep such information confidential or are bound by fiduciary or other existing obligations of confidentiality), to any third party, either during his or its association with the Partnership or thereafter, any Confidential Information of which the Partner is or becomes aware. Each Partner in possession of Confidential Information shall, and each Partner shall cause its Affiliates that are in possession of Confidential Information to, take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft. Notwithstanding the above, a Partner may disclose Confidential

Information to its Affiliates who are made aware of the provisions of this Section 15.2 or to the extent (a) the disclosure is necessary for the Partner and/or the Partnership's agents, representatives, and advisors to fulfill their duties to the Partnership pursuant to this Agreement and/or other written agreements, (b) the disclosure is required by Law, Governmental Authority or the rules of any securities exchange on which securities of the Partner or any of its Affiliates is listed (including information required in any filings under the Exchange Act, or the Securities Act in connection with any securities offerings), or (c) such disclosure is made to a Person in connection with a proposed Transfer permitted by this Agreement who has signed an agreement imposing upon such Person restrictions on use and disclosure of the Confidential Information. No Partner shall, and each Partner shall cause its Affiliates not to, make or issue any press release or public announcement with respect to the Partnership or Investor Group without the prior written approval of each other Partner, unless required by Law, Governmental Authority or the rules of any securities exchange on which securities of the Partner or any of its Subsidiaries are listed, in which case the Partner issuing such press release or public announcement shall provide written notice and a copy of such required press release or public announcement to each other Partner not less than two (2) Business Days prior to the date of such press release or public announcement; *provided, further*, that the Harbinger Group, the EXCO Group and their respective Affiliates and authorized representatives shall be permitted to disclose such information regarding such Partner's investment in the Partnership and its Subsidiaries, the financial performance of the Partnership and its Subsidiaries, operations of the Partnership and its Subsidiaries and such other information relevant to such Partner's investment in the Partnership (but excluding any information concerning another Partner that is not in the public domain and excluding any trade secrets or other proprietary information relating to intellectual property of the Partnership or another Partner) to the equityholders and prospective investors of such Partner and its Affiliates who are under duties or obligations of confidentiality.

Section 15.3 Entire Agreement. This Agreement constitutes the entire agreement among the Partners relating to the Partnership and supersedes all prior contracts or agreements with respect to the Partnership and the matters addressed or governed hereby, whether oral or written.

Section 15.4 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations hereunder or with respect to the Partnership is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person hereunder or with respect to the Partnership. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default hereunder or with respect to the Partnership, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

Section 15.5 Binding Effect. Subject to the restrictions on Transfers set forth in this Agreement, this Agreement is binding on and shall inure to the benefit of the Partners and their respective heirs, legal representatives, successors and permitted assigns and all other Persons hereafter holding, having or receiving an interest in the Partnership, whether as Transferees, or otherwise. The terms and provisions of this Agreement are intended solely for the

benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other Person.

Section 15.6 Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware, without regard to the principles of conflicts of law (whether of the State of Delaware or otherwise) that would result in the application of the laws of any other jurisdiction. In the event of a direct conflict between the provisions of this Agreement and any provision of the Certificate of Limited Partnership or any mandatory provision of the Delaware Act, the applicable provision of the Certificate of Limited Partnership or the Delaware Act shall control.

Section 15.7 Consent to Jurisdiction and Service of Process; Appointment of Agent for Service of Process. EACH PARTY TO THIS AGREEMENT HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY UNITED STATES DISTRICT COURT LOCATED IN WILMINGTON, DELAWARE OR DELAWARE CHANCERY COURT LOCATED IN WILMINGTON, DELAWARE AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER SUCH ACTIONS OR PROCEEDINGS ARE BASED IN STATUTE, TORT, CONTRACT OR OTHERWISE), SHALL BE LITIGATED IN SUCH COURTS. EACH PARTY (i) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR SUCH ACTIONS OR PROCEEDINGS, (ii) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT, AND (iii) AGREES THAT IT WILL NOT BRING ANY SUCH ACTION OR PROCEEDING IN ANY COURT OTHER THAN SUCH COURTS. EACH PARTY ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE AND IRREVOCABLE JURISDICTION AND VENUE OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY NON-APPEALABLE JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH ACTIONS OR PROCEEDINGS. A COPY OF ANY SERVICE OF PROCESS SERVED UPON THE PARTIES SHALL BE MAILED BY REGISTERED MAIL TO THE RESPECTIVE PARTY EXCEPT THAT, UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS. IF ANY AGENT APPOINTED BY A PARTY REFUSES TO ACCEPT SERVICE, EACH PARTY AGREES THAT SERVICE UPON THE APPROPRIATE PARTY BY REGISTERED MAIL SHALL CONSTITUTE SUFFICIENT SERVICE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF A PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 15.8 Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES TO THIS AGREEMENT HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED. EACH PARTY ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND

WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF ANY OF THE OTHER PARTIES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTION CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAYBE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 15.9 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Partner shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

Section 15.10 Waiver of Certain Rights. Each Partner irrevocably waives any right it may have to demand any distributions or withdrawal of property from the Partnership except as provided herein or to maintain any action for dissolution (whether pursuant to Section 17-802 of the Delaware Act or otherwise) of the Partnership or for partition of the property of the Partnership and confirms that such waivers are a material term of this Agreement.

Section 15.11 Notice to Partners of Provisions. By executing this Agreement, each Partner acknowledges that it has actual notice of (a) all of the provisions hereof (including the restrictions on the transfer set forth in Article IV) and (b) all of the provisions of the Certificate of Limited Partnership.

Section 15.12 Counterparts. This Agreement may be executed in multiple counterparts, any of which may be delivered via facsimile or PDF, with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

Section 15.13 Headings. The headings used in this Agreement are for the purpose of reference only and will not otherwise affect the meaning or interpretation of any provision of this Agreement.

Section 15.14 Construction. Whenever the context requires, (a) the gender of all words used in this Agreement includes the masculine, feminine, and neuter and (b) terms "hereof," "herein," "hereby" and derivative or similar words refer to this Agreement, and such words do not refer to the Delaware Act or any particular section, clause or provision of this Agreement. All references to a Person include such Person's successors and, except as otherwise set forth in this Agreement, permitted assigns. All references to Articles and Sections refer to articles and sections of this Agreement, and all references to Exhibits are to exhibits attached hereto, each of which is made a part hereof for all purposes. The use herein of the word "include" or "including," when following any general statement, term or matter, will not be construed to limit such statement, term or matter to the specific items or matters set forth following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather will be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The term "or" is not exclusive. The definitions set forth or referred to in Article I will apply equally to both the singular and plural forms of the terms defined and derivative forms of defined terms will have correlative meanings. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision will be applicable whether such action is taken directly or indirectly by such Person, including actions taken by or on behalf of any Affiliate of such Person. All accounting terms used herein and not otherwise defined herein will have the meanings accorded them in accordance with GAAP and, except as expressly provided herein, all accounting determinations will be made in accordance with GAAP. The parties acknowledge that this Agreement has been negotiated by such parties with the benefit of counsel and, accordingly, any principle of law that provides that any ambiguity in a contract or agreement shall be construed against the party that drafted such contract or agreement shall be disregarded and is expressly waived by all of the parties hereto.

Section 15.15 Remedies. The Partnership and the Partners shall be entitled to enforce their rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement (including costs of enforcement) and to exercise any and all other rights existing in their favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that the Partnership or any Partners may in its or his sole discretion apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation or threatened violation of the provisions of this Agreement. In addition, any successful Partner is entitled to costs related to enforcing this Agreement, including reasonable and documented attorneys' fees and court costs. THE PARTIES WAIVE ANY AND ALL RIGHTS, CLAIMS OR CAUSES OF ACTION AGAINST ONE ANOTHER ARISING UNDER THIS AGREEMENT FOR ANY LOST PROFITS, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES; PROVIDED, HOWEVER, THAT A PARTY MAY RECOVER FROM ANY OTHER PARTY ALL COSTS, EXPENSES OR DAMAGES, INCLUDING LOST PROFITS, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES PAID OR OWED TO ANY THIRD PERSON FOR WHICH SUCH PARTY HAS A RIGHT TO RECOVER FROM SUCH OTHER PARTY UNDER THE TERMS HEREOF.

Section 15.16 Severability. To the maximum extent permitted under applicable Law, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 15.17 Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 15.18 Third-Party Beneficiaries. Each Partner agrees that (a) any Indemnitee shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to such Indemnitee and (b) any Unrestricted Person shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to such Unrestricted Person.

Section 15.19 Consent of Partners. Each Partner hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote or consent of less than all of the Partners, such action may be so taken upon the concurrence of less than all of the Partners and each Partner shall be bound by the results of such action.

Section 15.20 Facsimile Signatures. The use of facsimile signatures affixed in the name and on behalf of the transfer agent and registrar of the Partnership on Certificates representing Units is expressly permitted by this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GENERAL PARTNER:

EXCO/HGI GP, LLC

By: /s/ R. L. Hodges
Name: R. L. Hodges
Title: Vice President - Land

ORGANIZATIONAL LIMITED PARTNER:

EXCO HOLDING MLP, INC.

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President, General Counsel and Secretary

INITIAL LIMITED PARTNERS:

EXCO HOLDING MLP, INC.

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President, General Counsel and Secretary

HGI ENERGY HOLDINGS, LLC

By: /s/ Ehsan Zargar
Name: Ehsan Zargar
Title: Vice President, Counsel and Corporate Secretary

EXHIBIT 10.2

Execution Version

EXCO/HGI GP, LLC

A Delaware Limited Liability Company

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

Dated as of February 14, 2013

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INDEX OF DEFINED TERMS

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT
OF
EXCO/HGI GP, LLC
A Delaware Limited Liability Company

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of EXCO/HGI GP, LLC, a Delaware limited liability company (the "**Company**"), effective as of February 14, 2013 (the "**Closing Date**"), is made and entered into by EXCO Holding MLP, Inc., a Texas corporation ("**EXCO Holding**"), as a Member, and HGI ENERGY HOLDINGS, LLC, a Delaware limited liability company ("**HGI Energy**"), as a Member. Unless the context otherwise requires, capitalized terms shall have the respective meanings ascribed to them in Article XII.

R E C I T A L S

WHEREAS, the Company was formed as a limited liability company under the Delaware Limited Liability Company Act, Title 6, §§ 18-101, et seq. (as amended from time to time, together with any successor statute, the "**Act**"), pursuant to the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware (the "**Secretary of State**") on January 9, 2013 (the "**Delaware Certificate**");

WHEREAS, prior to the Closing Date, the Company was governed by the Limited Liability Company Agreement of the Company, dated January 4, 2013 (the "**Original LLC Agreement**"), entered into by EXCO Holding; and

WHEREAS, the parties desire that the Original LLC Agreement be amended and restated in its entirety by this Agreement and the Company be governed by the Act and this Agreement.

A G R E E M E N T

NOW, THEREFORE, in consideration of the promises and the covenants hereinafter contained and to induce the parties hereto to enter into this Agreement, it is agreed as follows:

ARTICLE I
ORGANIZATION

1.1 Formation; Continuation of the Company. The Company was formed as a Delaware limited liability company on January 9, 2013 by the filing of the Delaware Certificate in the office of the Secretary of State pursuant to the Act. The Members desire to continue the Company for the purposes and upon the terms and conditions set forth herein. As of the Closing Date, HGI Energy is admitted to the Company as a Member and, together with EXCO Holding, constitute its sole Members. Except as provided herein, the rights, duties and liabilities of each Member will be as provided in the Act.

1.2 Name. The name of the Company is "EXCO/HGI GP, LLC". Company business will be conducted in such name or such other names that comply with applicable Law as the Board may select from time to time.

1.3 Registered Office; Registered Agent. The registered office of the Company in the State of Delaware will be the initial registered office designated in the Delaware Certificate or such other office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Delaware will be the initial registered agent designated in the Delaware Certificate, or such other Person or Persons as the Board may designate from time to time in the manner provided by law.

1.4 Principal Place of Business. The principal place of business of the Company shall be at 12377 Merit Drive, Suite 1700, Dallas, Texas 75251 or such other location as the Board may designate from time to time, which need not be in the State of Delaware. The Company may have such other offices as the Board may determine appropriate.

1.5 Fiscal Year. The fiscal year of the Company for financial statement purposes (the "**Book Fiscal Year**") and federal and applicable state and local income tax purposes (the "**Tax Fiscal Year**") will be as determined by the Board or required under the Code; *provided*, that, for so long as the Harbinger Member consolidates the financial statements of the Company with any Affiliate of the Harbinger Member for accounting purposes, the Book Fiscal Year end shall be the book fiscal year end of the Harbinger Member (for the avoidance of doubt, initially September 30) unless otherwise determined by the Harbinger Member.

1.6 Foreign Qualification. The Board is authorized to cause the Company to comply, to the extent procedures are available, with all requirements necessary to qualify the Company as a foreign limited liability company in any jurisdiction in which the Company owns property or transacts business or elsewhere where such qualification may be necessary or advisable for the protection of the limited liability of the Members or to permit the Company to lawfully own property or transact business, and to obtain similar qualifications for the Company's subsidiaries. Each Officer is authorized, on behalf of the Company, to execute, acknowledge and deliver all certificates and other instruments as may be necessary or appropriate in connection with the foregoing qualifications. Further, upon request of the Board, each Member will execute, acknowledge and deliver all certificates and other instruments that are reasonably necessary or appropriate to obtain, continue, modify or terminate such qualifications.

1.7 Term. The term of the Company commenced on the date the Delaware Certificate was filed with the office of the Secretary of State and shall continue until the Company is dissolved as determined under Section 10.1.

1.8 No State-Law Partnership. Except to the extent provided in the next sentence, the Members intend that the Company shall not be a partnership (including a limited partnership) or joint venture, and that no Member, Director or Officer shall be a partner or joint venturer of any other Member, Director or Officer, for any purposes, and this Agreement shall not be construed to the contrary. Notwithstanding the foregoing, the Members intend that the Company shall be treated as a partnership for federal and, if applicable, state and local income tax purposes. Except to the extent otherwise provided herein, each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment unless otherwise required by law.

1.9 Purposes. The nature or purposes of the business to be conducted or promoted by the Company is to engage in the operation and management of EXCO/HGI Production Partners, LP, a Delaware limited partnership (the "**Partnership**"), in accordance with the Partnership Agreement, and the ownership of Equity Interests in the Partnership, including actions that the Partnership may undertake with respect to its Subsidiaries (the Partnership and its Subsidiaries, collectively, the "**Partnership Group**") and in any other lawful act or activity incidental or related thereto authorized by the Board and for which limited liability companies may be organized under the Act (the "**Business**"). The Company may engage in any and all activities necessary, desirable or incidental to the accomplishment of the foregoing. In furtherance of its purpose, (a) the Company shall have and may exercise all of the powers now or hereafter conferred by Delaware law on limited liability companies formed under the Act and (b) the Company shall have the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or for the protection and benefit of the Company. Notwithstanding anything herein to the contrary, nothing set forth herein shall be construed as authorizing the Company to have a purpose or possess any power, or to do any act or thing, forbidden by law to a limited liability company formed under the laws of the State of Delaware.

ARTICLE II
MEMBERS

2.1 Members. The names, addresses, Capital Contributions and Capital Account balances and Percentage Interests of each Member are set forth on Exhibit A attached hereto and incorporated herein. The Board, or any appropriate Officer of the Company directed by the Board, is hereby authorized and directed to complete, supplement, modify, correct or amend Exhibit A to reflect the creation or issuance of any Additional Units, the admission of any additional Members, the withdrawal of any Member, the change of address of any Member, the Capital Contributions of any Member, the Units held by any Member and other information called for by Exhibit A in conformity with this Agreement. Such completion, supplementation, modification, correction or amendment may be made from time to time as and when the Board or such Officer determines that it is necessary and appropriate in accordance with this Section 2.1. Upon the Closing Date, HGI Energy shall be admitted to the Company as a Member.

2.2 Limited Liability of Members. Except as otherwise required by applicable Law and as expressly set forth in this Agreement, no Member shall have any personal liability whatsoever in such Member's capacity as a Member, whether to the Company, to any of the other Members, to the creditors of the Company or to any other third party, for the debts, liabilities, commitments or any other obligations of the Company or for any losses of the Company. Each Member shall be liable only to make such Member's Capital Contribution to the Company and the other payments and covenants provided expressly herein.

2.3 Representations and Warranties. Each Member hereby represents and warrants to the Company and each other Member that:

(a) Power and Authority. Such Member has full power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) No Conflicts. None of the execution, delivery and performance of this Agreement (i) constitutes or will constitute a violation of the organizational documents of such Member or (ii) constitutes or will constitute a breach or violation of, or a default (or an event that, with notice or lapse of time or both, would constitute such a default) under any agreement to which such Member is a party or by which it is or its assets are bound, except for any breaches, violations or defaults, in the case of clause (ii), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Member to comply with its obligations hereunder or on the Business;

(c) Own Account. Such Member has acquired or is acquiring its interest in the Company for investment purposes only for its own account and not with a view to any distribution, reoffer, resale or other disposition that is not in compliance with the Securities Act or any applicable state securities laws;

(d) Expertise. Such Member alone, or together with its representatives, possesses such expertise, knowledge and sophistication in financial and business matters generally, and in the type of transactions in which the Company proposes to engage in particular, that such Member is capable of evaluating the merits and economic risks of acquiring and holding the Units, and that such Member is able to bear all such economic risks now and in the future;

(e) Awareness of Economic Risk. Such Member is aware that it must bear the economic risk of such Member's investment in the Company for an indefinite period of time because the Units have not been registered under the Securities Act or under the securities laws of any state, and, therefore, such Units cannot be sold unless they are subsequently registered under the Securities Act and any applicable state securities laws or an exemption from registration is available;

(f) No Registration Rights. Such Member is aware that, except as otherwise set forth in the Registration Rights Agreement, only the Company can take action to register the Units under the Securities Act and that the Company is under no such obligation and does not propose or intend to attempt to do so;

(g) Transfer Restrictions. Such Member is aware that this Agreement provides restrictions on the ability of a Member to Transfer Units, and such Member will not seek to effect any Transfer of Units other than in accordance with such restrictions; and

(h) Accredited Investor. Such Member is, and at such time that it makes any additional Capital Contributions to the Company will be, an "accredited investor" within the meaning of Rule 501 under the Securities Act (an "**Accredited Investor**") unless such status as an Accredited Investor is not required in order for the Transfer of Units to such Member to be exempt from registration under the Securities Act.

2.4 Approval, Ratification and Confirmation of Unit Purchase and Contribution Agreement and Transactions Contemplated Thereby. Each of the Members and each other

Person who acquires an interest in a Membership Interest and each other Person who is otherwise bound by this Agreement hereby (i) approves, ratifies and confirms the execution, delivery and performance by the Company and its Subsidiaries of the Unit Purchase and Contribution Agreement and of all agreements, instruments, certificates and other documents contemplated thereby, including the Administrative Services Agreement, the Operating Agreements and the Shared Assets Agreement; and (ii) agrees that the Company (on its own behalf or on behalf of its Subsidiaries) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence on behalf of itself and on behalf of its Subsidiaries from and after the closing of the transactions contemplated by the Unit Purchase and Contribution Agreement, in each case in accordance with the terms thereof.

ARTICLE III
UNITS AND CAPITAL CONTRIBUTIONS

3.1 Membership Interests.

(a) The limited liability company equity interests in the Company shall be expressed as units (each such unit, a "**Unit**") comprising a Member's Membership Interest in the Company. Subject to Sections 3.5, 3.6, 5.4, 5.7, 5.14 and 9.6, additional Units, and additional series or classes of Units, may be issued from time to time as may be determined by the Board, with such relative rights, powers and duties as the Board may determine in accordance with this Agreement. The Company may issue fractional Units.

(b) Units shall constitute "securities" governed by Article 8 of the Delaware Uniform Commercial Code, as amended from time to time after the Closing Date.

3.2 Capital Contributions. All Members acknowledge and agree that the initial Capital Contributions set forth on Exhibit A as of the Closing Date represent the amount of money and the agreed upon Gross Asset Value of all property (other than money) initially contributed (or deemed contributed pursuant to Internal Revenue Service Revenue Ruling 99-5, 1999-1 CB 434) by the Members. The Members acknowledge and agree that the Capital Account of each Member as of the date hereof is equal to the amount set forth on Exhibit A as of the date hereof.

3.3 Return of Contribution. No Member is entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its Capital Account or its Capital Contributions. Any Capital Contribution that has not been repaid is not a liability of the Company or of the other Members. A Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return the other Members' Capital Contributions.

3.4 Withdrawal of Capital. No Member has the right to withdraw any part of its Capital Contribution from the Company or to receive the return of any part of its Membership Interest in the Company prior to the Company's liquidation and termination pursuant to Article X hereof.

3.5 Additional Capital Contributions. No Member will be required to make additional Capital Contributions to the Company, except as set forth in Section 5.14 or otherwise agreed to

by such Member. Subject to Sections 3.6, 5.4, 5.7, 5.14 and 9.6, the Company may issue additional Units to the Members in accordance with the terms of this Agreement in exchange for additional Capital Contributions by such Members, in such number, at such price and in such classes or series and upon such other terms as are approved by the Board.

3.6 Issuance of Additional Units; Additional Members.

(a) Additional Units. Subject to Sections 3.5, 5.4, 5.7, 5.14 and 9.6, the Board may cause the Company to issue or sell to any Person (including Members and Affiliates of Members) any of the following (any of which for purposes of this Agreement shall be "**Additional Units**"): (i) additional Units in the Company (including new classes or series thereof having designations, preferences and other participating or relative rights, powers and duties as the Board may determine); (ii) obligations, evidences of indebtedness or other securities or interests convertible into or exchangeable for Units or other interests in the Company and (iii) warrants, options or other rights to purchase or otherwise acquire Units or other interests in the Company. Subject to Sections 3.5, 5.4, 5.7, 5.14 and 9.6, the Board shall determine the terms and conditions governing the issuance of such Additional Units, including: (A) the right of any such class or series of Additional Units to share in the Company's distributions on the same or different terms (including, if approved by the Board, superior terms) as those set forth in Section 4.1; (B) the allocation to any such class or series of Additional Units of Net Income (and all items included in the computation thereof) or Net Losses (and all items included in the computation thereof) on the same or different terms as those set forth in Section 4.2; (C) the rights of any such class or series of Additional Units upon dissolution or liquidation of the Company; (D) the right of any such class or series of Additional Units to vote on matters relating to the Company and this Agreement; (E) the rights, restrictions and obligations of the Additional Units with respect to those matters set forth in Article IX; and (F) approval rights with respect to amendments to this Agreement (which shall not limit the then existing approval rights of any other then outstanding series or classes of Units).

(b) Additional Members and Units. In order for a Person to be admitted as a Member of the Company with respect to any Additional Units and the exercise of any rights hereunder relating thereto, such Person shall be required to have first delivered to the Company a written undertaking to be bound by the terms and conditions of this Agreement, together with such other documents and instruments as the Board reasonably determines to be necessary or appropriate in connection with the issuance of such Additional Units to such Person or to effect such Person's admission as a Member. Upon admission of a Person as a Member, the Board, or an appropriate Officer of the Company directed by the Board, shall amend Exhibit A without the further vote, act or consent of any other Person to reflect such new Person as a Member. If an Additional Unit is issued to an existing Member, the Board, or an appropriate Officer of the Company directed by the Board, shall amend Exhibit A without the further vote, act or consent of any other Person to reflect the issuance of such Additional Unit.

3.7 Capital Accounts. A Capital Account shall be established and maintained for each Member in accordance with the terms of this Agreement.

3.8 Certain Actions. The Company shall cause the Partnership to take the actions required of the Partnership as set forth on Annex A to the Unit Purchase and Contribution Agreement in accordance with the terms and conditions thereof.

ARTICLE IV
DISTRIBUTIONS AND ALLOCATIONS

4.1 Distributions to Members.

(a) Distributions of Available Cash. An amount equal to 100% of Available Cash with respect to each fiscal quarter shall be distributed to the Members in proportion to their relative Percentage Interests within forty-five (45) days after the end of such fiscal quarter; *provided*, that such distributions shall be made promptly following receipt of any distribution pursuant to Section 6.3(a) of the Partnership Agreement.

(b) Distributions from Capital Transactions. An amount equal to (i) 100% of the Net Cash Proceeds (as defined in the Partnership Agreement) received by the Company from the Partnership pursuant to Section 6.3(b) of the Partnership Agreement, less (ii) such amount of cash reserves as the Board may reasonably determine (a) to provide for the reasonably anticipated obligations of the Company or (b) to comply with applicable Law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Company is a party or by which it is bound or its assets or property is subject, shall be distributed to the Members in proportion to their relative Percentage Interests promptly following the Company's receipt of any such distribution.

(c) Persons Entitled to Distributions. All distributions of Available Cash to Members for a fiscal quarter pursuant to Section 4.1(a), Section 4.1(b) or approved by the Board pursuant to Section 5.7 (other than a distribution of Available Cash) shall be made to the Members shown on the records of the Company to be entitled thereto as of the distribution date set by the Board, unless the transferor and transferee of any Membership Interest otherwise agree in writing to a different distribution and such distribution is consented to in writing by the Board.

(d) Limitations on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, no distributions shall be made except pursuant to this Section 4.1 or Article X or as approved by the Board pursuant to Section 5.7. Notwithstanding any provision to the contrary contained in this Agreement, neither the Company nor the Board, on behalf of the Company, shall be required or permitted to make a distribution to any Person in violation of the Act or other applicable Law. Any distributions pursuant to this Agreement made in error or in violation of Section 18-607(a) of the Act, will, upon demand by the Board, be returned to the Company.

4.2 Allocations.

(a) General Allocation of Net Income and Net Loss. Subject to the other provisions of this Section 4.2, for purposes of adjusting the Capital Accounts of the Members, the Net Income and Net Losses for any Tax Fiscal Year or other period shall

be allocated among the Members in a manner such that the Adjusted Capital Account of each Member, immediately after making such allocation is, as nearly as possible, equal (proportionately) to the distributions that would be made to such Member pursuant to Section 4.1 if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Gross Asset Value, all Company liabilities were satisfied (limited with respect to each Nonrecourse Liability to the Gross Asset Value of the asset securing such liability), and the net assets of the Company were distributed in accordance with Section 4.1 to the Members immediately after making such allocation.

(b) Regulatory Allocations. Notwithstanding the foregoing provisions of this Section 4.2, the following special allocations shall be made in the following order of priority:

(i) If there is a net decrease in Company Minimum Gain during a Company taxable year, then each Member shall be allocated items of Company income and gain for such taxable year (and, if necessary, for subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Sections 1.704-2(f)(6), (g)(2) and (j)(2)(i). This Section 4.2(b)(i) is intended to comply with the minimum gain chargeback requirement of Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) If there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any Company taxable year, each Member who has a share of the Member Minimum Gain attributable to such Member Nonrecourse Debt at the beginning of such taxable year, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such taxable year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in a manner consistent with the provisions of Regulations Sections 1.704-2(i)(4) and (j)(2)(ii). This Section 4.2(b)(ii) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) If any Member unexpectedly receives an adjustment, allocation or distribution of the type contemplated by Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of income and gain shall be allocated to all such Members (in proportion to the amounts of their respective Adjusted Capital Account Deficits) in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit of such Member as quickly as possible unless such deficit balance is otherwise eliminated pursuant to Section 4.2(b)(i) or 4.2(b)(ii). It is intended that this Section 4.2(b)(iii) qualify and be construed as a "qualified income offset" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d).

(iv) If the allocation of Net Loss to a Member as provided in Section 4.2(a) would create or increase an Adjusted Capital Account Deficit, there shall be allocated to such Member only that amount of Net Loss as will not create or increase

an Adjusted Capital Account Deficit. The Net Loss that would, absent the application of the preceding sentence, otherwise be allocated to such Member shall be allocated to the other Members in accordance with their relative Percentage Interests, subject to the limitations of this Section 4.2(b)(iv).

(v) To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of its Membership Interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such provisions.

(vi) The Nonrecourse Deductions for each taxable year of the Company shall be allocated to the Members in proportion to their Percentage Interests.

(vii) The Member Nonrecourse Deductions shall be allocated each year to the Member that bears the economic risk of loss (within the meaning of Regulations Section 1.752-2) for the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i). If more than one Member bears the economic risk of loss with respect to a Member Nonrecourse Debt, Member Nonrecourse Deductions attributable thereto shall be allocated between or among such Members in accordance with the ratios in which they share such economic risk of loss. This Section 4.2(b)(vii) is intended to comply with the provisions of Regulations Section 1.704-2(i) and shall be interpreted consistently therewith.

(viii) The allocations set forth in Sections 4.2(b)(i), 4.2(b)(ii), 4.2(b)(iii), 4.2(b)(iv), 4.2(b)(v), 4.2(b)(vi) and 4.2(b)(vii) (the "**Regulatory Allocations**") are intended to comply with certain requirements of Regulations Sections 1.704-1(b) and 1.704-2(i). Notwithstanding the provisions of Section 4.2(a), the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

(ix) Simulated Depletion and Simulated Loss with respect to each separate Depletable Property shall be allocated to the Members in the same proportion that the Members (or their predecessors in interest) were allocated the adjusted tax basis of such property under Section 4.2(c)(ii).

(c) Tax Allocations.

(i) Except as otherwise provided in this Section 4.2(c), for income tax purposes under the Code and the Regulations, each Company item of income, gain, loss and deduction shall be allocated between the Members as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to this Section 4.2.

(ii) The deduction for depletion with respect to each separate Depletable Property shall, in accordance with Section 613A(c)(7)(D) of the Code, be computed for federal income tax purposes separately by the Members rather than the Company. Except as provided in Section 4.2(c)(iv), for purposes of such computation, the proportionate share of the adjusted tax basis of each Depletable Property shall be allocated among the Members *pro rata* in accordance with each Member's respective Percentage Interests. Each Member shall separately keep records of its share of the adjusted tax basis in each separate Depletable Property, adjust such share of the adjusted tax basis for any cost or percentage depletion allowable with respect to such property and use such adjusted tax basis in the computation of its cost depletion or in the computation of its gain or loss on the disposition of such property by the Company. Upon the request of the Tax Matters Member, each Member shall advise the Tax Matters Member of its adjusted tax basis in each separate Depletable Property and any depletion computed with respect thereto, both as computed in accordance with the provisions of this Section 4.2(c)(ii). The Board of Managers may rely on such information and, if it is not provided by the Member, may make such reasonable assumptions as it shall determine with respect thereto. When reasonably requested by the Members, the Company shall provide all available information reasonably required by the Members to comply with the record keeping requirements of this section.

(iii) Except as provided in Section 4.2(c)(iv), for the purposes of the separate computation of gain or loss by each Member on the sale or disposition of each separate Depletable Property, the Company's allocable share of the "amount realized" (as such term is defined in Section 1001(b) of the Code) from such sale or disposition shall be allocated for federal income tax purposes among the Members as follows:

(A) first, to the extent such amount realized constitutes a recovery of the Simulated Basis of the Depletable Property, to the Members in the same percentages as the depletable basis of such property was allocated to the Member pursuant to Section 4.2(c)(ii); and

(B) second, the remainder of such amount realized, if any, to the Members so that, to the maximum extent possible, the total amount realized allocated to each Member under this Section 4.2(c) will equal such Member's share of the proceeds derived by the Company from such sale or disposition.

(iv) Tax items with respect to Company assets that are contributed to the Company with a Gross Asset Value that varies from its basis in the hands of the contributing Member immediately preceding the date of contribution shall be allocated between the Members for income tax purposes pursuant to Regulations promulgated

under Code Section 704(c) so as to take into account such variation. The Company shall account for such variation under the "remedial method" as described in Regulations Section 1.704-3(d). If the Gross Asset Value of any Company asset is adjusted pursuant to the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such Company asset shall take account of any variation between the adjusted basis of such Company asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations promulgated thereunder under the "remedial method" as described in Regulations Section 1.704-3(d). Allocations pursuant to this Section 4.2(c)(ii) are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Income, Net Loss and any other items or distributions pursuant to any provision of this Agreement.

(d) Other Provisions.

(i) For any Tax Fiscal Year during which any part of a Membership Interest or Economic Interest in the Company is Transferred between Members or to another Person, the portion of the Net Income, Net Loss and other items of income, gain, loss, deduction and credit that are allocable with respect to such part of a Membership Interest or Economic Interest shall be apportioned between the Transferor and the Transferee under any method allowed pursuant to Section 706 of the Code and the applicable Regulations as determined by the Board.

(ii) In the event that the Code or any Regulations require allocations of items of income, gain, loss, deduction or credit different from those set forth in this Section 4.2, the Board is hereby authorized to make new allocations in reliance on the Code and such Regulations, and no such new allocation shall give rise to any claim or cause of action by any Member.

(iii) For purposes of determining a Member's proportional share of the Company's "excess nonrecourse liabilities" within the meaning of Regulations Section 1.752-3(a)(3), each Member's interest in Net Income shall be such Member's Percentage Interest.

(iv) The Members acknowledge and are aware of the income tax consequences of the allocations made by this Section 4.2 and hereby agree to be bound by the provisions of this Section 4.2 in reporting their shares of Net Income, Net Loss and other items of income, gain, loss, deduction and credit for federal, state and local income tax purposes.

ARTICLE V
MANAGEMENT

5.1 Management by the Board of Directors. Except for cases in which the approval of the Members is expressly required under this Agreement or by non-waivable provisions of applicable Law, the powers, business and affairs of the Company and its Subsidiaries, including managing the business and affairs of the Partnership as the general partner thereof and each of

the Partnership's Subsidiaries and making any determination required to be made pursuant to the Partnership Agreement, shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed and controlled by, a board of directors of the Company (the "**Board**").

5.2 Actions by the Board; Delegation of Authority and Duties; Reliance by Third Parties.

(a) In managing the business and affairs of the Company and exercising its powers, the Board may act through meetings and written consents pursuant to Sections 5.4 and 5.5 and through any Officer of the Company to whom authority and duties have been delegated pursuant to Section 5.6.

(b) Any Person dealing with the Company may rely on the authority of any Officer in taking any action in the name of the Company authorized by the Board without inquiry into the provisions of this Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Agreement.

5.3 Board Composition.

(a) Composition.

(i) The Board shall initially be composed of four (4) directors who are natural persons (each a "**Director**" and, collectively, the "**Directors**"). The Directors shall be "managers" within the meaning of Section 18-101 of the Act; *provided, however*, that no Director in his or her capacity as a Director (or "manager" within the meaning of the Act) shall have the authority to individually manage the Company or approve matters relating to, or otherwise to bind the Company, such powers being reserved to the Directors, collectively, acting through the Board and to such other committees of the Board, and Officers and agents of the Company, as designated by the Board. Subject to Section 5.3(a)(ii), the EXCO Member shall initially have the right to designate two Directors (any Director designated by the EXCO Member, an "**EXCO Director**") and the Harbinger Member shall initially have the right to designate two Directors (any Director designated by the Harbinger Member, a "**Harbinger Director**"). The initial EXCO Directors, Harbinger Directors and Alternates (as described in Section 5.3(a)(iii)) as of the Closing Date are set forth on Exhibit B. So long as Article XI remains in effect, neither the Harbinger Member nor the EXCO Member shall appoint a Restricted Person (with such term defined without giving effect to clause (ii) of such definition) as a Director.

(ii) Notwithstanding anything in Section 5.3(a)(i) to the contrary, (i) upon a Founder Member Group at any time holding a Percentage Interest of less than 50% of the outstanding Units but of 25% or more of the outstanding Units, then one Director designated by the Member representing such Founder Member Group shall be removed from the Board, and (ii) upon a Founder Member Group at any time holding a Percentage Interest of less than 25% of the outstanding Units, then any and all Directors designated by the Member representing such Founder Member Group shall be removed from the

Board. For the avoidance of doubt, (x) for so long as a Founder Member Group holds a Percentage Interest of outstanding Units of 50% or more, the Member representing such Founder Member Group shall be entitled to designate at least two Directors and (y) for so long as a Founder Member Group holds a Percentage Interest of at least 25% of the outstanding Units, such Founder Member Group shall be entitled to designate at least one Director (in being understood and agreed that the Members and the Board will take all actions as may be reasonably necessary in order to effectuate the provisions of this Section 5.3(a)(ii)); *provided*, that any EXCO Directors shall automatically and without the requirement for further action by any Person be removed from the Board and the EXCO Member shall no longer have any right to appoint Directors pursuant to Section 5.3(a)(i) upon the occurrence of an EXCO Material Change.

(iii) Each Member representing a Founder Member Group having the right to designate a Director to the Board hereunder shall also have the right to designate one or more natural persons to serve as an alternate to such Director (an "**Alternate**") if such Director is unable to attend, or is otherwise not present, at any meeting of the Board or any committee thereof. Alternates designated by a Member may be present at each meeting of the Board or committee thereof in which the Director designated by such Member may attend, whether or not such Director attends such meeting. Alternates generally shall not have any right to vote, consent or take other actions at any meeting of the Board or any committee thereof; *provided*, that if a Director designated by a Member is not present at a meeting of the Board or any committee thereof which it has the right to attend hereunder (an "**Absent Director**") but an Alternate designated by such Member is present, the presence of such Alternate shall be considered the presence of such Absent Director for quorum requirements, and such Alternate may vote, consent and take such other actions to the same extent as such Absent Director would have been permitted had such Absent Director actually been present, and any such vote, consent or action shall be considered the valid vote, consent or action of the Absent Director designated by such Member for all purposes hereunder. For the avoidance of doubt, any Director may designate another Director as such first Director's Alternate (a "**Director/Alternate**"), and such Director/Alternate shall have the full power to act on behalf of such first Director as provided in this Section 5.3(a)(iii), and in the event of any vacancy on the Board (an "**Undesignated Director**"), a Member entitled to designate the Director to fill such vacancy may authorize any other Director designated by such Member to vote for such Undesignated Director as a Director/Alternate, and, in such event, for purposes of determining a quorum, the participation of such Director/Alternate at a meeting of the Board shall be counted as the presence of both such Director/Alternate and the presence of such Undesignated Director. Where action of the "Directors" is referenced in this Article V, including for quorum or voting purposes, such references to Directors shall include, if applicable, any Alternate or Director/Alternate.

(b) Removal; Vacancies. Except as otherwise provided in this Agreement, no Director may be removed from the Board except at the written direction of the Member entitled to designate such Director, which Member will thereupon be entitled to appoint an alternative Director to fill the vacancy. A Director may resign at any time, such resignation to be made in writing to the Board and to take effect immediately or on such later date as may be specified therein. The Members may remove or replace their

respective designees to the Board at any time, with or without cause, upon 24 hours' prior written notice to the Board and the other Members. If any Director is convicted or enters a plea of no contest or nolo contendere to any felony or other crime involving moral turpitude, then such Director shall immediately resign from the Board, or the Member who appointed such Director shall immediately remove such Director from the Board and shall appoint another natural person to fill the vacancy on the Board resulting from such Director's removal. Any vacancy in the Board, whether created by the removal, resignation or retirement of a Director or otherwise, shall be filled promptly by the Member entitled to designate such Director in accordance with this Section 5.3. In the event the Members are not entitled to designate all of the Directors in accordance with this Section 5.3, any vacancy may be filled by the vote of Members holding a majority of the outstanding Units, and any Director not so designated by a specific Member in accordance with this Section 5.3 may be removed by the vote of Members holding a majority of the outstanding Units.

(c) Changes in Size. The size of the Board set forth in Section 5.3(a)(i) shall not be increased or decreased without the consent of the EXCO Member and the Harbinger Member so long as each such Member is entitled to designate at least one Director. In the event the size of the Board is increased or decreased in accordance with this Agreement, the number of EXCO Directors, Harbinger Directors and, to the extent applicable, other Directors, shall be increased or decreased accordingly to preserve as closely as possible the relative Board designation rights of the Members set forth in this Section 5.3.

(d) Subsidiaries. To the extent any Subsidiary of the Company is not a member-managed limited liability company or partnership of which a member of the Partnership Group is the managing member or managing general partner, respectively, the Company shall take all necessary action to ensure that the board of directors, board of managers, partnership committee or similar governing body of such Subsidiary of the Company shall be comprised of designees of each of the EXCO Group and the Harbinger Group that, as nearly as is practicable, are in proportion to the number of their respective designees on the Board and require the vote, consent or decision (and presence for quorum) of each such designee to the same extent as would be required for comparable actions and meetings of the Board.

5.4 Board Meetings; Quorum; Vote Required.

(a) Meetings. The Board shall meet at least quarterly at the offices of the Company (or such other place as determined by the Board). Special meetings of the Board, to be held at the offices of the Company (or such other place as shall be determined by the Board), shall be called at the direction of any Director, upon reasonable advance notice, but in any event upon not less than 24 hours' prior written notice, to all Directors. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that such meeting is not properly called or convened. The reasonable costs and expenses incurred by the Directors in connection with any meeting of the Board shall be borne and paid by the

Company (and any Director may obtain reimbursement from the Company for any such reasonably documented costs and expenses).

(b) Quorum. The presence of a majority of Directors shall be necessary to constitute a quorum for the transaction of any business at any meeting of the Board. The presence of a majority of the Directors on the Special Committee shall be necessary to constitute a quorum for the transaction of any business at any meeting of the Special Committee described in Section 5.7(b).

(c) Board Voting. On all matters requiring the vote or action of the Board, each Director shall be entitled to one vote, and, except as otherwise provided in this Agreement, all actions undertaken by the Board must be authorized by the affirmative vote of at least a majority of Directors. All actions undertaken by the Special Committee must be authorized by the affirmative vote of at least a majority of the Directors on the Special Committee.

5.5 Action by Written Consent or Telephone Conference. Any action permitted or required by the Act, the Delaware Certificate or this Agreement to be taken at a meeting of the Board or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by the Directors whose approval would be required if such action was taken at a meeting, and the writing is filed with the minutes of proceedings of the Board or committee thereof; *provided*, that, for so long as each of the Harbinger Member and the EXCO Member has the right to designate at least one Director pursuant to Section 5.3(a), such written consent shall also require the signatures of at least one Harbinger Director and one EXCO Director. Such consent shall have the same force and effect as a vote at a meeting and may be stated as such in any document or instrument filed with the Secretary of State, and the execution of such consent shall constitute attendance or presence in person at a meeting of the Board or any committee thereof. Subject to the requirements of the Act, the Delaware Certificate or this Agreement for notice of meetings, the Directors may participate in and hold a meeting of the Board or any committee thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person at such meeting, except where a Director participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened or is not called or convened in accordance with this Agreement.

5.6 Officers.

(a) Any Officers of the Company shall be appointed by the Board as provided in this Section 5.6 and may include a President, a Chief Executive Officer (the "**CEO**"), a Chief Financial Officer, one or more Vice Presidents (including one or more Executive or Senior Vice Presidents), a Secretary, a Treasurer and/or such other Officers with such titles and responsibilities as the Board may from time to time determine. Such Officers shall have such duties as may be designated from time to time by action of the Board. A Director may be an Officer. The initial Officers of the Company as of the Closing Date and the titles and responsibilities of such Officers are set forth on Exhibit C. Appointment of Officers, and the granting of titles and responsibilities thereto, other than

those set forth on Exhibit C, shall be subject to the consent, not to be unreasonably withheld, of not less than one EXCO Director and one Harbinger Director for so long as each of the EXCO Member and the Harbinger Member are entitled to designate a Director. The Board may choose not to fill any office for any period as it may deem advisable. Any two or more offices may be held by the same individual, and Officers need not be employees of the Company. Each Officer shall hold office until the one-year anniversary of the date of appointment thereof, and may be re-appointed one or more times by the Board on or in respect of any such anniversary, or until the earlier of his or her death, resignation or removal as hereinafter provided. The Board may remove at any time from office any Officer of the Company with or without Cause; *provided*, that, for so long as (i) the EXCO Member is entitled to designate a Director pursuant to Section 5.3(a) and is the Operator, any Officer holding the title of CEO, Chief Financial Officer or Executive Vice President who is also an employee of the EXCO Group may be removed without Cause only with the consent of at least one EXCO Director and (ii) the Harbinger Member is entitled to designate a Director pursuant to Section 5.3(a), any Officer holding the title of CEO, Chief Financial Officer or Executive Vice President may be removed without Cause only with the consent of at least one Harbinger Director. Any vacancy occurring in any office of an Officer because of death, resignation, removal, disqualification or otherwise may be filled by the Board. In the case of the absence or disability of any Officer of the Company and of any person hereby authorized to act in such Officer's place during such Officer's absence or disability, the Board may by resolution delegate the powers and duties of such Officer to any other Officer, or to any other individual whom it may select.

(b) Each Officer who is Dedicated, in the performance of his or her duties as such, shall owe to the Company duties of loyalty and due care of the type owed by the officers of a corporation to such corporation and its stockholders under the laws of the State of Delaware. Each Officer who is not Dedicated, in the performance of his or her duties as such, shall owe to the Company the duty to act in good faith and in a manner he or she reasonably believes to be in, or not opposed to, the best interests of the Company and the Partnership Group.

(c) Actions of the Company permitted to be taken by an Officer by delegation of authority by the Board may also be taken on behalf of the Company (including in its capacity as general partner of the Partnership), (i) for so long as the EXCO Member and Harbinger Member are entitled to appoint an equal number of Directors, by the written action of any two Directors consisting of at least one EXCO Director and one Harbinger Director, acting in such capacity as agents and representatives of the Company or (ii) by such other individuals as may be so authorized by action of the Board. Such actions shall be valid and binding upon the Company.

5.7 Actions Requiring Approval of the Board.

(a) In addition to such other matters as the Board may determine from time to time, none of the Company, any of its Subsidiaries (including any member of the Partnership Group), nor any Officer or agent of the Company on behalf of the Company or any of its Subsidiaries, shall take any of the actions described in this Section 5.7(a)

without the approval of the Board (in accordance with Section 5.4), unless, and to the extent, the taking of such action is expressly and specifically contemplated by any Annual Plan and any Interim Annual Plan approved pursuant to this Section 5.7 (as the same may be adjusted as provided in the last sentence of Section 5.8):

(i) voluntarily approve, commence or take any action to effectuate or that would result in a Bankruptcy Event with respect to the Company or any Subsidiary of the Company or wind up or dissolve the Company or any Subsidiary of the Company;

(ii) make any election to cause the Company or any Subsidiary of the Company to be classified as other than a partnership for federal income tax purposes, other than necessary tax elections for the Partnership to meet qualifying income requirements of Section 7704(c) – (d) of the Code;

(iii) (A) permit or effect any material change in the business lines of the Company or any Subsidiary of the Company outside the scope of the Business, (B) form, organize, incorporate or otherwise create any Subsidiary of the Company in a manner that would adversely interfere with or alter the governance and/or economic terms otherwise set forth herein or in the Partnership Agreement or (C) alter, repeal, amend or adopt any provision of the governing documents of any Subsidiary of the Company in a manner that would adversely interfere with or alter the governance and/or economic terms otherwise set forth herein or in the Partnership Agreement;

(iv) (A) redeem, repurchase or otherwise acquire any Equity Interests in the Company or any Subsidiary of the Company, other than (1) a redemption of Equity Interests of Persons who are not Members or Affiliates of Members of the Company or the Partnership Group or (2) a redemption of Equity Interests in the Company owned by Officers, or other employees or service providers, in connection with a termination of services to the Company or any Subsidiary of the Company or as otherwise provided in the terms of such Equity Interests; (B) split, combine or reclassify any Equity Interests in the Company in a manner that would adversely interfere with or alter the governance and/or economic terms otherwise set forth herein or in the Partnership Agreement; (C) except for distributions pursuant to Section 4.1(a) or Section 4.1(b) and distributions pursuant to Article X, declare or pay any dividends or other distributions on the Units or other Equity Interests in the Company in a manner that would adversely interfere with or alter the governance and/or economic terms otherwise set forth herein or in the Partnership Agreement; or (D) permit or effect any direct or indirect Transfer of Equity Interests in the Partnership held by the Company or permit or effect any direct or indirect Transfer of Equity Interests in the Operating Company held by the Partnership;

(v) except as provided in Section 5.14 and subject to Section 5.7(a)(iv)(D), issue any Additional Units, or authorize, issue, sell, dividend, distribute, convert, exchange, cancel, retire or otherwise dispose of any Equity Interests, phantom equity or similar rights or interests or any warrants, options or other similar rights or interests or securities convertible into or exchangeable for any Equity Interests, phantom equity or similar rights of the Company or any Subsidiary of the Company

(other than any such issuance by a Subsidiary of the Company to the Company or a wholly owned Subsidiary of the Company);

(vi) undertake or effect an initial public offering of any Equity Interests of the Company or any of its Subsidiaries;

(vii) other than (i) the incurrence of trade payables arising in the ordinary course of operating the Business, and (ii) drawings under, or any Liens permitted or created pursuant to, any credit facility entered into by the Company or any of its Subsidiaries in connection with the transactions contemplated by the Unit Purchase and Contribution Agreement or previously approved by the Board ("**Bank Debt**"), (A) incur or refinance any Indebtedness, assume any Indebtedness of, or guarantee or otherwise become responsible for the obligations of, any Person, in any single transaction or series of transactions in excess of $5,000,000 or (B) permit or create any Lien on any material assets or properties of the Company or any Subsidiary of the Company other than Permitted Liens;

(viii) directly or indirectly purchase or otherwise acquire any material assets or all or any part of the business of, or Equity Interests in, or invest in or make a capital contribution to, any Person (other than a wholly owned Subsidiary of the Company), including in connection with the formation of or participation in any joint venture, partnership or similar arrangement, or commence any capital project not included in the Annual Plan;

(ix) Transfer, sell or otherwise dispose of any material assets or properties of the Company or of any of its Subsidiaries, other than sales of inventory in the ordinary course of business consistent with past practice;

(x) effect any merger, consolidation or other similar business combination of the Company or any Subsidiary of the Company;

(xi) (A) enter into, terminate or amend any hedging agreements or debt financing agreements, (B) enter into, terminate or amend any Affiliate Contract, excluding (for purposes of entry only) those Affiliate Contracts to be entered into on the Closing Date pursuant to the Unit Purchase and Contribution Agreement or (C) enter into, terminate or materially amend any other contract or agreement that is material to the operation of the Business (including administrative services agreements, operating agreements or any contract that limits the ability of the Company or any of its Subsidiaries to engage in any line of business or in any geographical area);

(xii) subject to Section 5.8, (A) establish or approve any Annual Plan or other material budget of the Company or any of its Subsidiaries (other than the Initial Annual Plan), or (B) amend, supplement, change or modify any Annual Plan or any other material budget of the Company or any of its Subsidiaries if the amendment, supplement or change is reasonably likely to increase the aggregate amount of the Annual Plan by 5% or more;

(xiii) engage, retain or terminate external legal counsel to the Partnership or the Company; or

(xiv) agree or commit to do any of the foregoing.

(b) In the event of a Change of Control of EXCO, during the six-month period following the date of such Change of Control of EXCO upon 30 days' written notice ("**SC Notice**"), the Harbinger Member (so long as it has the right to designate at least one Director to the Board pursuant to Section 5.3(a)) may request the creation and designation of a special committee (the "**Special Committee**") of the Board consisting of a majority of Harbinger Directors and, to the extent the EXCO Member has the right to designate Directors pursuant to Section 5.3(a), a minority of EXCO Directors. Each of the Harbinger Member and the EXCO Member shall designate individuals among their existing Board designees to such Special Committee promptly, and in any event within five (5) days after the Harbinger Member delivers the SC Notice to the Board and the EXCO Member. In the event the Board or the EXCO Member fails to designate a Special Committee or appoint an individual in accordance with the preceding sentence, respectively, the Harbinger Member may create and designate the Special Committee by written notice of such action to the Board and the EXCO Member. After the Harbinger Member has requested the creation of the Special Committee in accordance with this Section 5.7(b), (A) none of the Company, any of its Subsidiaries, nor any Officer or agent of the Company on behalf of the Company or any of its Subsidiaries, shall take any of actions described in clauses (v) and (vi) of Section 5.7(a) without the approval of the Special Committee (in accordance with Section 5.4) and (B) the Harbinger Member shall have the right (so long as it has the right to designate at least one Director to the Board pursuant to Section 5.3(a)), exercisable within ninety (90) days following the two-month anniversary of such Change of Control of EXCO, to delegate to the Special Committee the items in clauses (vii) (other than the incurrence of Indebtedness under the Bank Debt, which would not constitute a Full Special Committee Control Right) through (xii) of Section 5.7(a) (the "**Full Special Committee Control Rights**"). For the avoidance of doubt, those actions subject to approval by the Special Committee pursuant to this Section 5.7(b), and necessary ancillary actions to such matters, will not require further approval pursuant to Sections 5.7(a), 5.7(e) or 5.7(f).

(c) So long as the EXCO Member has the right to designate at least one Director pursuant to Section 5.3(a), neither the Company, any of its Subsidiaries, nor any Officer or agent of the Company on behalf of the Company or any of its Subsidiaries, shall take any of the actions described in Sections 5.7(a)(i), (ii), (iii) or (iv) without the approval of at least one EXCO Director.

(d) So long as the Harbinger Member has the right to designate at least one Director pursuant to Section 5.3(a), neither the Company, any of its Subsidiaries, nor any Officer or agent of the Company on behalf of the Company or any of its Subsidiaries, shall take any of the actions described in Sections 5.7(a)(i), (ii), (iii) or (iv) without the approval of at least one Harbinger Director.

(e) In addition to the approval set forth in Section 5.7(a)(xi)(B), any Affiliate Contract (excluding those Affiliate Contracts to be entered into on the Closing Date pursuant to the Unit Purchase and Contribution Agreement) proposed to be entered into with a value of more than $1,000,000 per annum or $5,000,000 in the aggregate proposed by or for the benefit of the EXCO Group shall be approved by at least one Harbinger Director so long as the Harbinger Member has the right to designate at least one Director pursuant to Section 5.3(a).

(f) In addition to the approval set forth in Section 5.7(a)(xi)(B), any Affiliate Contract (excluding those Affiliate Contracts to be entered into on the Closing Date pursuant to the Unit Purchase and Contribution Agreement) proposed to be entered into with a value of more than $1,000,000 per annum or $5,000,000 in the aggregate for all such Affiliate Contracts proposed by or for the benefit of the Harbinger Group shall be approved by at least one EXCO Director so long as the EXCO Member has the right to designate at least one Director pursuant to Section 5.3(a).

(g) Notwithstanding anything in this Section 5.7 to the contrary, any decision by the Board to pursue (i) the acquisition of any Completed Acquisition Opportunity (or any related debt or equity financing and other related actions and agreements requiring Board approval pursuant to Section 5.7(a)) or any Disposition Opportunity (or any related debt or equity financing and other related actions and agreements requiring Board approval pursuant to Section 5.7(a)) shall be made (A) solely by the Harbinger Directors, so long as the Harbinger Member has the right to designate at least one Director pursuant to Section 5.3(a), in the case of a Completed Acquisition Opportunity from the EXCO Group or a Disposition Opportunity from the EXCO Group and (B) solely by the EXCO Directors, so long as the EXCO Member has the right to designate at least one Director pursuant to Section 5.3(a), in the case of a Completed Acquisition Opportunity from the Harbinger Group or a Disposition Opportunity from the Harbinger Group, and (ii) the acquisition of any Outstanding Acquisition Opportunity (or any related debt or equity financing or other related actions or agreements requiring Board approval pursuant to Section 5.7(a)) shall be made solely by the Board; *provided*, that if any EXCO Director rejects the pursuit and acquisition of any Outstanding Acquisition Opportunity (or any related debt or equity financings and other related actions and agreements requiring Board approval pursuant to Section 5.7(a)) by the Partnership, then the EXCO Group shall be prohibited from pursuing or acquiring any direct or indirect interest in such Outstanding Acquisition Opportunity.

(h) Notwithstanding anything in this Agreement to the contrary, any Enforcement Activities shall be conducted by or under the direction of the Board; *provided,* that, notwithstanding anything in this Agreement to the contrary (including any required consents with respect to such action pursuant to Section 5.7 or otherwise), any Conflicted Director shall not participate in any vote regarding such Enforcement Activities at any meeting of the Board, shall not be counted or required to be present to constitute a quorum of such Board, and shall not be counted or required for purposes of determining whether such actions by the Company receive the minimum vote necessary to take such action. Notwithstanding any provision herein to the contrary, in connection with any Enforcement Activities, the Company (acting through a committee of the Board

consisting only of Directors who are not Conflicted Directors) may withhold access to information relating to the Company or its Subsidiaries or any Enforcement Activities where required, upon the advice of outside counsel to the Company, to preserve attorney-client, work product or similar legal privileges of the Company or its Subsidiaries. No Officer or other agent of the Company that is also an officer, director, member, manager, stockholder, partner, employee or other agent of a Conflicted Member or a Conflicted Affiliate shall have any obligation to take any action on behalf of the Company or any of its Subsidiaries or be requested or required by the Company or the Board to take any action with respect to any Enforcement Activities, and no such Officer or other agent shall participate in any Enforcement Activities (whether on behalf of the Partnership Group, on the one hand, or the Conflicted Member or Conflicted Affiliate, on the other), except to provide information, documents and other related items reasonably requested by the Company (acting through a committee of the Board consisting only of Directors who are not Conflicted Directors) in connection with such Enforcement Activities. Except with respect to such Person's unreasonable failure to provide information, documents or other related items requested by the Company (acting through a committee of the Board consisting only of Directors who are not Conflicted Directors) in connection with such Enforcement Activities and to provide testimony, give evidence and otherwise participate in such Enforcement Activities involving the Conflicted Member, any such Person's failure or refusal to take any such action shall not constitute in and of itself: (i) a breach of any duty, fiduciary or otherwise, owed by such Person to the Company; or (ii) fraud, bad faith or willful misconduct on the part of such Person.

5.8 Budgets. The Company's operating budget and business plan, including hedging, on a quarterly basis for the period commencing as of October 1, 2012 and ending September 30, 2013 (the "**Initial Annual Plan**") for the Company and the Partnership Group is set forth in the letter agreement among the Harbinger Member and the EXCO Member entered into substantially concurrently with the Unit Purchase and Contribution Agreement. Unless otherwise authorized and directed by the Board, at least ninety (90) days prior to the start of each Book Fiscal Year of the Company, commencing with the Book Fiscal Year ending September 30, 2014, the Person or Persons previously designated by the Board shall submit or shall cause to be submitted to the Board a proposed annual plan setting forth the operating and capital expenditure budget and business plan for such Book Fiscal Year (each such annual plan, including the Initial Annual Plan, an "**Annual Plan**"). Such proposed Annual Plan shall include on a quarterly basis for the Book Fiscal Year included in the proposed Annual Plan a reasonably detailed presentation of: (a) anticipated and ongoing development projects of the Company and the Partnership Group, (b) a financial projection for the Company and the Partnership Group setting forth estimates of production volumes, revenues, costs (including lease maintenance costs), fees and expenses (including operating expenses, general and administrative expenses, employee-related costs and expenses (including costs allocated to the Company and the Partnership Group under the Administrative Services Agreement), debt incurrence and interest expense, capital expenditures and accrual items for high cost but infrequent maintenance events and estimates of cash expenditures to be applied against such accruals) to be realized or borne by the Company and the Partnership Group, (c) consolidated income, cash flow and balance sheet statements for the Company and the Partnership Group based on such estimates, (d) an operating budget for the Company and the Partnership Group setting the fees, costs, expenses and capital expenditures and sources of funding therefor, which may be incurred and obtained by the Company and the

Partnership Group without additional prior approval by the Board and (e) such other matters (including information routinely considered by the Operator in its ordinary course of operations) reasonably requested by any Director. The Board shall consider the proposed Annual Plan for approval pursuant to Section 5.7 prior to the start of the Book Fiscal Year to which it pertains and shall use its reasonable efforts to resolve any disagreements as to any item contained in the Annual Plan prior to such time. If any Annual Plan submitted to the Board in accordance with this Section 5.8 (other than the Initial Annual Plan) is not approved by the Board prior to the start of the Book Fiscal Year to which it pertains, then pending approval of such Annual Plan pursuant to Section 5.7, the Annual Plan most recently approved by the Board pursuant to Section 5.7(a)(xii), excluding all non-recurring items, shall remain in effect as the Annual Plan for the next Book Fiscal Year (the "**Interim Annual Plan**"), adjusted by increasing or decreasing the recurring fees, costs, expenses and maintenance capital expenditures set forth in such Annual Plan by a multiplier that takes into account any expected increase or decrease in the Partnership Group's reasonably expected production in the next Book Fiscal Year and existing payment commitments for the next Book Fiscal Year; *provided*, that the Harbinger Directors shall have the further right, in their sole discretion, to increase or decrease such fees, costs, capital expenditures in such Interim Annual Plan by up to 10% of such items included in the Annual Plan for the prior Book Fiscal Year.

5.9 Limitation of Duties and Corporate Opportunities.

(a) To the fullest extent permitted by Law, the Directors (each in his or her capacity as a Director) shall owe no fiduciary or similar duty or obligation whatsoever to the Company, any Member (other than the Member designating such Director) or the other Directors, except as required by any provisions of the Act or other applicable Law that cannot be waived. Subject to the foregoing, each of the Company and the Members acknowledges and agrees that each Director may decide or determine any matter submitted for the Board's approval in the sole and absolute discretion of such Director, it being the intent of all Members that such Director shall have the right to make such determination solely on the basis of the interests of the Member that designated such Director. Each of the Company and the Members hereby agrees that any Claims, actions, rights to sue, other remedies or other recourse to or against any Director for or in connection with any such decision or determination, in each case whether arising in common law or equity or created by rule of law, statute, constitution, contract (including this Agreement) or otherwise, are in each case expressly released and waived by the Company and each Member, to the fullest extent permitted by law, as a condition of, and as part of the consideration for, the execution of this Agreement and any related agreement, and the incurrence by the Members of the obligations provided in such agreements.

(b) Subject to Section 11.1, each Director and, except as expressly provided herein, each Member and each of its respective officers, directors and Affiliates, shall be free to engage or invest in, and devote its and their time to, any other business venture or activity of any nature and description, whether or not such venture or activity is considered competitive with the Company or its Subsidiaries, and neither the Company nor any other Person will have any right by virtue of this Agreement or the relationship created hereby in or to such other venture or activity of any Person (or to the income or

proceeds derived therefrom), and the pursuit of such other venture or activity will not be deemed wrongful or improper or a breach of this Agreement or any duty expressed or implied by law, equity or otherwise to the Company or its Subsidiaries or any Member; *provided*, that such Person does not engage in such other business venture or activity as a result of or using Confidential Information. Subject to Section 11.1, no notice, approval or other sharing of any such other opportunity, venture or activity will be required, and the legal doctrines of "corporate opportunity," "business opportunity" and similar doctrines will not be applied to any such competitive opportunity, venture or activity.

(c) For so long as (i) a member of the EXCO Group is the operator under any of the Operating Agreements or (ii) the EXCO Member has the right to designate a Director hereunder, and in each case for a period of twelve (12) months thereafter, to the extent any member of the EXCO Group enters into a non-competition agreement with any of its executive officers, such EXCO Group member shall cause the benefits of such non-competition agreement to apply for the same duration and otherwise on substantially similar terms to the Company, its Subsidiaries, the Partnership Group and the Business.

5.10 Deadlock. If the Directors become deadlocked and unable to take an action with respect to, or because of a lack of quorum at a duly called meeting fail to vote on or approve, any matter requiring the approval of the Board of Directors in accordance with Sections 5.4, 5.7 or otherwise (each matter, a "**Disputed Matter**"), then any Director appointed by a Founder Member Group may, within ten (10) days of such deadlock or relevant meeting, notify the other Directors that such Disputed Matter shall be voted on again by the Directors at a special meeting (the "**Special Meeting**") that shall be held no later than ten (10) days following the date of such notification. The Directors shall use their commercially reasonable efforts to discuss the Disputed Matter on which the Directors have been unable to agree during the period preceding the Special Meeting and shall vote on such matter at the Special Meeting. If at the Special Meeting, the Directors are unable to come to agreement on the Disputed Matter, the Disputed Matter shall be referred to a senior member of management of each Founder Member Group (a "**Senior Officer**"). Each such Founder Member Group shall use commercially reasonable efforts to cause its Senior Officer to meet and engage in discussions on the Disputed Matter within twenty (20) days of the date of the Special Meeting (or within such shorter period of time as may be necessary to take the action that is the subject of the Disputed Matter or otherwise permit resolution of the Disputed Matter in a timely fashion). If the Senior Officers of the Founder Member Groups reach agreement on the Disputed Matter, any such agreement will be set forth in writing and will be binding for all purposes as an action of the Company approved by the Board as if the action approved in such agreement were approved by the Board directly in accordance with this Agreement. The Founder Member Groups shall direct the Directors designated by them to take all such actions as may reasonably be necessary to reflect such agreement, including adopting any ratifying or confirmatory resolutions. If the Senior Officers are unable to reach agreement on the Disputed Matter within thirty (30) days of the date of the Special Meeting, then the Disputed Matter shall be considered not approved by the Board.

5.11 Insurance. The Company shall carry, and shall cause its Subsidiaries (including the Partnership Group) to carry, general liability, casualty and other insurance in such amounts and having such terms as is prudent and customary for businesses of the nature carried on by the Company and its Subsidiaries and as may be required by any of its third party contracts.

5.12 No Participation in Management by Members. The management of the business and affairs of the Company shall be vested in whole in the Board in accordance with this Article V. Except as specifically provided by this Agreement, no Member, acting solely in the capacity of a Member, shall be an agent of the Company or have any authority to act for or bind the Company. Except as expressly provided by this Agreement or by non-waivable provisions of applicable Law, Members, in their capacity as such, shall have no voting, approval or consent rights. When a vote on any matter is required by the Members, each Member shall be entitled to one vote for each Unit held by such Member within a specified class or series of Units entitled to vote on such matter.

5.13 Meetings of the Members.

(a) Generally. Meetings of the Members may be called by the Board.

(b) Place of Meetings. The Board may designate any place as the place of meeting for any meeting of the Members.

(c) Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting and the purposes for which the meeting is called, shall be delivered to each Member entitled to vote thereat not less than five (5) Business Days before the meeting. It is understood and agreed that the Board shall have no obligation or duty to call a meeting of the Members except as otherwise required by applicable Law.

(d) Manner of Acting. Unless otherwise provided by law or this Agreement, the affirmative vote of a majority of the Units having the right to vote on the matter or action subject to such vote shall constitute the act of the Members and the affirmative vote of a specified class or series shall constitute the act of the Members holding that class or series of Units.

(e) Proxies. At any meeting of the Members of a specified class or series of Units, a Member may vote by proxy executed in writing by such Member or by its duly authorized representative.

(f) Written Actions. Any action required to be, or which may be, taken by Members may be taken without a meeting if a consent in a writing, setting forth the action to be taken, is signed by all of the Members entitled to vote thereon.

(g) Telephonic Participation in Meetings. Members may participate in any meeting through telephonic or similar communications equipment by which all persons participating in the meeting can hear one another, and such participation shall constitute presence in person at such meeting.

5.14 Capital Contribution Events.

(a) Notwithstanding anything in Sections 3.5, 5.4 and 5.7 to the contrary, in the event the Board determines in good faith that additional Capital Contributions from the Members are necessary to fund the Company's operations (a "**Capital Contribution Event**"), the Board may issue a notice to each Member (such notice, together with a

notice under Section 5.14(b) for a Unilateral Capital Contribution Event, a "**Call Notice**") for an additional Capital Contribution by each Member (together with a Unilateral Capital Contribution Event under Section 5.14(b), a "**Required Contribution**") in an amount equal to such Member's *pro rata* portion (based on Percentage Interest of Units) of the additional Capital Contribution determined to be necessary by the Board not less than fifteen (15) days prior to the date the Board determines such additional Capital Contributions shall be made by the Members.

(b) Notwithstanding anything in Section 5.14(a) to the contrary, in the event that the Harbinger Directors determine in good faith that the Company's gross receipts are not anticipated to be sufficient to equal or exceed the estimated expenditures contemplated in the Annual Plan for any six-month period, after considering available bank borrowing capacity of the Company or its Subsidiaries, and the Board is unable to reach a decision for a period of thirty (30) or more days regarding the approval of additional Capital Contributions or the incurrence of additional indebtedness to fund the difference between the estimated expenditures and the anticipated gross receipts, then the Harbinger Directors may, in their sole discretion, issue a Call Notice for an additional Capital Contribution (a "**Unilateral Capital Contribution Event**") in an amount equal to each Member's *pro rata* portion (based on Percentage Interest of Units) of the difference between such estimated expenditures and anticipated gross receipts. In lieu of issuing all or a portion of a Call Notice, and notwithstanding anything in this Agreement to the contrary, the Harbinger Directors acting alone may authorize and cause the Company to incur, in connection with a Unilateral Capital Contribution Event, additional indebtedness that is on terms satisfactory to the Harbinger Directors and non-recourse to the Members to fund the difference between estimated expenditures and anticipated gross receipts.

(c) All Call Notices shall be expressed in U.S. dollars and shall state the date on which payment is due and the bank(s) or account(s) to which payment is to be made. Each Call Notice shall specify in reasonable detail the purpose(s) for which such additional Capital Contribution(s) are required, and the amount of the Capital Contribution(s) to be made by each Member pursuant to such Call Notice. Each Member shall contribute any additional Capital Contribution within five (5) Business Days of the date of delivery of the relevant Call Notice. The Company shall use the proceeds of such additional Capital Contributions exclusively for the purpose specified in the relevant Call Notice.

5.15 Failure to Contribute.

(a) If a Member fails to contribute all or any portion of a Required Contribution that such Member (a "**Delinquent Member**") is required to make as provided in this Agreement, then, while such Member is a Delinquent Member, each non-Delinquent Member may (but shall have no obligation to) elect to fund or arrange for a 100% Affiliate to fund (or, if all other non-Delinquent Members waive their rights under this Section 5.15, to arrange for any other Person who agrees to become a Member to fund) all or any portion of the Delinquent Member's Required Contribution as a Capital Contribution pursuant to this Section 5.15. If a non-Delinquent Member so desires to

fund such amount, such non-Delinquent Member shall so notify each of the other non-Delinquent Members, who shall have five (5) days thereafter to elect to participate in such funding.

(b) The portion that each participating non-Delinquent Member may fund as a Capital Contribution pursuant to this Section 5.15 (the "**NDM Amount**") shall be equal to the product of (x) the delinquent amount of such Required Contribution multiplied by (y) a fraction, the numerator of which shall be the Percentage Interest then held by such participating non-Delinquent Member and the denominator of which shall be the aggregate Percentage Interest held by all such participating non-Delinquent Members; *provided*, that if any participating non-Delinquent Member elects to fund less than its full allocation of such amount, the fully participating non-Delinquent Members shall be entitled to take up such shortfall (allocated, as necessary, based on their respective Percentage Interests). Upon such funding as a Capital Contribution, at the election of the participating non-Delinquent Members holding a majority of the aggregate Percentage Interests of all participating non-Delinquent Members, either:

(i) the Percentage Interest of each Member shall be appropriately adjusted to reflect all such funding (based on total Capital Contributions); *provided, however*, that if (A) such funding is in connection with a Unilateral Capital Contribution Event or a Capital Contribution Event in which at least one EXCO Director and one Harbinger Director voted in favor thereof and (B) the Harbinger Member has not exercised the Full Special Committee Control Rights, then in addition to the dilutive effect caused by one or more Members funding the Delinquent Member's portion of such Required Contribution as set forth in this Section 5.15, (1) the Percentage Interest of such Delinquent Member shall also be decreased by the Dilution Percentage, and (2) the aggregate Percentage Interest of the participating non-Delinquent Member(s) who funded such Required Contribution on behalf of such Delinquent Member shall be increased by the same amount on the same *pro rata* basis as such participating non-Delinquent Member(s) funded such Required Contribution; or

(ii) the Company shall issue to each participating non-Delinquent Member newly created, non-voting preferred Additional Units (the "**NDM Units**"). The NDM Units received by each funding non-Delinquent Member shall (A) have an aggregate capital account (an "**NDM Capital Account**") equal to such non-Delinquent Member's NDM Amount and (B) be entitled to receive distributions prior to all other Membership Interests in the Company until the related NDM Capital Account has been reduced to zero. For the avoidance of doubt, an NDM Unit shall not entitle the holder thereof to any distributions (whether operating, special, liquidating or otherwise) from the Company after the related NDM Capital Account has been reduced to zero. NDM Units shall be non-voting Membership Interests in the Company.

(c) Notwithstanding anything in this Section 5.15 to the contrary, the Delinquent Member may cure such delinquency (i) by contributing its Required Contribution prior to the Capital Contribution being made by another Member or (ii) on or before the sixtieth (60th) day following the date that the participating non-Delinquent Member(s) satisfied the Required Contribution, by making a Capital Contribution to the

Company in an amount equal to the Required Contribution (a "**Make-Up Contribution**") and paying to each participating non-Delinquent Member an amount equal to its NDM Amount multiplied by the Default Interest Rate for the period from the date such participating non-Delinquent Member funded its NDM Amount to the date that the Delinquent Member makes its Make-Up Contribution (the "**Default Interest Amount**"). If a Delinquent Member cures its delinquency pursuant to Section 5.15(c)(ii) by making a Make-Up Contribution and paying the Default Interest Amount, then (A) *first*, the Company shall distribute to each existing Member that is a participating non-Delinquent Member the NDM Amount that such participating non-Delinquent Member funded pursuant to Section 5.15(b), (B) *second*, the respective Capital Accounts and Percentage Interests of the Members shall be adjusted with all necessary increases or decreases to return the Members' Capital Accounts and Percentage Interests *status quo ante* application of Section 5.15(b), (C) *third*, all NDM Units, if any, issued pursuant to Section 5.15(b)(ii) shall be cancelled and (D) *fourth*, the Percentage Interest of each Member shall be appropriately adjusted to reflect the Make-Up Contribution (based on total Capital Contributions). If the delinquency is remedied by the Delinquent Member making its Required Contribution or Make-Up Contribution as required above, the Delinquent Member shall no longer be deemed to be in default with respect to the unfunded Required Contribution. If the default is remedied by funding by the non-Delinquent Member(s) as a Capital Contribution as set forth above, the Delinquent Member shall no longer be deemed to be in default with respect to the unfunded Required Contribution.

5.16 Assistance with Financing and Reporting. The Company and its Subsidiaries shall provide, and the Board shall cause the Company, its Subsidiaries and their respective directors, officers, employees and service providers to provide, such cooperation in connection with the preparation of reports pursuant to applicable law or regulation or reports or presentations to investors and the obtaining of any debt or equity financing arrangements, in each case, of either the Harbinger Group or the EXCO Group, as applicable, as may be reasonably requested by either the Harbinger Member or the EXCO Member, respectively (so long as the Harbinger Member or the EXCO Member (as applicable), or such Person's Affiliate, is required (or reasonably deems it necessary) to provide information regarding the Company in connection with such reports, presentations or financing arrangements, including (a) participation on a timely basis in meetings, drafting sessions, road shows and due diligence, lender, investor, rating agency and other presentations, (b) assisting either such Member and its financing sources in (i) the timely preparation of offering documents, private placement memoranda, bank information memoranda, prospectuses, investor presentations and other similar documents (including the execution and delivery of customary representation letters in connection with such matters), and (ii) the timely preparation of materials for due diligence, lender, investor, rating agency and other presentations and (c) providing appropriate assistance and representations in connection with the preparation of financial statements and other financial data of the Company and/or its Subsidiaries and requesting accountants' consents, customary auditors reports and customary comfort letters (including "negative assurance" comfort), engineering and other data in connection with the use of the Company's or the Partnership's financial statements in offering documents, prospectuses, reports and other documents to be filed with the SEC. Such cooperation shall be at the Partnership's expense unless such cooperation is for a financing arrangement that is unrelated to such Member funding a Required Contribution ("**Unrelated**

Financing") and the Company and its Subsidiaries have provided similar cooperation at the Partnership's expense to such Member in connection with an Unrelated Financing during the previous twelve (12) months, in which case the applicable Member shall bear all expenses of the Company and its Subsidiaries incurred in providing such assistance.

ARTICLE VI
BOOKS, REPORTS AND COMPANY FUNDS

6.1 Records and Accounting; Auditors.

(a) The Company shall keep or cause to be kept at the principal office of the Company appropriate books and records with respect to the Company's business. The books of the Company shall be maintained, for financial reporting purposes, on an accrual basis in accordance with United States generally accepted accounting principles ("**GAAP**"). All decisions as to accounting matters, except as specifically provided to the contrary herein, shall be made by the Board. The books of the Company for tax purposes shall be maintained in accordance with Code Section 448.

(b) The independent registered public accounting firm and the external audit service provider of the Company shall initially be KPMG, LLP, until such firm resigns or is removed by the Board. Thereafter, the Board shall select the independent registered public accounting firm and the external audit service provider of the Company.

6.2 Reports.

(a) As soon as practicable, but in any event no later than forty-five (45) days following the close of each Book Fiscal Year, the Company shall cause to be delivered to each Member a balance sheet, a statement of income and comprehensive income, a statement of Members' equity and a statement of cash flows, such year-end financial reports to be prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby, and to be audited and certified by a nationally recognized independent public accounting firm selected by the Board (subject to Section 6.1(b)).

(b) As soon as practicable, but in no event later than eighteen (18) days after the close of each of the first three quarters and twenty-five (25) days after the close of the last quarter of each Book Fiscal Year, the Company shall cause to be delivered to each Member reports containing unaudited consolidated financial statements of the Company for such fiscal quarter, prepared in accordance with GAAP for interim reporting, including a balance sheet, a statement of income and comprehensive income, a statement of Members' equity and a statement of cash flows.

(c) Within forty-five (45) days after each Book Fiscal Year end (or at such other times as reasonably requested by the Members), the Company shall cause to be delivered to each Member (i) one or more engineering reports in a form reasonably satisfactory to the Board (each, an "**Engineering Report**") relating to the Company's and the Partnership's oil and gas interests and (ii) such other information relating to the Company's and the Partnership's oil and gas interests reasonably requested by a Member.

Each annual Engineering Report shall be prepared as of the Book Fiscal Year end by an independent engineering consultant approved by the Board. Each Engineering Report shall be prepared using standard engineering practices generally accepted by the petroleum industry and shall conform to guidelines developed and adopted by the U.S. Securities and Exchange Commission (the "**SEC**").

(d) With respect to any financial statements discussed in subsections (a) and (b) of this Section 6.2, the Company shall cause to be delivered to each Member an instrument executed by the principal financial officer and CEO of the Company and certifying that such financial statements were prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby, which shall accompany such financial statements; *provided*, that the foregoing shall not restrict the right of the Company to change its accounting principles consistent with GAAP in accordance with this Agreement (including Section 5.7).

(e) (i) As soon as practicable, but in no event later than fifteen (15) days after the close of each calendar month, the Company shall cause to be delivered to each Member reports containing the "flash" results for such month, which shall contain information with operating and financial metrics currently reported in EXCO's existing internal financial reports, including production volumes, product pricing, operating expenses and EBITDA, and other information deemed necessary to manage the financial matters of the Company (such information will also include applicable comparisons to budgets and prior periods), and (ii) as soon as practicable, but in no event later than thirty (30) days after the close of each calendar month, the Company shall cause to be delivered to each Member reports containing unaudited consolidated financial statements of the Company for such month and for the Book Fiscal Year to date (and, in each case, on a comparative basis with the prior year to the extent such comparative financial statements are available), prepared in accordance with GAAP (except that such financial statements need not include footnotes), including a balance sheet, a statement of income and comprehensive income, a statement of Members' equity and a statement of cash flows.

(f) Within forty-five (45) days after the end of each fiscal quarter, the Company shall cause to be delivered to each Member (i) a forecast of the net income of the Company and the Partnership and cash distributions to the Members and partners of the Partnership for the remainder of the Book Fiscal Year and, with respect to the fourth quarter of the then current Book Fiscal Year, a forecast of the net income and cash distributions to be made to Members and the partners of the Partnership in the first quarter of the following Book Fiscal Year and (ii) a quarterly report summarizing all outstanding material Claims related to any litigation, arbitration, administrative proceeding or other dispute and any settlement or result of any litigation, arbitration, administrative proceeding or other dispute entered into or relating to the Company or the Partnership that occurred during the prior fiscal quarter.

(g) Within thirty (30) days after the end of the Tax Fiscal Year, the Company shall cause to be delivered to each Member an estimate of taxable income for the Company and the Partnership, the amounts allocable to each Member for the Tax Fiscal

Year and a fixed asset reconciliation (comprised of asset additions, retirements and dispositions).

(h) As soon as practical after a Member may reasonably request, the Company will, and shall cause its Subsidiaries to, at the Company's or such Subsidiary's expense, furnish promptly to any Member all information regarding the Company, its Subsidiaries and their business and properties, as well as engineering and other data, in such form as reasonably requested by the Member in order to comply with its reporting obligations (or, in the case of a Founder Group Member, such obligations of a Harbinger Group Member or EXCO Group Member, as applicable) under the Exchange Act or any other securities laws, obligations with respect to an offering of securities registered under the Securities Act or made under an exemption from registration and any other securities laws applicable to such offering, which shall include financial information presented in accordance with GAAP or in a manner that will permit the Member to convert such information into financial statements in accordance with GAAP without incurring material cost or delay.

6.3 Inspection by Members. Subject to Section 13.2 and except as would be, upon the advice of outside counsel to the Company, necessary to preserve attorney-client, work product or similar legal privileges of the Company, any Member and any accountants, attorneys, financial advisors and other representatives of such Member may from time to time at such Member's sole expense for any commercially reasonable purpose, visit and inspect the respective properties of the Company and its Subsidiaries, examine (and make copies and extracts of) the Company's and any of its Subsidiaries' respective books, records and documents of any kind, and discuss the Company's and any of its Subsidiaries' respective affairs with its employees or independent accountants, all at such reasonable times as such Member may request upon reasonable notice.

ARTICLE VII
TAX MATTERS

7.1 Preparation of Tax Returns. The EXCO Member shall arrange for the preparation and timely filing of all tax returns of the Company and the Partnership necessary for federal and state income and other applicable tax purposes and shall use all reasonable efforts to furnish to each Member as soon as practicable after the close of the Tax Fiscal Year and at such other times as reasonably necessary (e.g., quarterly), the tax information reasonably required for federal and state income and other applicable tax reporting purposes, including such Member's share of Net Income, Net Loss and any other items of income, gain, loss and deduction for such Tax Fiscal Year and annual and quarterly projections of such items. No later than ten Business Days prior to the due date for filing any of the Company's and the Partnership's federal and state income tax returns (including information returns), the EXCO Member shall provide a written or electronic copy of such tax returns (and relevant supporting workpapers) to the Harbinger Member for review and comment and the EXCO Member shall make revisions to such tax returns as are reasonably requested by the Harbinger Member within five Business Days following the Harbinger Member's receipt of such tax returns from the EXCO Member; *provided*, that if the Harbinger Member has not so requested such revisions within such five Business Day period, then the Harbinger Member shall be deemed to have no comments to any such tax returns. Each

Member shall provide to the EXCO Member, when and as reasonably requested, all information concerning the affairs of such Member as may be reasonably required to permit the preparation of such returns.

7.2 Accounting Methods; Tax Elections. The classification, realization and recognition of income, gains, losses and deductions and other items shall be on the accrual method of accounting for federal income tax purposes; *provided*, that, subject to the other provisions of this Section 7.2, the Tax Matters Member may propose to change the method of accounting used for federal income tax purposes, which change shall be subject to the prior written consent of each Founder Member Group, which consent shall not be unreasonably withheld. The Company shall make an election under Section 754 of the Code in accordance with applicable Regulations promulgated thereunder for the first Tax Fiscal Year in which there is a transfer or Company distribution to which such election would apply if requested by any Member. In addition, the Tax Matters Member shall determine whether to make any other available tax elections and select any other appropriate tax accounting methods and conventions for any purpose under this Agreement; *provided*, that no material tax election (other than an election under Section 754 of the Code) or selection of a material tax accounting method or convention shall be made without the prior written consent of each Founder Member Group, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the election under Section 6231(a)(1)(B)(ii) of the Code shall not be made with respect to the Company without the prior written consent of each Founder Member Group.

7.3 Tax Controversies. Subject to Sections 5.4 and 5.7, the EXCO Member is designated as the "**Tax Matters Member**" (within the meaning of Code Section 6231) as of the date hereof, and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds that have been approved for such purposes by the Board for professional services and costs associated therewith. On or before the fifth Business Day after becoming aware of any significant tax matters with respect to the Company, including any tax audit, examination or proceeding with respect to the federal and state income tax matters of the Company or any member of the Partnership Group (any such matter, a "**Tax Matter**"), the Tax Matters Member shall inform the Harbinger Member of such Tax Matter and shall deliver to the Harbinger Member copies of all written communications it may receive with respect to such Tax Matter. The Tax Matters Member shall allow the Harbinger Member to participate in any decisions relating to such Tax Matter and shall not settle any such Tax Matter without the Harbinger Member's prior written consent not to be unreasonably withheld. Without the consent of the Harbinger Member, which consent shall not be unreasonably withheld, the Tax Matters Member shall not extend the statute of limitations with respect to any federal or state income tax liability of the Company or any member of the Partnership Group, meet with or initiate contact with any federal or state income tax authorities, file a request for administrative adjustment on behalf of the Company or any member of the Partnership Group with respect to any federal or state income tax matter, file suit on behalf of the Company or any member of the Partnership Group concerning any federal or state income tax refund or deficiency or take any action contemplated by sections 6222 through 6231 of the Code. In the event the "TEFRA audit provisions" of Code Section 6221 *et seq.* apply by their terms, the Tax Matters Member shall ensure that each other Member is a notice partner within the meaning of Section 6231(a)(8) of the Code. Each Member

agrees to cooperate with the Tax Matters Member and to do or refrain from doing any and all things reasonably required by the Tax Matters Member to conduct such proceedings. The designation of the Tax Matters Member may be changed from time to time as determined by the Board.

7.4 Taxation as a Partnership. It is the intention of the Members that the Company be classified as a partnership for U.S. federal income tax purposes. No election shall be made by the Company or any Member for the Company to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law or to be classified as other than a partnership pursuant to Regulations Section 301.7701-3; *provided*, that the foregoing restrictions shall not apply to any ownership arrangement with respect to Oil and Gas Properties.

7.5 Withholding. The Company may withhold distributions or portions thereof if it is required to do so by any applicable rule, regulation or law, and each Member hereby authorizes the Company to withhold from or pay on behalf of or with respect to such Member any amount of federal, state, local or foreign taxes that the Board determines that the Company is required to withhold or pay with respect to any amount distributable or allocable to such Member pursuant to this Agreement. Any amount withheld or otherwise paid on behalf of or with respect to a Member pursuant to this Section 7.5 shall be treated as an advance against, and shall reduce the amount of, the next distribution(s) that the Member would otherwise receive pursuant to Sections 4.1 or Article X.

7.6 Reimbursement. The Tax Matters Member shall be reimbursed by the Company for all reasonable out-of-pocket costs and expenses approved by the Board (such approval not to be unreasonably withheld) and incurred in its performance of its duties as described herein.

7.7 Texas Margin Tax Sharing Arrangement. If Texas Law allows or requires any Member and the Company to participate in the filing of a Texas margin tax combined group report and such a combined group report is filed by such Member and such Member pays the Texas margin tax liability due in connection with such report, the Members agree that the Company shall promptly reimburse the filing Member for the margin tax paid on behalf of the Company as a combined group member. The margin tax paid on behalf of the Company shall be equal to the margin tax that the Company would have paid if it had computed its margin tax liability for the report period on a separate entity basis rather than as a member of the combined group. The Members agree that the filing Member may deduct for federal income tax purposes 100% of the Texas margin tax attributable to the Company and paid by the filing Member and that the Company's reimbursement obligation shall be limited to the after-tax cost of the Texas margin tax attributable to the Company and paid by the filing Member, computed based on the highest marginal federal tax rate applicable to corporations.

ARTICLE VIII
EXCULPATION AND INDEMNIFICATION

8.1 Performance of Duties; No Liability of Members, Directors and Officers. No Member or Director (in their respective capacities as such) shall have any duty to the Company or any Member of the Company except as expressly set forth herein or in other agreements to

which such Persons are party or as required by applicable Law. No Member, Director or Officer of the Company (in their respective capacities as such) shall be liable to the Company, and no Director or Officer of the Company (in their respective capacities as such) shall be liable to any Member, for any loss or damage sustained by the Company or such Member (as applicable), unless such loss or damage shall (as finally determined by a court of competent jurisdiction) have resulted from such Person's fraud or willful misconduct or, in the case of any Member, willful breach of this Agreement or, in the case of any Director or Officer of the Company, knowing and intentional breach of this Agreement or, in the case of an Officer, breach of such Person's duties pursuant to Section 5.6(b). In performing such Person's duties, each such Person shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the Company or any facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid) of the following other Persons or groups: one or more Officers or employees of the Company, any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company, or any other Person who has been selected with reasonable care by or on behalf of the Company, in each case as to matters which such relying Person reasonably believes to be within such other Person's competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in Section 18-406 of the Act. No Member, Director or Officer of the Company shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation or liability of the Company, whether that liability or obligation arises in contract, tort or otherwise, solely by reason of being a Member, Director or Officer of the Company or any combination of the foregoing. Nothing in this Agreement shall limit the liabilities and obligations of the Members, or entitle any Member to indemnification hereunder from the Company with respect to any claims made under, when acting in any capacity for or on behalf of the Company other than those expressly described above. For the avoidance of doubt, nothing in this Agreement shall limit the liability of any Member to any other Member for breach of this Agreement.

8.2 Right to Indemnification. Subject to the limitations and conditions as provided in this Article VIII, each Person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or arbitrative or in the nature of an alternative dispute resolution in lieu of any of the foregoing ("**Proceeding**"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that such Person, or a Person of which such Person is the legal representative, is or was a Member, a Director or Officer or, in each case, a representative thereof shall be indemnified by the Company to the fullest extent permitted by applicable Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said Law permitted the Company to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including reasonable attorneys' and experts' fees) actually incurred by such Person in connection with such Proceeding, appeal, inquiry or investigation ("**Loss**"), unless (a) such Loss shall have been finally determined by a court of competent jurisdiction to have resulted from such Person's fraud, willful misconduct or, in the case of any Member, willful breach of this Agreement or, in

the case of any Director or Officer, knowing and intentional breach of this Agreement or (b) in the case of an Officer, such Loss shall have been finally determined by a court of competent jurisdiction to have resulted from such person's failure to act in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Company or other failure to comply with such Officer's duties pursuant to Section 5.6(b), or, with respect to a criminal proceeding, such Officer had reasonable cause to believe his or her conduct was unlawful. Indemnification under this Article VIII shall continue as to a Person who has ceased to serve in the capacity which initially entitled such Person to indemnity hereunder. The rights granted pursuant to this Article VIII, including the rights to advancement granted under Section 8.3, shall be deemed contract rights, and no amendment, modification or repeal of this Article VIII shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings, appeals, inquiries or investigations arising prior to any amendment, modification or repeal. The foregoing indemnification is for the benefit of the Persons identified above acting in the capacities described above and not in any other capacity. For the avoidance of doubt and notwithstanding anything in this Article VIII to the contrary, nothing in this Agreement shall provide for any indemnification of any Member or any legal representative thereof in respect of any Proceeding brought by another Member against such first Member for breach of this Agreement or any Affiliate Contract.

8.3 Advance Payment. The right to indemnification conferred in this Article VIII shall include the right to be paid or reimbursed by the Company for the reasonable out-of-pocket expenses incurred by a Person entitled to be indemnified under Section 8.2 who was, or is threatened to be made, a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding and without any determination as to the Person's ultimate entitlement to indemnification; *provided, however*, that the payment of such expenses incurred by any such Person in advance of the final disposition of a Proceeding shall be made only upon delivery to the Company of a written affirmation by such Person of its good faith belief that it has met the standard of conduct necessary for indemnification under this Article VIII and a written undertaking, by or on behalf of such Person, to repay all amounts so advanced if it shall ultimately be determined that such Person is not entitled to be indemnified under this Article VIII or otherwise.

8.4 Indemnification of Employees and Agents. The Company, at the direction of the Board, may indemnify and advance expenses to an employee or agent of the Company to the same extent and subject to the same conditions under which it may indemnify and advance expenses under Sections 8.2 and 8.3.

8.5 Appearance as a Witness. Notwithstanding any other provision of this Article VIII, the Company, at the sole discretion of the Board, may pay or reimburse reasonable out-of-pocket expenses incurred by a Director, Member, Officer, employee or agent in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

8.6 Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article VIII shall not be exclusive of any other right that a Member, Director, Officer or other Person indemnified pursuant to this Article VIII may have or hereafter acquire under any Law (common or statutory) or provision of this Agreement.

8.7 Insurance. The Board may obtain and maintain, at the Company's or a member of the Partnership Group's expense, insurance to protect the Members, Directors, Officers, employees and agents from any expense, liability or loss arising out of or in connection with such Person's status and actions as a Member, Director, Officer, employee or agent. In addition, the Board may cause the Company to purchase and maintain insurance, at the Company's expense, to protect the Company and any other Member, Director, Officer, employee or agent of the Company who is or was serving at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of a foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such Person against such expense, liability or loss under this Article VIII.

8.8 Other Indemnification Agreements.

(a) The Company hereby agrees that (i) the obligation of the Company under this Agreement to indemnify or advance expenses to any indemnitee for the matters covered thereby shall be the primary source of indemnification and advancement of such indemnitee in connection therewith and any obligation on the part of any indemnitee under any Other Indemnification Agreement to indemnify or advance expenses to such indemnitee shall be secondary to the Company's obligation and shall be reduced by any amount that the indemnitee may collect as indemnification or advancement from the Company, (ii) the Company shall be required to advance the full amount of expenses incurred by such indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable Law and as required by the terms of this Agreement and any Other Indemnification Agreement, without regard to any rights an indemnitee may have against the Persons other than Subsidiaries of the Company (including the Partnership Group) which have agreed to indemnify or advance expenses to such indemnitee ("**Indemnitee-Related Entities**"), and (iii) the Company irrevocably waives, relinquishes and releases the Indemnitee-Related Entities from any and all claims against the Indemnitee-Related Entities for contribution, subrogation or any other recovery of any kind in respect thereof. In the event that any of the Indemnitee-Related Entities shall make any advancement or payment on behalf of an indemnitee with respect to any claim for which such indemnitee has sought indemnification from the Company, the Indemnitee-Related Entity making such payment shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such indemnitee against the Company, and such indemnitee shall execute all papers reasonably required and take all action reasonably necessary to secure such rights, including the execution of such documents as are necessary to enable the Indemnitee-Related Entities to bring suit to enforce such rights. The Company and each indemnitee agree that the Indemnitee-Related Entities are express third party beneficiaries of the terms of this Section 8.8(a), entitled to enforce this Section 8.8(a) as though each of the Indemnitee-Related Entities were a party to this Agreement.

(b) Except as provided in Section 8.8(a), the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that an indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(c) Except as provided in Section 8.8(a), the Company's obligation to indemnify or advance expenses hereunder to an indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Subsidiary (including the Partnership Group) shall be reduced by any amount such indemnitee has actually received as indemnification payments or advancement of expenses from such Subsidiary. Notwithstanding any other provision of this Agreement to the contrary, (i) an indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification advancement, contribution or insurance coverage among multiple parties possessing such duties to such indemnitee prior to the Company's satisfaction and performance of all its obligations under this Agreement, and (ii) the Company shall perform fully its obligations under this Agreement without regard to whether such indemnitee holds, may pursue or has pursued any indemnification, advancement, contribution or insurance coverage rights against any Person other than the Company.

8.9 Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court or other Governmental Authority of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Person indemnified pursuant to this Article VIII as to costs, charges and expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement with respect to any such Proceeding, appeal, inquiry or investigation to the fullest extent permitted by any applicable portion of this Article VIII that shall not have been invalidated and to the fullest extent permitted by applicable Law.

ARTICLE IX
UNITS, TRANSFERS, AND OTHER EVENTS

9.1 Unit Certificates.

(a) Notwithstanding anything to the contrary herein, unless the Board shall determine and authorize otherwise in respect of some or all of any classes of Units, Units shall not be evidenced by certificates and shall be recorded on the books and records of the Company (including Exhibit A). Units in the Company may be evidenced by certificates in a form approved by the Board ("**Certificates**") but there shall be no requirement that the Company issue certificates to evidence the Units. If at any time the Board determines to issue any Certificates, such Certificates shall on the face thereof bear the following legend reflecting the restrictions on the Transfer of such securities:

"TRANSFER IS SUBJECT TO RESTRICTIVE LEGEND ON THE BACK HEREOF"

Such Certificate shall also bear a legend on the reverse side thereof substantially in the following form:

"THE LIMITED LIABILITY COMPANY UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND MAY NOT BE OFFERED OR SOLD,

UNLESS THEY HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY SHALL HAVE BEEN DELIVERED TO THE COMPANY TO THE EFFECT THAT SUCH OFFER OR SALE IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT). THE LIMITED LIABILITY COMPANY UNITS ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF THE COMPANY, DATED AS OF FEBRUARY 14, 2013, AS AMENDED FROM TIME TO TIME, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

EACH LIMITED LIABILITY COMPANY UNIT SHALL CONSTITUTE A "SECURITY" WITHIN THE MEANING OF, AND SHALL BE GOVERNED BY, (I) ARTICLE 8 OF THE UNIFORM COMMERCIAL CODE (INCLUDING SECTION 8-102(A)(15) THEREOF) AS IN EFFECT FROM TIME TO TIME IN THE STATE OF DELAWARE, AND (II) ARTICLE 8 OF THE UNIFORM COMMERCIAL CODE OF ANY OTHER APPLICABLE JURISDICTION THAT NOW OR HEREAFTER SUBSTANTIALLY INCLUDES THE 1994 REVISIONS TO ARTICLE 8 THEREOF AS ADOPTED BY THE AMERICAN LAW INSTITUTE AND THE NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS AND APPROVED BY THE AMERICAN BAR ASSOCIATION ON FEBRUARY 14, 1995. NOTWITHSTANDING ANY PROVISION OF THE AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF THE COMPANY TO THE CONTRARY, TO THE EXTENT THAT ANY PROVISION OF THE AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT IS INCONSISTENT WITH ANY NON-WAIVABLE PROVISION OF ARTICLE 8 OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF DELAWARE (6 DEL. C. *5* 8-101, ET SEQ.) (THE "**UCC**"), SUCH PROVISION OF ARTICLE 8 OF THE UCC SHALL CONTROL."

(b) If the Units are certificated, upon any Transfer of all or a portion of the Units hereunder, the Transferor shall surrender the Certificate(s) representing the Units so Transferred to the Company for cancellation. If a Certificate represents a greater portion of the Transferor's Units than that intended for Transfer, upon surrender of such Certificate for cancellation, the Company shall issue to the Transferor a new Certificate

which represents the Units being retained by such Transferor. If the Units are certificated, the Company shall issue to each Transferee who is Transferred Units pursuant to this Agreement and who is admitted to the Company as a Substitute Member in accordance with Section 9.10, a Certificate evidencing the Units held by such Transferee. Such Certificate shall indicate the Units then owned by such Transferee and shall represent the Units owned by such Transferee from time to time thereafter as set forth in the then effective Exhibit A hereto, regardless of the Units indicated in the Certificate. Upon receipt of written notice or other evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any Certificate and, in the case of any such loss, theft or destruction upon receipt of the Member's unsecured indemnity agreement, or in the case of any other holder of a Certificate or Certificates, other indemnity reasonably satisfactory to the Board or in the case of any such mutilation upon surrender or cancellation of such Certificate, the Company will make and deliver a new Certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Certificate.

9.2 Record Holders. The Company shall keep a register or other records that reflect the Units and any Certificates. Except as otherwise required by law, the Company shall be entitled to, and shall only, recognize the exclusive right of a Person registered on its books as the record holder of a Unit, whether or not represented by a Certificate, to receive distributions in respect of such Unit, to vote as the owner of such Unit and to be entitled to the benefits, and subject to the obligations, of this Agreement with respect to such Unit.

9.3 Restrictions on Transfers of Units.

(a) Notwithstanding the other provisions of this Article IX, no Transfer of any Units shall be made if such Transfer would (i) violate the then applicable Laws or rules and regulations of the SEC, any state securities commission or any other Governmental Authority with jurisdiction over such Transfer, (ii) terminate the existence or qualification of the Company under the laws of the jurisdiction of its formation, (iii) cause the Company to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (if not already so treated or taxed) or (iv) cause the Company to be required to register as an investment company under the Investment Company Act of 1940 or subject the Company or its Subsidiaries or any of the Partnership Group to the Investment Advisers Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended.

(b) Except for Transfers made pursuant to and in compliance with Sections 9.4, 9.5 and 9.7, any Transfer of Units by any Member or any of their Affiliates shall be consummated only in accordance with this Section 9.3(b) as follows:

(i) No Member shall Transfer all or any portion of its Units or, until the occurrence of a Qualified Public Offering or as permitted by Section 4.5(c) of the Partnership Agreement, Limited Partner Interests of the Partnership, without the prior written consent (which such consent shall not be unreasonably withheld, delayed or conditioned) of a majority of the Board (which majority shall include at least one Harbinger Director, so long as the Harbinger Member is entitled to appoint a Director, and at least one EXCO Director, so long as the EXCO Member is entitled to appoint a

Director); *provided*, that such consent shall not be required for (A) a Permitted Transfer, (B) a bona fide pledge by a Member of its Units (the "**Pledged Interests**") to a lender of such Member or an agent for such lender (in such capacity, together with its successors and assigns, in such capacity, a "**Lender**") if such Member provides at least ten (10) days advance written notice of such pledge to the non-pledging Members and such pledging arrangement provides that the non-pledging Members will have thirty (30) days to cure any default of the pledging Member prior to such Lender initiating foreclosure proceedings on the Pledged Interests (a "**Bona Fide Pledge**") or (C) foreclosure upon Pledged Interests by a Lender (a "**Foreclosure**"). In the event of (1) a Foreclosure by a Lender on either (x) a pledge of a Member's Units or (y) an indirect pledge of Equity Interests of such Member by one or more Persons directly or indirectly Controlling any Equity Interests in such Member (other than a Member's ultimate public parent company) or (2) a Transfer of Pledged Interests by a Lender to another Person, then the proportionate amount of such Units subject to such Foreclosure shall, for purposes of any rights or obligations set forth herein, be treated as having been Transferred by such Member to a third party that is not an Affiliate of such Member.

(ii) Notwithstanding Section 9.3(b)(i), the EXCO Member shall not Transfer all or any portion of its Units (except pursuant to a Permitted Transfer, Bona Fide Pledge or Foreclosure) without the prior written consent of the Harbinger Member (which such consent shall not be unreasonably withheld, delayed or conditioned); *provided*, that for so long as EXCO or another member of EXCO Group remains an operator under either of the Operating Agreements, it shall not be deemed unreasonable for the Harbinger Member to withhold its consent to any such Transfer by the EXCO Member (except pursuant to a Permitted Transfer, Bona Fide Pledge or Foreclosure or following a Qualified Public Offering) if the transferee does not have, prior to such Transfer, the same or better credit ratings (by any "nationally recognized statistical rating organization," as such term is defined by the SEC for purposes of Rule 436(g)(2) under the Securities Act) and substantially the same operational capability as EXCO.

(c) In the event that a Transfer of Units under this Agreement subject to Section 9.4, 9.5 or 9.7 occurs in connection with a Transfer of Common Units or other Limited Partner Interests of the Partnership subject to similar rights of first refusal, tag-along rights or drag-along rights under the Partnership Agreement, such rights shall be exercised substantially concurrently with the rights under the foregoing sections of this Agreement.

9.4 Right of First Refusal.

(a) Any Member seeking to Transfer Units (a "**Transferring Member**"), other than in a Permitted Transfer, Bona Fide Pledge or Foreclosure pursuant to Section 9.3(b), shall be subject to the provisions of Sections 9.4(b) through 9.4(i) in connection with the Transfer of such Units.

(b) If a Transferring Member subject to this Section 9.4(b) desires to Transfer all or any portion of its Units to any Person (other than pursuant to a Permitted Transfer, Bona Fide Pledge or Foreclosure), the Transferring Member shall give written notice (the

"**Seller's Notice**") to the Founder Member Groups that own a Percentage Interest of at least 25% of the outstanding Units (except, if the Transferring Member is a member of one of the Founder Member Groups, its own Founder Member Group) (the "**ROFR Holders**") at least thirty (30) days prior to the closing of the Transfer (such period herein referred to as the "**First Refusal Period**"), stating that the Transferring Member intends to make such proposed Transfer, identifying the material terms and conditions of such Transfer, including the name and address of the prospective purchaser or transferee (the "**Proposed Transferee**"), the number of Units proposed to be sold or acquired pursuant to the offer (the "**First Refusal Interests**") and the per Unit purchase price which the Proposed Transferee has offered to pay for the First Refusal Interests (the "**Sale Price**"). A copy of the offer, if available, shall be attached to the Seller's Notice.

(c) Each ROFR Holder shall have the irrevocable right and option to purchase all but not less than all of the First Refusal Interests at the Sale Price and on terms no less favorable to the Transferring Member than those set forth in the Seller's Notice prior to the expiration of the First Refusal Period. Within twenty (20) days following delivery of the Seller's Notice (the "**First Refusal Notice Deadline**"), each ROFR Holder shall have the right to deliver a written notice ("**First Refusal Notice**") to the Transferring Member stating whether it elects to exercise its option under this Section 9.4, and such notice shall constitute an irrevocable commitment to purchase the First Refusal Interests on the terms set forth in the Seller's Notice.

(d) If the ROFR Holders do not elect to purchase all of the First Refusal Interests prior to the expiration of the First Refusal Notice Deadline or notify the Transferring Member that they do not wish to purchase all of the First Refusal Interests pursuant to Section 9.4(c), then, subject to this Article IX, the Transferring Member shall be free, for a period of ninety (90) calendar days from the date of the expiration of the First Refusal Period, to Transfer all such First Refusal Interests to the Proposed Transferee (i) at a price per Unit equal to or greater than the Sale Price and upon terms no more favorable to the Proposed Transferee than those specified in the Seller's Notice and (ii) subject to the terms and restrictions of this Agreement, including as set forth in this Article IX. Any proposed Transfer of such First Refusal Interests by the Transferring Member after the end of such 90-day period or any change in the terms of the proposed Transfer as set forth in the Seller's Notice that are more favorable to the Proposed Transferee shall require a new Seller's Notice to be delivered to the ROFR Holders and shall give rise anew to the rights provided in the preceding paragraphs in this Section 9.4.

(e) If the ROFR Holders elect to purchase all of the First Refusal Interests set forth in the Seller's Notice, such ROFR Holders shall have the right to purchase all, but not less than all, of the First Refusal Interests for cash consideration whether or not part or all of the consideration specified in the Seller's Notice is other than cash. If part or all of the consideration to be paid for the First Refusal Interests as stated in the Seller's Notice is other than cash, the price stated in such Seller's Notice shall be deemed to be the sum of the cash consideration, if any, specified in such Seller's Notice, plus the fair market value of the non-cash consideration. The fair market value of the non-cash consideration shall be determined by the Board; *provided*, that if the Board does not or is unable to make such a determination of fair

market value, such determination of fair market value shall be made by a Valuation Firm selected by the Board, and such Valuation Firm shall be engaged and paid by the Company. The determination of fair market value by such Valuation Firm (or, if such Valuation Firm determines a range of fair market values, the mid-point of such range) shall be final and binding on the Transferring Member and the ROFR Holders; *provided*, that, in the event of a disagreement with the determination of such Valuation Firm (but not any determination of the Board), the Transferring Member may elect to withdraw the Transfer of the First Refusal Interests, in which case the Transferring Member may not Transfer (including pursuant to a new First Refusal Notice) any First Refusal Interests during the ninety (90) day period immediately following the date of such withdrawal.

(f) If the Transferring Member receives a First Refusal Notice from more than one ROFR Holder entitled to purchase the First Refusal Interests, each such ROFR Holder shall be allocated its *pro rata* portion (based on the Percentage Interest of Units) of the First Refusal Interests that would have been Transferred to the Proposed Transferee, unless otherwise agreed to by such ROFR Holders and the Transferring Member.

(g) The closing of the Transfer of the First Refusal Interests under this Section 9.4 will be held at any location agreed to by the Transferring Member and the ROFR Holder(s) purchasing the First Refusal Interests and on a mutually acceptable date not more than ninety (90) days after a ROFR Holder delivers a First Refusal Notice (or if more than one ROFR Holder is purchasing the First Refusal Interests, a date not more than ninety (90) days following the latest of the dates that the last electing ROFR Holder delivered its First Refusal Notice). At any closing contemplated by this Section 9.4, in consideration of the receipt of the purchase price in immediately available funds, the Transferring Member shall Transfer to the ROFR Holder(s) all right, title and interest in and to the First Refusal Interests, free and clear of all Liens, and, at the request of the ROFR Holder(s), shall execute all other documents and take other actions as may be reasonably necessary or desirable to effectuate the Transfer of the First Refusal Interests and to carry out the purposes of this Agreement.

(h) Notwithstanding the foregoing paragraphs in this Section 9.4, in the event that the Harbinger Member exercises its Drag-Along Rights as provided in Section 9.7, the EXCO Member may only exercise its rights under this Section 9.4 if the EXCO Member offers to purchase all of the Units, Common Units and other Limited Partner Interests held in the aggregate by the Harbinger Group at a price no less than 2% higher than the price offered by the Drag-Along Transferee for such securities and upon terms no less favorable than those offered by the Drag-Along Transferee.

(i) Notwithstanding anything contained in this Section 9.4 to the contrary, there shall be no liability on the part of the Transferring Member to the Founder Member Groups entitled to a Seller's Notice if the Transfer of First Refusal Interests pursuant to this Section 9.4 is not consummated for any reason. Whether to effect a Transfer of First Refusal Interests by the Transferring Member to a Proposed Transferee is in the sole and absolute discretion of such Transferring Member.

9.5 Tag-Along Rights.

(a) If any Member proposes to Transfer all or any portion of its Units to any Person other than through a Permitted Transfer, Bona Fide Pledge or Foreclosure (a "**Tag-Along Sale**"), such Member (the "**Initiating Holder**") shall provide to each Founder Member Group holding the same class of Equity Interests of the Company that are subject to the Tag-Along Sale (except, if the Initiating Holder is a member of one of the Founder Member Groups, its own Founder Member Group) notice of the terms and conditions of such proposed Transfer (the "**Tag-Along Notice**") (which notice may also be given concurrent with any Seller's Notice) and offer such other Founder Member Groups the opportunity to participate in such Transfer with respect to their Units of the same class of Units that are subject to the Tag-Along Sale in accordance with this Section 9.5 (each such electing Founder Member Group, a "**Tagging Holder**") by including in the proposed Transfer a number of the Tagging Holder's Units not to exceed the Tagging Holder's *pro rata* portion (based on the Percentage Interest of Units that are subject to the Tag-Along Sale) of the Units being Transferred in the Tag-Along Sale. No Tagging Holder may (i) Transfer a greater percentage of its Units than the Initiating Holder is Transferring or (ii) Transfer a class of Equity Interests of the Company different than the Initiating Holder.

(b) The Tag-Along Notice shall identify the consideration for which the Transfer is proposed to be made, and all other material terms and conditions of the Tag-Along Sale, including the form of the proposed agreement, if any.

(c) From the date of its receipt of the Tag-Along Notice, each Tagging Holder shall have the right (a "**Tag-Along Right**"), exercisable by written notice (the "**Tag-Along Response Notice**") given to the Initiating Holder within (i) ten (10) days after the end of the First Refusal Period, if the Tag-Along Notice is given during the First Refusal Period, or (ii) ten (10) days after its receipt of the Tag-Along Notice (the "**Tag-Along Notice Period**"), to request that the Initiating Holder include in the proposed Transfer such number of Units held by such Tagging Holder as permitted by this Section 9.5.

(d) Each Tag-Along Response Notice shall include wire transfer instructions for payment of the purchase price for the Units to be Transferred in such Tag-Along Sale and a limited power of attorney authorizing the Initiating Holder to Transfer such Tagging Holder's Units that are subject to the Tag-Along Sale at a price and on terms set forth in the Tag-Along Notice. Delivery of the Tag-Along Response Notice to the Initiating Holder shall constitute an irrevocable exercise and acceptance of the Tag-Along Right by such Tagging Holder. If any Tagging Holder accepts the terms of the Tag-Along Notice, the Initiating Holder shall, to the extent necessary, reduce the number of Units it otherwise would have included in such proposed Tag-Along Sale so as to permit the Tagging Holders to include in the Tag Along Sale a number of Units that they are entitled to include pursuant to this Section 9.5. Each Tagging Holder shall promptly execute all other documents required to be executed in connection with such Tag-Along Sale.

(e) If, within ninety (90) days after delivery of the Tag-Along Response Notice, the Initiating Holder has not completed the Transfer of its Units on substantially the same terms and conditions set forth in the Tag-Along Notice, the Initiating Holder shall (i) return to each Tagging Holder any documents in the possession of the Initiating Holder executed by the Tagging Holders in connection with the proposed Tag-Along Sale and (ii) not conduct any Transfer of its Units without again complying with this Section 9.5.

(f) Concurrently with the consummation of the Tag-Along Sale, the Initiating Holder shall (i) notify the Tagging Holders of the consummation of such Tag-Along Sale, (ii) remit to each Tagging Holder the total consideration for the Units that such Tagging Holder Transferred pursuant to the Tag-Along Sale and (iii) promptly after the consummation of the Tag-Along Sale, furnish such other evidence of the completion and the date of completion of such Transfer and the terms thereof as may be reasonably requested by the Tagging Holders.

(g) If at the termination of the Tag-Along Notice Period any Member has not elected to participate in the Tag-Along Sale, such Member shall be deemed to have waived its rights under this Section 9.5 with respect to the Transfer of its Units pursuant to such Tag-Along Sale.

(h) Notwithstanding anything contained in this Section 9.5 to the contrary, there shall be no liability on the part of the Initiating Holder to the Tagging Holders if the Transfer of Units pursuant to this Section 9.5 is not consummated for any reason. Whether to effect a Transfer of Units by the Initiating Holder is in the sole and absolute discretion of such Initiating Holder.

(i) In connection with a Tag-Along Sale, each Tagging Holder who exercises Tag-Along Rights will execute such documents, and make such representations, warranties, covenants and indemnities, as are (and when) executed and made by the Initiating Holder, *provided* that any such indemnification or similar obligations will be apportioned *pro rata* among the Members participating in the Tag-Along Sale based on the net proceeds received by them, other than with respect to representations made individually by a Member (e.g., as to such Member's title to the applicable securities and the Transfer of such securities free and clear of all Liens, and with respect to such Member's existence, power and authority to effect such Transfer, the due execution and enforceability of the relevant documents against such Member, the absence of conflicts or required consents, absence of litigation with respect to such Member relating to such transaction and absence of obligations with respect to brokers' fees). In connection with a Tag-Along Sale, each participating Member will also (A) consent to and raise no objections against the Tag-Along Sale or the process pursuant to which the Tag-Along Sale was arranged, (B) waive any dissenter's rights and other similar rights, (C) take all actions reasonably required or desirable or requested by the Initiating Holder to consummate such Tag-Along Sale, and (D) comply with the terms of the documentation relating to such Tag-Along Sale. In connection with a Tag-Along Sale, the Company will use commercially reasonable efforts to, and cause any Officer to, take all actions reasonably necessary and appropriate to facilitate such Tag-Along Sale. Notwithstanding

anything contained in this Section 9.5 to the contrary, the rights and obligations of the Members to participate in a Tag-Along Sale are subject to the following conditions:

(i) upon the consummation of such Tag-Along Sale, all of the Members participating therein will receive the same form and amount of consideration per Unit, and, except for such consideration, no Initiating Holder or Tagging Holder (each, a "**Participating Holder**") will receive any other payments of any nature whatsoever from the Transferee in connection with or arising from the Tag-Along Sale; and

(ii) no Participating Holder (other than the Initiating Holder) shall be obligated to pay any expenses incurred in connection with any unconsummated Tag-Along Sale, and each Participating Holder shall be obligated to pay only its *pro rata* share (based on the number of Units Transferred) of expenses incurred in connection with a consummated Tag-Along Sale to the extent such expenses are incurred for the benefit of all such Participating Holders and are not otherwise paid by the Company.

9.6 Preemptive Rights.

(a) Subject to and without limiting Section 5.15, the Company grants to each Member who is part of a Founder Member Group (a "**PR Holder**"), and each PR Holder shall have the right to purchase, in accordance with the procedures set forth herein, up to such PR Holder's *pro rata* portion (based on Percentage Interest of Units immediately prior to the time of sale) of any New Interests that the Company may, from time to time, propose to issue and sell (hereinafter referred to as the "**Preemptive Rights**").

(b) If the Company proposes to issue and sell New Interests, the Company shall notify each PR Holder in writing with respect to the proposed New Interests to be issued and sold (the "**New Interests Notice**"). Each New Interests Notice shall set forth: (i) the number of New Interests proposed to be issued and sold by the Company and their purchase price; (ii) each PR Holder's *pro rata* portion of New Interests and (iii) any other material terms and conditions, including any applicable regulatory requirements, and, if known, the expected date of consummation of the issuance and sale of the New Interests (which date, in any event shall be no earlier than forty-five (45) days following the date of delivery of the New Interests Notice).

(c) Each PR Holder shall be entitled to exercise its Preemptive Right to purchase such New Interests by delivering an irrevocable written notice to the Company within thirty (30) days from the date of receipt of any New Interests Notice specifying the number of New Interests to be subscribed, which in any event can be no greater than such PR Holder's *pro rata* portion of such New Interests, at the price and on the terms and conditions specified in the New Interests Notice.

(d) Each PR Holder exercising its right to purchase its entire *pro rata* portion of New Interests being issued (each, a "**Subscribing Member**") shall have a right of over-allotment such that if another PR Holder fails to exercise its Preemptive Right to purchase its entire *pro rata* portion of New Interests (each, a "**Non-Subscribing**

Member," including any PR Holder that fails to exercise its right to purchase its entire *pro rata* share of Remaining New Interests, as described below), such Subscribing Member may purchase its *pro rata* share, based on the relative percentage ownership of the Units then owned by the Subscribing Members, of those New Interests in respect to which the Non-Subscribing Members have not exercised their Preemptive Right (the "**Remaining New Interests**") by giving written notice to the Company within three (3) Business Days from the date that the Company provides written notice of the amount of New Interests as to which such Non-Subscribing Members have failed to exercise their rights thereunder.

(e) If no PR Holder elects within the applicable notice periods described above to exercise its Preemptive Rights with respect to any of the New Interests proposed to be issued and sold by the Company, the Company shall have ninety (90) days after the expiration of all such notice periods to issue and sell or to enter into an agreement to issue and sell such unsubscribed New Interests proposed to be sold by the Company, at a price and on terms no more favorable to the purchaser than those offered to the PR Holders pursuant to this Section 9.6.

(f) No PR Holder will be required to take up and pay for any New Interests pursuant to its Preemptive Right unless all New Interests (other than those to be taken up by such PR Holder) are sold, whether to the other PR Holders or pursuant to Section 9.6(e).

(g) Each PR Holder may assign its rights to acquire New Interests under this Section 9.6 to, and such rights may be exercised on behalf of such PR Holder by, any 100% Affiliate of such PR Holder to whom such PR Holder would have been permitted to Transfer such New Interests immediately following such PR Holder's acquisition thereof.

9.7 Drag-Along Rights.

(a) General. Subject to prior compliance with Sections 9.3 and 9.4, after the third anniversary of the Closing Date, if any Drag-Along Founder Member Group elects to consummate a Transfer of Units to any Person or Persons (except pursuant to a Permitted Transfer, Bona Fide Pledge or Foreclosure) (collectively, a "**Drag-Along Transferee**") in a bona fide arm's-length transaction or series of related transactions (including by way of a purchase agreement, tender offer, merger or other business combination transaction or otherwise) pursuant to which all, but not less than all, of the Units, the Common Units and other Limited Partner Interests held in the aggregate by such Drag-Along Founder Member Group would be Transferred to such Drag-Along Transferee (subject to allowance for "rollover" transactions in which the Drag-Along Founder Member Group and its Affiliates continue to hold no more than 20% of the equity in the Company and the Partnership, or their successor entity or entities, following completion of such transactions), such Drag-Along Founder Member Group shall have the right (a "**Drag-Along Right**"), upon the terms and subject to the conditions of this Section 9.7, to require all other Members to Transfer all, but not less than all, of the Units, Common Units and other Limited Partner Interests held by such other Members to

such Drag-Along Transferee; *provided*, *however*, that the Drag-Along Founder Member Group must hold at least 25% of the Units and at least 60% of the Limited Partner Interests (as defined in the Partnership Agreement) in the Partnership to exercise its Drag-Along Rights; *provided, further,* that such Drag-Along Founder Member Group must also exercise its drag-along rights under the Partnership Agreement; and *provided, further*, that if all or a portion of the consideration to be received in connection with the Drag-Along Sale consists of securities of the Drag-Along Transferee or another Person, such securities must be listed on a National Securities Exchange and be (x) issued pursuant to an effective registration statement under the Securities Act or (y) subject to a demand registration rights agreement with all Members receiving such securities, on reasonable and customary terms (including mutual indemnities and piggyback registration rights) and providing for the issuer to use commercially reasonable efforts to register (upon the request of any Member) under the Securities Act the resale of all such securities received by all Members.

(i) Subject to Section 9.7(b), each Member will Transfer all of the Units it is required to Transfer in connection with the valid exercise of Drag-Along Rights by a Drag-Along Founder Member Group on the same terms (other than aggregate price) and conditions applicable to, and for the same type of consideration payable to, each member of the Drag-Along Founder Member Group, at the price calculated in accordance with Section 9.7(a)(ii) (a "**Drag-Along Sale**"); and

(ii) The aggregate purchase price payable for the Units purchased by a Drag-Along Transferee will be allocated, paid and distributed among the Members participating in such Drag-Along Sale based on the Percentage Interest of each such Member. The aggregate net purchase price payable in respect of Units of the Company, Common Units and any other Partnership Interests in a Drag-Along Sale pursuant to this Section 9.7 and pursuant to the Partnership Agreement shall be allocated among such securities in the same manner as such amount would be distributed among the holders of such securities in a liquidation of the Partnership followed by a liquidation of the Company.

(b) Terms of Sale. In connection with a Drag-Along Sale, each Member subject thereto will execute such documents, and make such representations, warranties, covenants and indemnities with respect to the matters set forth below, as are (and when) executed and made by the applicable Drag-Along Founder Member Group, and will take and cause its Affiliates to take, and cause any Director designated to the Board by such Member, if applicable, to take, any and all other actions as may be reasonably necessary or advisable to consummate the Drag-Along Sale; *provided*, that any indemnification or similar obligations will be apportioned *pro rata* among the Members participating in the Drag-Along Sale based on the net proceeds received by them, other than with respect to representations and covenants made individually by a Member. In connection with a Drag-Along Sale, each Member subject thereto will also (A) consent to and raise no objections against the Drag-Along Sale or the process pursuant to which the Drag-Along Sale was arranged, (B) waive any dissenter's rights and other similar rights, (C) take all actions reasonably required or desirable or requested by the Drag-Along Founder Member Group to consummate such Drag-Along Sale, (D) comply with the terms of the

documentation relating to such Drag-Along Sale and (E) use commercially reasonable efforts to cause any Director designated to the Board by such Member, if applicable, to facilitate and take, and cause the Company to facilitate and take, the actions described in the foregoing clauses (A) through (D). In connection with any Drag-Along Sale, no Member required to participate in such Drag-Along Sale shall be required to make any representations or warranties in connection with such Transfer, other than representations or warranties made individually by such Member as to such Member's title to the applicable securities and the Transfer of such securities free and clear of all Liens, and with respect to such Member's existence, power and authority to effect such Transfer, the due execution and enforceability of the relevant documents against such Member, the absence of conflicts or required consents, absence of litigation with respect to such Member relating to such transaction and absence of obligations with respect to brokers' fees.

(c) Drag-Along Notice. The rights set forth in this Section 9.7 will be exercised by the Drag-Along Founder Member Group giving written notice (the "**Drag-Along Notice**") to the other Members at least thirty (30) Business Days prior to the date on which the Drag-Along Founder Member Group expects to consummate the Drag-Along Sale. In the event that the terms and/or conditions set forth in the Drag-Along Notice are thereafter amended in any material respect, such Drag-Along Founder Member Group will promptly give written notice (an "**Amended Drag-Along Notice**") of the amended terms and conditions of the proposed Transfer to each of the other Members. The Drag-Along Founder Member Group shall cause each Drag-Along Notice and Amended Drag-Along Notice to set forth: (i) the name and address of the Drag-Along Transferee, (ii) the proposed amount and form of consideration and terms and conditions of payment offered by the Drag-Along Transferee and (iii) all other material terms of the proposed transaction, including the expected closing date of the transaction, and the Drag-Along Founder Member Group shall provide copies of the definitive documents and agreements relating to the Drag-Along Sale to the other Members reasonably in advance of the consummation of such Drag-Along Sale; *provided*, that any such document or agreement to which the other Members are not a party may be redacted to exclude provisions not directly relevant, in the Drag-Along Founder Member Group's reasonable discretion, to the other Members.

(d) Accredited Investor. Notwithstanding anything to the contrary in this Section 9.7, if the consideration in a Drag-Along Sale includes securities with respect to which no registration statement covering the issuance of such securities has been declared effective under the Securities Act and which may not be resold pursuant to Rule 144 (or are subject to volume limitations thereunder), each Member that is not then an Accredited Investor (without regard to Rule 501(a)(4) under the Securities Act) may be required (notwithstanding Section 9.7(a)(i)), at the request and election of the Drag-Along Founder Member Group, to (i) appoint a purchaser representative (as such term is defined in Rule 501 under the Securities Act) reasonably acceptable to such Members or (ii) accept cash in lieu of any securities such non-Accredited Investor would otherwise receive in an amount equal to the fair market value of such securities as determined by the Board in its reasonable judgment.

(e) Fair Market Value. If some or all of the consideration received in connection with a Drag-Along Sale is other than cash, then such consideration shall be deemed to have a dollar value equal to the fair market value of such consideration as determined by the Board; *provided*, that if the Board does not or is unable to make such a determination of fair market value, such determination of fair market value shall be made by a Valuation Firm selected by the Board, and such firm shall be engaged and paid by the Company. The determination of fair market value by such Valuation Firm (or, if such Valuation Firm determines a range of fair market values, the mid-point of such range) shall be final and binding on all parties.

9.8 Change of Control.

(a) Change of Control of EXCO. Upon a Change of Control of EXCO, the Harbinger Member shall have the right, exercisable until the expiration of six months following notice to the Harbinger Member by the EXCO Member of the Change of Control of EXCO, to acquire all, but not less than all, of the Units of the EXCO Member for Fair Market Value.

(b) Change of Control of Harbinger. If, within a twelve-month period following a Change of Control of Harbinger, the Harbinger Directors on the Board cause the Partnership to reject each opportunity relating to Partnership Appropriate Oil and Gas Properties presented to the Partnership by the EXCO Group reasonably and in good faith and substantially consistent with past practice and (i) such opportunity is reasonably expected to be accretive to the Partnership on a per Common Unit basis and (ii) the Partnership has available borrowing capacity under any then-existing credit facility, cash on hand and other sources of secured debt financing reasonably available to consummate such opportunity, the EXCO Member shall have the right, exercisable until the expiration of six months following the twelve-month anniversary of the Change of Control of Harbinger, to acquire all, but not less than all, of the Units, Common Units and any other Limited Partner Interests held by the Harbinger Group for Fair Market Value.

(c) Change of Control of Other Members. Upon a Change of Control of any Member other than the Harbinger Member or the EXCO Member, the Harbinger Member and the EXCO Member shall each have the right, exercisable until the expiration of six months following notice to the Board of the Change of Control of such Member, to acquire all, but not less than all, of the Units of such Member for Fair Market Value.

9.9 Expenses. Each Member shall bear its own expenses incurred in connection with this Article IX, and any Member effecting a Transfer pursuant to this Article IX shall reimburse the Company or the Partnership, as the case may be, for any expenses incurred by the Company or the Partnership in connection therewith.

9.10 Transfers Generally; Substitute Members.

(a) Additional Procedural Conditions to Transfers. Without limiting Section 9.3(a), any Transfer of Units shall be valid hereunder only if:

(i) the Transferor and the Transferee execute and deliver to the Company such documents and instruments of conveyance as may be reasonably requested by the Board to effect such Transfer and to confirm the agreement of the Transferee to be bound by the provisions of this Agreement; and

(ii) the Transferor and the Transferee provide to the Board the Transferee's taxpayer identification number and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns.

(b) Rights and Obligations of Transferees and Transferors. Subject to Section 9.10(c), the Transferee of any Transfer of Units permitted pursuant to this Agreement shall be a Transferee only, and only shall receive, to the extent Transferred, the Economic Interest associated with the Units so Transferred, and such Transferee shall not be entitled or enabled to exercise any other rights or powers of a Member, such other rights, and all obligations relating to, or in connection with, such Units remaining with the Transferring Member. The Transferring Member shall remain a Member even if it has Transferred all of its Units to one or more Transferees until such time as all such Transferees are admitted to the Company as Substitute Members pursuant to Section 9.10(c), as applicable. Subject to Section 9.10(c), in the event any Transferee desires to make a further Transfer of all or any portion of its Units, such Transferee shall be subject to all of the provisions of this Agreement to the same extent and in the same manner as the Member who initially held such Units.

(c) Admission of Transferee as Substitute Member. Subject to the other provisions of this Article IX, a Transferee shall be admitted to the Company as a Substitute Member following a Transfer of Units in accordance with this Article IX upon satisfaction of all of the following conditions, upon which the Transferee shall have all of the rights and powers, and be subject to all of the restrictions and liabilities, of a Member under the Act and this Agreement with respect to the Units Transferred: (i) the Transferee shall become a party to this Agreement as a Member by executing a joinder or counterpart signature page to this Agreement and executing such other documents and instruments as the Board may reasonably request for the sole purpose of confirming such Transferee's admission as a Member and agreement to be bound by the terms and conditions of this Agreement and (ii) if requested by the Board, the Transferee agrees to pay or reimburse, or pays or reimburses, the Company for all reasonable costs that the Company incurs in connection with the admission of the Transferee as a Member.

(d) Effect on Transferor and Company. Upon the admission of a Transferee as a Substitute Member, (i) the Transferor shall (A) cease to be a Member with respect to the portion of the Units so Transferred and (B) be released from any obligations arising after the date of such Transfer with respect to the Units so Transferred and (ii) subject to Section 9.10(e), the Transferee will become a Member hereunder with respect to such Units with all the rights and obligations of a Member held by the Transferor in respect of such Units immediately prior to the time of Transfer.

(e) Non-Transferable Provisions. Notwithstanding anything to the contrary contained herein, the rights and obligations of this Agreement that refer specifically to any Founder Member Group or member of a Founder Member Group (the "**Non-Transferable Provisions**") shall be personal to such Founder Member Group or member of a Founder Member Group and may not be Transferred without the written consent of each Founder Member Group other than pursuant to Affiliate Transfers. Immediately following any Transfer of a Unit by a member of a Founder Member Group in a manner pursuant to which the Non-Transferable Provisions are not Transferred, the Non-Transferable Provisions shall continue to apply solely with respect to that portion, if any, of such Founder Member Group's Units retained by such Founder Member Group. For the avoidance of doubt, Non-Transferable Provisions include, but are not limited to, the rights and obligations set forth in Section 9.4, Section 9.5, Section 9.6, Section 9.7 and Section 9.8.

9.11 Closing Date. Any Transfer and any related admission of a Person as a Member in compliance with this Article IX shall be deemed effective on such date that the Transferee or successor in interest complies with the requirements of this Agreement.

9.12 Effect of Incapacity. Except as otherwise provided herein, the Incapacity of a Member shall not dissolve or terminate the Company. In the event of such Incapacity, the executor, administrator, guardian, trustee or other personal representative of the Member that has experienced such Incapacity shall be deemed to be the assignee of such Member's Economic Interest and may, subject to the terms and conditions set forth in this Article IX, become a Substitute Member.

9.13 No Appraisal Rights. No Member shall be entitled to any valuation, appraisal or similar rights with respect to such Member's Units, whether individually or as part of any class or group of Members, in the event of a merger, consolidation, sale of the Company or other transaction involving the Company or its securities unless such rights are expressly provided by the agreement of merger, agreement of consolidation or other document effectuating such transaction.

9.14 Effect of Non-Compliance.

(a) Improper Transfers Void. ANY ATTEMPTED TRANSFER NOT STRICTLY IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE IX WILL BE VOID AB INITIO AND OF NO FORCE OR EFFECT WHATSOEVER, *PROVIDED*, THAT ANY SUCH ATTEMPTED TRANSFER MAY BE A BREACH OF THIS AGREEMENT, NOTWITHSTANDING THAT SUCH ATTEMPTED TRANSFER IS VOID.

(b) Other Consequences. Without limiting the foregoing, if any Unit or Certificate representing a Unit is purported to be Transferred in whole or in part in contravention of this Article IX, the Person to whom such purported Transfer was made shall not be entitled to any rights as a Member whatsoever, including any of the following rights:

(i) to participate in the management, business or affairs of the Company;

(ii) to receive any reports pursuant to Section 6.2 or obtain information concerning the Company pursuant to Section 6.3 or any other provision hereof;

(iii) to inspect or copy the Company's books or records;

(iv) to receive any Economic Interest in the Company; or

(v) to receive upon the dissolution and winding up of the Company the net amount otherwise distributable to the Transferor pursuant to Section 10.2(c)(iii) hereof.

ARTICLE X
DISSOLUTION, LIQUIDATION AND TERMINATION

10.1 Dissolution. The Company will dissolve and its affairs will be wound up only upon (i) the consent of the Directors in accordance with Section 5.7, or (ii) upon the closing of a Drag-Along Sale. For the avoidance of doubt, the bankruptcy, liquidation or dissolution of any Member or any Affiliate of any Member or the occurrence of any other event that terminates the continued membership of any Member shall not cause the Company to be dissolved or its affairs to be wound up, and upon the occurrence of any such event, the Company shall be continued without dissolution. The provisions of Article X shall survive the dissolution, liquidation, winding up and termination of the Company.

10.2 Liquidation and Termination. Upon the dissolution of the Company, a majority of the Board may appoint one or more other Persons as liquidator(s). The liquidator will proceed diligently to wind up the affairs of the Company and liquidate the Company's assets and make final distributions as provided herein. The costs of liquidation will be borne as a Company expense. Until final distribution, the liquidator will continue to operate the Company properties with all of the power and authority of the Members. Subject to Section 18-804 of the Act, the steps to be accomplished by the liquidator are as follows:

(a) Accounting. As promptly as possible after dissolution and again after final liquidation, the liquidator will cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) Payments. The liquidator will pay from Company funds all of the debts and liabilities of the Company (including all expenses incurred in liquidation) or otherwise make adequate provision therefor (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(c) Disposition of Assets. The Company will dispose of all remaining assets as follows:

(i) the liquidator may sell any or all Company property, and any resulting gain or loss from each sale will be computed and allocated to the Members pursuant to Section 4.2;

(ii) with respect to all Company property that has not been sold, the fair market value of that property will be determined by the liquidator and the Capital Accounts of the Members will be adjusted to reflect the manner in which the unrealized income, gain, loss and deduction inherent in property that has not been reflected in the Capital Accounts previously would be allocated among the Members if there were a taxable Transfer of that property for the fair market value of that property on the date of distribution; and

(iii) thereafter, Company property will be distributed among the Members in accordance with their respective positive Capital Account balances. All distributions made pursuant to this clause (iii) will be made by the end of such taxable year (or, if later, within ninety (90) days after the date of such liquidation).

(d) Distributions. All distributions in kind to the Members will be made subject to the liability of each distributee for its allocable share of costs, expenses and liabilities theretofore incurred or for which the Company has committed prior to the date of termination, and those costs, expenses and liabilities will be allocated to the distributee pursuant to this Section 10.2.

(e) Cancellation of Filing. Upon completion of the distribution of Company assets as provided herein, the Company will be terminated, and the Board (or such other Person or Persons as may be required) will cause the cancellation of any other filings made as provided in Section 1.6 and will take such other actions as may be necessary to terminate the Company.

ARTICLE XI
DEVELOPMENT AND ACQUISITION OPPORTUNITIES

11.1 Partnership Business Opportunities. The provisions of this Article XI shall terminate and be of no further force or effect upon the earliest to occur of (i) twelve months following a Change of Control of EXCO or Change of Control of Harbinger, (ii) the Harbinger Member exercises the Full Special Committee Control Rights, (iii) a member of the EXCO Member Group no longer serves as an operator under both Operating Agreements, or (iv) either (A) the EXCO Member no longer owns any Units, (B) the Harbinger Member no longer owns any Units or (C) the Harbinger Member Transfers 25% or more of the outstanding Units to a Competitor (other than a 100% Affiliate).

(a) If the EXCO Group or the Harbinger Group desires to purchase, acquire or otherwise obtain any Partnership Appropriate Oil and Gas Properties (other than from a wholly owned Affiliate of the EXCO Group or the Harbinger Group, as applicable), the EXCO Group or the Harbinger Group, as applicable, shall give written notice (the "**Acquisition First Refusal Notice**") to the Partnership and the Company at least forty (40) days prior to the closing of the acquisition, stating that it intends to purchase such

Partnership Appropriate Oil and Gas Properties and identifying the Partnership Appropriate Oil and Gas Properties and material terms and conditions of such purchase, including the name and address of the prospective seller or sellers, the proposed purchase price and all other information reasonably requested by the Partnership regarding the proposed acquisition. For a period of thirty (30) days from the date of receipt of the Acquisition First Refusal Notice and all reasonably requested information, the Partnership shall have an irrevocable right and option to agree to purchase all but not less than all of such Partnership Appropriate Oil and Gas Properties either (at the discretion of either the EXCO Group or the Harbinger Group, as applicable) (i) from the seller or sellers of such Partnership Appropriate Oil and Gas Properties (such opportunity, an "**Outstanding Acquisition Opportunity**") or (ii) from the EXCO Group or the Harbinger Group, as applicable, following such Member Group's acquisition of such Partnership Appropriate Oil and Gas Properties (such opportunity, a "**Completed Acquisition Opportunity**"), in each case, upon substantially the same terms and the same price as payable or paid by the EXCO Group or the Harbinger Group, as applicable, for such Partnership Appropriate Oil and Gas Properties (with the allocation of price for any acquisitions of such Partnership Appropriate Oil and Gas Properties with other oil and gas properties to be made in good faith after giving effect to any tax consequences to the EXCO Group or the Harbinger Group, as applicable, of such disposition to the Partnership by the EXCO Group or the Harbinger Group, as applicable). Any dispute regarding the allocation of price in accordance with the foregoing sentence shall be resolved in accordance with Section 11.1(f).

(b) If the EXCO Group or the Harbinger Group desires to sell, transfer or otherwise dispose of any Partnership Appropriate Oil and Gas Properties to any Person (other than to a wholly owned Affiliate of the EXCO Group or the Harbinger Group, as applicable), the EXCO Group or the Harbinger Group, as applicable, shall give written notice (the "**Disposition First Refusal Notice**") to the Partnership at least forty (40) days prior to the closing of the sale, stating that it intends to sell such Partnership Appropriate Oil and Gas Properties and identifying the Partnership Appropriate Oil and Gas Properties and material terms and conditions of such sale, including the name and address of the prospective buyer or buyers, the proposed purchase price and all other information reasonably requested by the Partnership regarding the proposed sale. For a period of thirty (30) days from the date of receipt of the Disposition First Refusal Notice and all reasonably requested information, the Partnership shall have an irrevocable right and option to purchase all but not less than all of such Partnership Appropriate Oil and Gas Properties (such opportunity, a "**Disposition Opportunity**") from the EXCO Group or the Harbinger Group, as applicable, upon substantially the same terms as those offered by the acquiring Person and at a price no less than 2% higher than the price offered by the acquiring Person.

(c) Notwithstanding anything herein to the contrary, Section 11.1(a) and Section 11.1(b) shall not apply to (and any Outstanding Acquisition Opportunity, Completed Acquisition Opportunity and Disposition Opportunity shall not include): (i) any other Oil and Gas Properties included in any package sale or larger transaction involving the sale of both Partnership Appropriate Oil and Gas Properties and other Oil and Gas Properties, (ii) Partnership Appropriate Oil and Gas Properties that are part of a

package sale or larger transaction in which the Partnership Appropriate Oil and Gas Properties constitute less than 20% of the overall value of the sale or transaction, (iii) any sale, directly or indirectly, of all or substantially all of the assets of either Founder Member Group or (iv) any acquisition or proposed acquisition of an entity by a Member Group in which the Partnership Appropriate Oil and Gas Properties owned by such entity constitute one-third or less of the overall value of the Oil and Gas Properties owned by such entity.

(d) For the avoidance of doubt, it shall be a condition to the closing of any purchase by the Partnership, pursuant to this Article XI, of any Partnership Appropriate Oil and Gas Properties, which are subject to maintenance of uniform interest provisions or other required consents, that appropriate waivers or consents have been obtained or waived at or prior to the consummation of the Partnership's purchase of such Partnership Appropriate Oil and Gas Properties.

(e) The EXCO Group shall discuss with, and provide to, the Partnership at least monthly information regarding (i) any proposed Outstanding Acquisition Opportunities and Completed Acquisition Opportunities being pursued by the EXCO Group and (ii) proposed Disposition Opportunities by the EXCO Group. In addition, the EXCO Group will use its commercially reasonable efforts to discuss with the Partnership from time to time acquisition and disposition opportunities of Oil and Gas Properties that meet most, but not all, of the criteria set forth in subsection (b) of the definition of "Partnership Appropriate Oil & Gas Properties" to the extent that such Oil and Gas Properties are substantially developed and held by producing oil and gas wells and are characterized by long life, stable production without exploratory (versus low cost development) opportunities for furthering drilling, which acquisition and disposition opportunities are considered by the EXCO Group in its good faith judgment to be suitable for acquisitions by the Partnership or its Subsidiaries.

(f) If the allocation of price under Section 11.1(a) cannot be agreed upon in good faith within 15 Business Days after the Partnership gives notice that it desires to purchase such Partnership Appropriate Oil and Gas Properties, the Harbinger Member and the EXCO Member will use their commercially reasonable efforts to agree on the selection of one Valuation Firm to complete, within 21 days of selection, a valuation of the Partnership Appropriate Oil and Gas Properties (after giving effect to any tax consequences to the EXCO Group or the Harbinger Group, as applicable), and such Valuation Firm's valuation of the Partnership Appropriate Oil and Gas Properties will be binding on the Members. If the Harbinger Member and the EXCO Member are unable to mutually agree on the selection of one Valuation Firm, then the Harbinger Member and the EXCO Member will each select a Valuation Firm to complete, within 21 days of selection, a valuation of the Partnership Appropriate Oil and Gas Properties (after giving effect to any tax consequences to the EXCO Group or the Harbinger Group, as applicable), and such two valuations will be delivered to such Members and the Partnership at the same time. If the higher of the resulting valuations as determined by the Valuation Firms in the preceding sentence is not more than 20% greater than the lower of such resulting valuations, then the value of the Partnership Appropriate Oil and Gas Properties will be the average of the two valuations, and if such valuations are more

than 20% apart as determined by the preceding sentence, then a third Valuation Firm will be selected by the first two Valuation Firms to come up with its own valuation on the basis described above (within a corresponding 21 day deadline), and the value of the Partnership Appropriate Oil and Gas Properties will be the average of the two of the three valuations that are the closest in value (on a dollar basis).

ARTICLE XII
DEFINITIONS

12.1 Definitions. As used in this Agreement, the following terms have the following meanings:

"**100% Affiliate**" means (a) with respect to any Person, another Person that has beneficial ownership of all of the outstanding Equity Interests of such first Person, has all of its outstanding Equity Interests beneficially owned by such first Person or has all of its outstanding Equity Interests beneficially owned by the same Person who has beneficial ownership of all of the outstanding Equity Interests of such first Person (including for these purposes where the relevant outstanding Equity Interests are held through a chain of ownership in which each Person owns all of the outstanding Equity Interests the next relevant Person) or (b) with respect to any investment fund or similar vehicle, a Person who Controls, is Controlled by, or is under common Control with, such investment fund or similar vehicle.

"**Absent Director**" has the meaning set forth in Section 5.3(a)(iii).

"**Accredited Investor**" has the meaning set forth in Section 2.3(h).

"**Acquisition First Refusal Notice**" has the meaning set forth in Section 11.1(a).

"**Act**" has the meaning set forth in the Recitals hereto.

"**Additional Units**" has the meaning set forth in Section 3.6(a).

"**Adjusted Capital Account**" means, with respect to any Member, the balance, if any, in such Member's Capital Account as of the end of the relevant Book Fiscal Year or other period, after giving effect to the following adjustments:

(a) Add to such Capital Account (i) any amount that such Member is obligated to contribute to the Company upon liquidation of such Member's Units and (ii) any amounts that such Member is obligated to restore or is deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), as the case may be; and

(b) Subtract from such Capital Account such Member's share of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"**Adjusted Capital Account Deficit**" means, with respect to any Member, the deficit balance, if any, in such Member's Adjusted Capital Account.

"**Administrative Services Agreement**" means the Administrative Services Agreement, dated as of the date hereof, by and among the Operating Company, Vernon Gathering, the Company, the Partnership and EXCO.

"**Affiliate**" means any Person that is a Subsidiary of, or directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, the Person in question; *provided*, that notwithstanding the foregoing, (i) each Member and its Affiliates will be deemed not to be Affiliates of the Company or any of its Subsidiaries and (ii) each Member and its Affiliates will be deemed not to be an Affiliate of any other Member or its Affiliates unless there is a basis for such Affiliation independent of such Members' respective ownership or Control of the Company.

"**Affiliate Contract**" means any contract or agreement between the Company or any of its Subsidiaries (including the Partnership Group), on the one hand, and any Member or Members or any Affiliate or Affiliates of Members, on the other hand.

"**Affiliate Transfer**" means a Transfer by a Member of Units to a 100% Affiliate of such Member that remains a 100% Affiliate of the Transferor at all times following such Transfer, it being understood and agreed that if and when such 100% Affiliate ceases to be a 100% Affiliate of such Member, it will be deemed to be a new Transfer of the Units held by such 100% Affiliate, which would be subject to Article IX.

"**Agreement**" means this Amended and Restated Limited Liability Company Agreement, as executed and as it may be amended, modified, supplemented or restated from time to time, as the context requires.

"**Alternate**" has the meaning set forth in Section 5.3(a)(iii).

"**Amended Drag-Along Notice**" has the meaning set forth in Section 9.7(c).

"**Annual Plan**" has the meaning set forth in Section 5.8.

"**Available Cash**" means, with respect to a fiscal quarter, all cash and cash equivalents of the Company (other than any cash and cash equivalents received by the Company from the Partnership in respect of any Capital Transaction) at the end of such quarter less the amount of cash reserves that is necessary or appropriate in the reasonable discretion of the Board to (a) provide for the proper conduct of the business of the Company subsequent to such quarter or (b) comply with applicable Law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Company is a party or by which it is bound or its assets or property is subject; *provided, however*, that distributions received by the Company from the Partnership after the expiration of such quarter but on or before the date of the Company's distribution of Available Cash with respect to such quarter shall be deemed to have been received, for purposes of determining Available Cash, during such quarter.

"**Bank Debt**" has the meaning set forth in Section 5.7(a)(vii).

"**Bankruptcy Event**" means, with respect to any Person, the occurrence of one or more of the following events: (a) such Person (i) admits in writing its inability to pay its debts as they become due, (ii) files, or consents or acquiesces by answer or otherwise to the filing against it of a petition for relief or reorganization or rearrangement, readjustment or similar relief or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, dissolution, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as bankrupt or as insolvent or to be liquidated, (vi) gives notice to any Governmental Authority of insolvency or pending insolvency, or (vii) takes corporate action for the purpose of any of the foregoing; or (b) a court of Governmental Authority of competent jurisdiction enters an order appointing, without consent by such Person, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of such Person, or a petition or involuntary case with respect to any of the foregoing shall be filed or commenced against such Person. With respect to any Founder Member Group, a "Bankruptcy Event" shall also include a Bankruptcy Event of any Significant Subsidiary of such Founder Member Group or the ultimate parent entity (through direct or indirect ownership or Control) of such Founder Member Group.

"**BG**" means BG US Production Company, LLC, a Delaware limited liability company, and its Affiliates.

"**Board**" has the meaning set forth in Section 5.1.

"**Bona Fide Pledge**" has the meaning set forth in Section 9.3(b)(i).

"**Book Fiscal Year**" has the meaning set forth in Section 1.5.

"**Business**" has the meaning set forth in Section 1.9.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banks in the State of New York or Texas are required or authorized to close.

"**Call Notice**" has the meaning set forth in Section 5.14(a).

"**Capital Account**" means the "Capital Account" maintained for each Member on the Company's books and records, which shall be calculated in accordance with the following:

(a) To each Member's Capital Account there shall be added (i) such Member's Capital Contributions, (ii) such Member's allocable share of Net Income and any items in the nature of income or gain that are specially allocated to such Member pursuant to Section 4.2 or other provisions of this Agreement, (iii) such Member's share of Simulated Gain and (iv) the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member.

(b) From each Member's Capital Account there shall be subtracted (i) the amount of (A) cash and (B) the Gross Asset Value of any Company assets (other than cash) distributed to such Member (other than any payment of principal and/or interest to such Member pursuant to the terms of a loan made by the Member to the Company) pursuant to any provision of this Agreement, (ii) such Member's allocable share of Net Loss and any other items in the nature of expenses or losses that are specially allocated to such Member pursuant to Section 4.2 or other provisions of this Agreement, (iii) such Member's share of Simulated Depletion and Simulated Loss and (iv) liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(c) The Simulated Basis in each separate Depletable Property owned by the Company shall be allocated among the Members in accordance with the manner in which depletable basis is allocated under Section 4.2(c)(ii) of this Agreement.

(d) In the event any interest in the Company is Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred interest.

(e) In determining the amount of any liability for purposes of clauses (a) and (b) of this definition, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

(f) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations. In the event that the Tax Matters Member shall determine that it is prudent to modify the manner in which the Capital Accounts, or any additions or subtractions thereto, are computed in order to comply with such Regulations, the Board may make such modification; *provided*, that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Article X upon the dissolution of the Company. The Board shall also make (a) any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (b) any appropriate modifications in the event that unanticipated events might otherwise cause this Agreement not to comply with Regulations Sections 1.704-1(b) and 1.704-2.

"**Capital Contribution**" means, with respect to any Member, the total amount of money contributed, the initial Gross Asset Value of property (other than money) contributed (or deemed contributed pursuant to Internal Revenue Service Revenue Ruling 99-5, 1999-1 CB 434) to the capital of the Company by such Member, whether as an initial Capital Contribution or as an additional Capital Contribution.

"**Capital Contribution Event**" has the meaning set forth in Section 5.14(a).

"**Capital Transaction**" has the meaning set forth in the Partnership Agreement.

"**Cause**" means (i) the continued failure by an Officer to devote reasonable time and effort to the performance of his or her duties (other than a failure resulting from the Officer's incapacity due to physical or mental illness the duration of which is less than sixty (60) days on a consecutive basis or one hundred twenty (120) days on an aggregate basis in any 365-day period) after written demand for improved performance has been delivered to the Officer by the Company which specifically identifies how the Officer has not devoted reasonable time and effort to the performance of his or her duties (provided that no such demand shall be required if demand has previously been provided with respect to a substantially similar failure), (ii) the willful engaging by the Officer in misconduct which is substantially injurious to the Company, monetarily or otherwise or (iii) the Officer's conviction for committing an act of fraud, embezzlement, theft or other act constituting a felony (other than traffic related offenses or as a result of vicarious liability). A termination for Cause shall not include a termination attributable to (i) bad judgment or negligence on the part of the Officer other than sustained or habitual negligence or (ii) an act or omission believed by the Officer in good faith to have been in, or not opposed to, the best interests of the Company and reasonably believed by the Officer to be lawful.

"**CEO**" has the meaning set forth in Section 5.6(a).

"**Certificates**" has the meaning set forth in Section 9.1(a).

"**Change of Control**" means, with respect to EXCO, a Change of Control of EXCO, with respect to Harbinger, a Change of Control of Harbinger, and with respect to any other Person, the direct or indirect (a) sale of all or substantially all of such Person's assets in one transaction or series of related transactions, (b) a merger, consolidation, refinancing or recapitalization as a result of which the holders of such Person's issued and outstanding voting securities immediately before such transaction own or Control less than 50% of the voting securities of the continuing or surviving entity immediately after such transaction and/or (c) acquisition (in one or more transactions) by any Person or Persons acting together or constituting a "group" under Section 13(d) of the Exchange Act together with any affiliates thereof (other than equity holders of such Person as of the date hereof and their respective affiliates) of beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) or Control, directly or indirectly, of at least 50% of the total voting power of all classes of securities entitled to vote generally in the election of such Person's board of directors or similar governing body.

"**Change of Control of EXCO**" means the occurrence of any of the following events:

(1) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (including, for the avoidance of doubt, any "group"), is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (1) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the outstanding voting securities of EXCO;

(2) individuals who on the Closing Date constituted the board of directors of EXCO (together with any new directors whose election by such board of directors of EXCO or whose nomination for election by the shareholders of EXCO was approved by a vote of a majority of the directors of EXCO then still in office who were either directors on the Closing Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of EXCO then in office;

(3) the adoption of a plan relating to the liquidation or dissolution of EXCO; or

(4) the merger or consolidation of EXCO with or into another Person or the merger of another Person with or into EXCO, or the sale of all or substantially all the assets of EXCO (determined on a consolidated basis) to another Person other than a transaction following which (i) in the case of a merger or consolidation transaction, holders of securities that represented 100% of the outstanding voting securities of EXCO immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the outstanding voting securities of the surviving Person in such merger or consolidation transaction immediately after such transaction and (ii) in the case of a sale of assets transaction, each Transferee becomes a Subsidiary of the Transferor of such assets.

Notwithstanding the foregoing, a Change of Control of EXCO shall not occur solely as a result of EXCO undergoing a management-led buyout of the public share ownership of such party resulting in the conversion of EXCO to a privately-held company, *provided*, that following such management-led buyout, (i) Doug Miller is, and remains for a period of not less than 12 months (or, in the case of a management-led buyout that is not sponsored by a financial buyer, 24 months), chief executive officer or executive chairman of the board of directors of EXCO or the surviving company and (ii) EXCO or the surviving company shall have the operational capability at all times during the ninety (90) days following a Change of Control of EXCO to conduct activities as a reasonably prudent operator, in a good and workmanlike manner, with due diligence and dispatch in accordance with good oilfield practice.

"**Change of Control of Harbinger**" means the occurrence of any of the following events:

(i) (x) the failure of Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., Global Opportunities Breakaway Ltd., Harbinger Holdings, LLC and/or Harbinger Capital Partners LLC (collectively, "**HCP**") or any of their affiliates or any other Person, investment fund, managed account or special purpose entity which is directly or indirectly controlled or managed by, or is under common control with, or controls, HCP and/or each of its affiliates and/or subsidiaries, or any successor thereto, or is otherwise controlled or managed, directly or indirectly, by Philip A. Falcone (collectively, "**HCP Holders**") to own 20% or greater of the outstanding voting securities of the Harbinger Member or any successor thereto, and (y) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (including, for the avoidance of doubt, any "group") acquires an aggregate interest in the Harbinger Member, greater than the aggregate interest held by HCP Holders; or

(ii) the adoption of a plan relating to the liquidation or dissolution of Harbinger Group Inc., a Delaware corporation.

"**Claims**" means any pending or threatened claims, investigations or inquiries by any Governmental Authority or third party that may reasonably be expected to result in any dispute, litigation or liability.

"**Closing Date**" has the meaning set forth in the preamble to this Agreement.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

"**Common Units**" has the meaning set forth in the Partnership Agreement.

"**Company**" has the meaning set forth in the preamble to this Agreement.

"**Company Minimum Gain**" has the meaning set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1) for the phrase "partnership minimum gain."

"**Competitor**" means any Person (i) that engages, directly or indirectly through one or more Subsidiaries, in a business that competes with the Partnership Group (other than activities that account for less than 25% of the consolidated revenues of such Person (taken together with revenues of such Person's Affiliates)) or (ii) that holds, directly or indirectly through one or more Subsidiaries, greater than 25% of the Equity Interests of an entity described in clause (i).

"**Completed Acquisition Opportunity**" has the meaning set forth in Section 11.1(a).

"**Confidential Information**" means information disclosed to a Member or Director or known by a Member or Director as a consequence of or through his or its relationship with the Company and its Subsidiaries (including information relating to the customers, employees, business methods, public relations methods, organization, procedures and techniques or finances of the Company and its Subsidiaries) and including in the case of any EXCO Member, any information disclosed to or known by such EXCO Member or any of its Affiliates as a consequence of or through its or its Affiliates' relationship with the Company or its Subsidiaries (or any of their respective businesses or assets) prior to the Closing Date. Notwithstanding the foregoing, information will not constitute Confidential Information for the purpose of this Agreement if such information is shown by a Member or Director to have been (a) in the possession of such Member or Director (or any of their respective Affiliates) at the time of its disclosure or becoming known as a consequence of or through his or its relationship with the Company and its Subsidiaries as provided in the preceding sentence, independent of such relationship, (b) in the public domain or otherwise generally known to the industry (either prior to or after the furnishing of such information hereunder) through no fault of such Member or Director (or any of their respective Affiliates) or (c) later acquired by such Member or Director from another source not Affiliated with such Member or Director if such source is not under an obligation to another party, including the Company, to keep such information confidential.

"**Conflicted Affiliate**" means an Affiliate of a Conflicted Member (other than the Company or its Subsidiaries) that is the counterparty to an Affiliate Contract or that otherwise has a conflict of interest with the Company or any of its Subsidiaries with respect to an Affiliate Contract

"**Conflicted Director**" means a Director designated by a Conflicted Member.

"**Conflicted Member**" means a Member that is, or has an Affiliate that is, the counterparty to an Affiliate Contract or that otherwise has a conflict of interest with the Company or any of its Subsidiaries with respect to an Affiliate Contract.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"**Dedicated**" means, with respect to an employee of the EXCO Group providing services to the Company and/or the Partnership Group, the expectation that 90% or more of such employee's working time and effort shall be devoted to the furtherance of the Company and the Partnership Group and its or their business. For the avoidance of doubt, an EXCO Group employee performing services for the Company and/or the Partnership Group pursuant to the Administrative Services Agreement who is expected to devote 90% or more of his or her working time and effort in furtherance of the Company and the Partnership Group and its or their business shall be considered Dedicated.

"**Default Interest Amount**" has the meaning set forth in Section 5.15(c).

"**Default Interest Rate**" means the lesser of (a) eight percent (8%) per annum and (b) the maximum rate of interest permitted by applicable Law.

"**Delaware Certificate**" has the meaning set forth in the Recitals hereto.

"**Delinquent Member**" has the meaning set forth in Section 5.15(a).

"**Depletable Property**" means an oil and gas property (as defined in Section 614 of the Code).

"**Depreciation**" means, for each taxable year, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction (other than depletion) allowable with respect to an asset for such taxable year, except that (a) if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes and which difference is being eliminated by use of the remedial allocation method pursuant to Regulations Section 1.704-3(d), Depreciation for such taxable year shall be the amount of book basis recovered for such taxable year under the rules prescribed by Regulation Section 1.704-3(d)(2), and (b) with respect to any other asset the Gross Asset Value of which differs from its adjusted tax basis at the beginning of such taxable year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction (other than depletion) for such year or other period bears to such beginning adjusted tax basis; *provided*, *however*, that if the federal income tax depreciation, amortization or other

cost recovery deduction (other than depletion) for such year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Tax Matters Member.

"**Derivative Instruments**" means options, rights, warrants, appreciation rights, tracking, profit and phantom interests and other derivative instruments relating to, convertible into or exchangeable for Equity Interests

"**Dilution Percentage**" means 11%.

"**Director**" or "**Directors**" has the meaning set forth in Section 5.3(a).

"**Director/Alternate**" has the meaning set forth in Section 5.3(a)(iii).

"**Disposition First Refusal Notice**" has the meaning set forth in Section 11.1(b).

"**Disposition Opportunity**" has the meaning set forth in Section 11.1(b).

"**Disputed Matter**" has the meaning set forth in Section 5.10.

"**Drag-Along Founder Member Group**" means any Founder Member Group that is seeking to exercise Drag-Along Rights in accordance with Section 9.7.

"**Drag-Along Notice**" has the meaning set forth in Section 9.7(c).

"**Drag-Along Right**" has the meaning set forth in Section 9.7(a).

"**Drag-Along Sale**" has the meaning set forth in Section 9.7(a)(i).

"**Drag-Along Transferee**" has the meaning set forth in Section 9.7(a).

"**Economic Interest**" means a Person's right to share in the Net Income, Net Loss or similar items of, and to receive distributions from, the Company, but does not include any other rights of a Member including the right to vote, consent or otherwise participate in the management of the Company, the right to designate Directors to the Board, or, except as specifically provided in this Agreement or required under the Act, any right to information concerning the business and affairs of the Company.

"**Enforcement Activities**" means (a) the waiver of any of the Company's or its Subsidiaries' rights under any Affiliate Contract, (b) the enforcement of any rights of the Company or its Subsidiaries under any Affiliate Contract, including (i) enforcing any rights of the Company or its Subsidiaries under any Affiliate Contract in connection with any breach or default (or alleged breach or default) thereunder by a Conflicted Member (or its Affiliates), (ii) making or enforcing any Claims by the Company or its Subsidiaries for indemnification under any Affiliate Contract or (iii) enforcing any rights of, or defending Claims against, the Company or its Subsidiaries in connection with any dispute with a Conflicted Member (or any of its Affiliates) under any Affiliate Contract and (c) any related audits, investigations, requests for

information or other proceedings for the purpose of carrying out the activities in clause (a) and clause (b).

"**Engineering Report**" has the meaning set forth in Section 6.2(c).

"**EOC**" means EXCO Operating Company, LP, a Delaware limited partnership.

"**Equity Interests**" means all shares, participations, capital stock, partnership or limited liability company interests, units, participations or similar equity interests issued by any Person, however designated.

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

"**EXCO**" means EXCO Resources, Inc., a Texas corporation.

"**EXCO Director**" has the meaning set forth in Section 5.3(a)(i).

"**EXCO Group**" means the EXCO Member and its Affiliates, other than the Company, the Partnership and their respective Subsidiaries.

"**EXCO Holding**" has the meaning set forth in the preamble to this Agreement.

"**EXCO Material Change**" means (i) the termination of any of the Operating Agreements or the Administrative Services Agreement by the Partnership pursuant to the terms of such agreement (including notice and opportunity to cure provisions) due to a material breach of such agreement by the EXCO Group; *provided*, that the Partnership is not then in material breach of such agreement (other than any breach resulting from an action or failure to act by any EXCO Member or any of their representatives), (ii) a Bankruptcy Event occurs with respect to EXCO, (iii) (A) at any time within 90 days following a Change of Control of EXCO, the credit rating accorded to EXCO or any entity surviving or resulting from such Change of Control (or the parent company of such entity) by any "nationally recognized statistical rating organization," as such term is defined by the SEC for purposes of Rule 436(g)(2) under the Securities Act, is not the same or better than the EXCO's credit rating prior to such Change of Control, or (B) immediately or within 90 days following a Change of Control of EXCO (including as a result of transactions effected in connection with such Change of Control of EXCO), the operational capability of EXCO or any entity surviving or resulting from such Change of Control (or the parent company of such entity) is not substantially the same or better than EXCO's operational capability prior to such transaction, or (iv) a majority of the seats (other than vacant seats) on the board of directors of EXCO are occupied by Persons who were neither (x) nominated by the board of directors of EXCO nor (y) appointed by directors nominated to the board of directors by EXCO. In the event that EXCO or any entity surviving or resulting from such Change of Control (or the parent company of such entity) does not have a credit rating by a "nationally recognized statistical rating organization," as such term is defined by the SEC for purposes of Rule 436(g)(2) under the Securities Act, an "EXCO Material Change" for purposes of clause (iii) above will occur if EXCO or the entity surviving or resulting from such Change of Control (or the parent company of such entity) does not, after giving effect to such Change of Control, have the ability to satisfy such financial covenants as were applicable to EXCO immediately prior to

such Change of Control (pursuant to such credit facility or credit facilities, or indenture or indentures, as were then in effect).

"**EXCO Member**" means EXCO Holding and any Person who becomes (i) a Substitute Member of an EXCO Member pursuant to an Affiliate Transfer or (ii) a Member pursuant to the exercise of rights assigned to such Person by an EXCO Member pursuant to Section 9.6(g). For the avoidance of doubt, a Person shall cease to be an EXCO Member when such Person ceases to be a Member.

"**Fair Market Value**" means the fair market value of the Company, the Partnership or any securities of the Company or the Partnership on an arm's length basis between a willing buyer and willing seller, as agreed to by (i) each Founder Member Group, or (ii) if either the EXCO Group or Harbinger Group no longer owns at least 20% of the Units, by the Board. If the Founder Member Groups are unable to agree on such a determination of fair market value, or if any Member or group of Member's holding at least 20% of the Units objects to such determination by the Board, each of the Founder Member Groups or the Board, as applicable, will use its commercially reasonable efforts to agree on the selection of one Valuation Firm to complete, within 21 days of selection, a determination of such fair market value. If the Founder Member Groups or the Board, as applicable, are unable to agree on the selection of one Valuation Firm, then each of the Founder Member Groups will select one Valuation Firm to complete, within 21 days of selection, a determination of fair market value, and such two valuations will be delivered to such Members and the Company at the same time. If the higher of the resulting valuations as determined by the Valuation Firms in the preceding sentence is not more than 20% greater than the lower of such resulting valuations, then such fair market value shall equal the average of the two valuations, and if such valuations are more than 20% apart as determined by the preceding sentence, then a third Valuation Firm will be selected by the first two Valuation Firms to come up with its own valuation on the basis described above (within a corresponding 21 day deadline), and such fair market value will be the average of the two of the three valuations that are the closest in value (on a dollar basis). The determination of "Fair Market Value" in accordance with this definition shall be final and binding on the Members.

"**First Refusal Interests**" has the meaning set forth in Section 9.4(b).

"**First Refusal Notice**" has the meaning set forth in Section 9.4(c).

"**First Refusal Notice Deadline**" has the meaning set forth in Section 9.4(c).

"**First Refusal Period**" has the meaning set forth in Section 9.4(b).

"**Foreclosure**" has the meaning set forth in Section 9.3(b)(i).

"**Founder Member Group**" means, as the context requires, either the EXCO Group or the Harbinger Group, and "**Founder Member Groups**" means both the EXCO Group and the Harbinger Group.

"**Full Special Committee Control Rights**" has the meaning set forth in Section 5.7(b).

"**GAAP**" has the meaning set forth in Section 6.1(a).

"**Governmental Authority**" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States of America, the United States of America or a foreign entity or government.

"**Gross Asset Value**" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Board and the contributing Member.

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Board using such reasonable method of valuation as it may adopt (and in the case of any determination in connection with a Unilateral Capital Contribution Event, such fair market values shall be consistent with any fair market value determined in connection with such Unilateral Capital Contribution Event), as of the following times:

(i) immediately before the acquisition of an additional interest in the Company by a new or existing Member, if the Board reasonably determines that such adjustment is necessary or appropriate to reflect the relative Economic Interests of the Members in the Company;

(ii) immediately before the distribution by the Company to a Member of more than a de minimis amount of Company assets as consideration for an interest in the Company, if the Board reasonably determines that such adjustment is necessary or appropriate to reflect the relative Economic Interests of the Members in the Company;

(iii) the grant of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a Member capacity, or by a new Member acting in a Member capacity or in anticipation of becoming a Member, if the Board reasonably determines that such adjustment is necessary or appropriate to reflect the relative interests of the Members in the Company;

(iv) immediately before the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) (other than pursuant to Section 708(b)(1)(B) of the Code); and

(v) at such other times as the Board shall reasonably determine necessary or advisable in order to comply with Regulations Sections 1.704-1(b) and 1.704-2.

(c) The Gross Asset Value of any Company asset distributed to a Member shall be the gross fair market value of such asset on the date of distribution as determined by the Board.

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); *provided*, *however*, that Gross Asset Values shall not be adjusted pursuant to this clause (d) to the extent that the Board reasonably determines that an adjustment pursuant to clause (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (d).

(e) If the Gross Asset Value of a Company asset has been determined or adjusted pursuant to clause (a), clause (b) or clause (d) of this definition, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such Company asset for purposes of computing Net Income and Net Loss and by Simulated Depletion.

"**Harbinger Director**" has the meaning set forth in Section 5.3(a)(i).

"**Harbinger Group**" means the Harbinger Member and its Affiliates, other than the Company, the Partnership and their respective Subsidiaries.

"**Harbinger Member**" means HGI Energy and any Person who becomes (i) a Substitute Member of a Harbinger Member pursuant to an Affiliate Transfer or (ii) a Member pursuant to the exercise of rights assigned to such Person by a Harbinger Member pursuant to Section 9.6(g). For the avoidance of doubt, a Person shall cease to be a Harbinger Member when such Person ceases to be a Member.

"**HGI Energy**" has the meaning set forth in the preamble to this Agreement.

"**Hydrocarbons**" means oil and gas and other hydrocarbons produced or processed in association therewith (whether or not any such item is in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

"**Incapacity**" means with respect to any Person, the bankruptcy, liquidation, dissolution or termination of such Person.

"**Indebtedness**" means, with respect to any specified Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for a deferred purchase price (other than trade payables incurred in the ordinary course of such Person's business, consistent with past practice), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person under capital leases, (e) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, whether or not drawn, (f) all obligations of such Person created or arising under any conditional sale or title retention agreement, (g) the liquidation value or redemption price, as the case may be, of all preferred or redeemable stock of such Person, (h) all net obligations of such Person payable under any rate, currency, commodity or other swap, option or derivative agreement, (i) all obligations secured by (or for which the holder of such obligation

has an existing right, contingent or otherwise, to be secured by) any Lien on property owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation and (j) all obligations of others guaranteed by such Person.

"**Indemnitee-Related Entities**" has the meaning set forth in Section 8.8(a).

"**Initial Annual Plan**" has the meaning set forth in Section 5.8.

"**Initiating Holder**" has the meaning set forth in Section 9.5(a).

"**Interim Annual Plan**" has the meaning set forth in Section 5.8.

"**Laws**" means all federal, state and local statutes, laws (including common law and the Act), rules, regulations, codes, orders, ordinances, licenses, writs, injunctions, judgments, awards (including awards of any arbitrator) and decrees and other legally enforceable requirements enacted, adopted, issued or promulgated by any Governmental Authority.

"**Lender**" has the meaning set forth in Section 9.3(b)(i).

"**Liens**" means any mortgage, pledge, assessment, security interest, lease, lien, adverse claim, levy, charge, right of first refusal or other encumbrance of any kind, or any conditional sale contract, title retention contract or other contract or agreement to give any of the foregoing.

"**Limited Partner Interests**" has the meaning set forth in the Partnership Agreement.

"**Loss**" has the meaning set forth in Section 8.2.

"**Make-Up Contribution**" has the meaning set forth in Section 5.15(c).

"**Member**" means each Person identified as a holder of Units on Exhibit A hereto as of the date hereof who has executed this Agreement or a counterpart hereof and each Person who is hereafter admitted as a Member in accordance with the terms of this Agreement and the Act, in each case so long as such Person is shown on the Company's books and records as the owner of one or more Units. The Members shall constitute the "members" (as that term is defined in the Act) of the Company.

"**Member Group**" means any Member, together with its Affiliates who are Members (if any).

"**Member Minimum Gain**" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i) with respect to "partner minimum gain."

"**Member Nonrecourse Debt**" has the meaning set forth in Regulations Section 1.704-2(b)(4) for the phrase "partner nonrecourse debt."

"**Member Nonrecourse Deductions**" has the meaning set forth in Regulations Section 1.704-2(i) for the phrase "partner nonrecourse deductions."

"**Membership Interest**" means a Member's ownership interest in the Company, which may be expressed as one or more Units, including such Member's right to share in distributions, profits and losses and the right, if any, to participate in the management of the business and affairs of the Company, including the right, if any, to vote on, consent to or otherwise participate in any decision or action of or by the Members, the right to designate Directors to the Board, and the right to receive information concerning the business and affairs of the Company, in each case to the extent expressly provided for in this Agreement or otherwise required by the Act.

"**National Securities Exchange**" means an exchange registered with the SEC under Section 6(a) of the Exchange Act (or any successor to such section).

"**NDM Amount**" has the meaning set forth in Section 5.15(b).

"**NDM Capital Account**" has the meaning set forth in Section 5.15(b)(ii).

"**NDM Unit**" has the meaning set forth in Section 5.15(b)(ii).

"**Net Income**" and "**Net Loss**" mean, for each Tax Fiscal Year or other relevant period, an amount equal to the Company's taxable income or loss for such Tax Fiscal Year or relevant period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B), or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition shall be subtracted from such taxable income or loss;

(c) If the Gross Asset Value of any Company asset is adjusted pursuant to clause (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account in the taxable year of such adjustment as gain (if the adjustment increases the Gross Asset Value of the asset) or loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) Gain or loss resulting from any disposition of Company assets (other than a Depletable Property) with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Company assets disposed of, notwithstanding that the adjusted tax basis of such Company assets differs from its Gross Asset Value;

(e) Gain or loss resulting from any disposition of a Depletable Property with respect to which gain or loss is recognized for federal income tax purposes shall be treated as being equal to the corresponding Simulated Gain or Simulated Loss;

(f) In lieu of the deduction for depreciation, cost recovery, or amortization taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Tax Fiscal Year;

(g) To the extent an adjustment to the adjusted tax basis of any asset included in Company assets pursuant to Code Section 734(b) or Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Units, the amount of such adjustment will be treated as an item of gain (if the adjustment includes the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Net Income and Net Loss; and

(h) Notwithstanding any other provision of this definition, any items of Company income, gain, loss or deduction that are specially allocated pursuant to Section 4.2 shall not be taken into account in computing Net Income or Net Loss. The amount of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Section 4.2 shall be determined pursuant to rules analogous to those set forth in this definition.

"**New Interests**" means Additional Units and Derivative Instruments issued or to be issued by the Company after the Closing Date; *provided*, that the term "New Interests" shall not include Additional Units or Derivative Instruments (to the extent approved by the Board, as applicable) issued or to be issued (i) in connection with any merger, consolidation, acquisition or any similar transaction; (ii) in connection with any reorganization or recapitalization, in each case, in which such Additional Units or Derivative Instruments are issued for or in respect of previously outstanding Units and the Percentage Interests of holders of such Additional Units issued upon completion of the transaction is the same as the Percentage Interests of such holders of previously outstanding Units prior to the completion of the transaction; (iii) to the selling Persons in connection with the acquisition by the Company of a Person or other assets, *provided* that such Units or other equity securities are issued as consideration for such acquisition (including issuances to management of such Person in connection with such acquisition); (iv) in any underwritten public offering of Units that is registered under the Securities Act pursuant to an effective registration statement; (v) as compensation to employees, Officers, Directors or consultants of the Company or any Subsidiary; or (vi) to any unaffiliated debt holders of the Company in connection with financing transactions in which the Units or other equity securities issued do not exceed five percent (5%) of the aggregate Units held by all Members; *provided* that any such transaction described in the foregoing clauses (i) through (vi) is approved in accordance with this Agreement.

"**New Interests Notice**" has the meaning set forth in Section 9.6(b).

"**Nonrecourse Deductions**" has the meaning set forth in Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"**Nonrecourse Liability**" has the meaning set forth in Regulations Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"**Non-Subscribing Member**" has the meaning set forth in Section 9.6(d).

"**Non-Transferable Provisions**" has the meaning set forth in Section 9.10(e).

"**Officer**" means each Person designated as an officer of the Company pursuant to Section 5.6 for so long as such Person remains an officer pursuant to the provisions of Section 5.6.

"**Oil and Gas Properties**" means all or any of the following:

(a) oil, gas and/or mineral leases, subleases, fee interests, fee mineral interests, mineral servitudes, royalties, overriding royalties, production payments, net profits interests, carried interests, reversionary interests and other interests in oil, gas and/or minerals in place (collectively, "**Oil and Gas Interests**"), the leasehold estates created by Oil and Gas Interests, lands covered by Oil and Gas Interests ("**Lands**"), and interests in any pooled acreage, communitized acreage or units arising on account of Oil and Gas Interests or Lands pooled, communitized or unitized into such units ("**O&G Units**");

(b) oil and gas wells and injection wells located on Oil and Gas Interests, Lands or Units ("**Wells**"), and all Hydrocarbons produced therefrom or allocated thereto (Oil and Gas Interests, Lands, O&G Units and Wells being collectively referred to hereinafter as "**Properties**");

(c) equipment, machinery, fixtures, and other real, immovable, personal, movable and mixed property primarily used or held for use in connection with Properties, including saltwater disposal wells, water sourcing and disposal facilities and systems, well equipment, casing, rods, tanks, boilers, buildings, tubing, pumps, motors, fixtures, machinery, compression equipment, flow lines, and separation facilities, structures, materials, and other items used or held for use in the operation thereof and located upstream of the outlet flange of the relevant custody transfer meter (or, in the case of Hydrocarbon liquids, upstream of the outlet flange in the tanks);

(d) surface fee interests, surface leases, easements, rights-of-way, permits, licenses, servitudes, and other surface rights relating to the Properties;

(e) water withdrawal and disposal and other permits, licenses, orders, approvals, variances, waivers, franchises, rights and other authorizations issued by any Governmental Authority relating to the Properties;

(f) contracts primarily relating to any of the other items identified in this definition;

(g) files, records, maps, information, and data, whether written or electronically stored, relating to any of the other items identified in this definition, including: (i) land and title records (including abstracts of title, title opinions, and title curative documents); (ii) contract files; (iii) correspondence; (iv) operations, environmental, production, and accounting records and (v) production, facility and well records and data (including logs and cores);

(h) geophysical and other seismic and related technical data and information relating to the Properties; and/or

(i) rights, Claims and causes of action to the extent, and only to the extent, that such rights, Claims or causes of action are associated with other items identified in this definition.

"**Operating Agreements**" means the EXCO Parent Operating Agreement, dated as of the Closing Date, by and between EXCO and the Operating Company, and the EOC Operating Agreement, dated as of the Closing Date, between EOC and the Operating Company.

"**Operating Company**" means EXCO/HGI JV Assets, LLC, a Delaware limited liability company.

"**Operator**" means the Operating Company or another member of the EXCO Group that is the operator under any of the Operating Agreements.

"**Original LLC Agreement**" has the meaning set forth in the Recitals hereto.

"**Other Indemnification Agreement**" means one or more certificates or articles of incorporation, by-laws, limited liability company operating agreement, limited partnership agreement and any other organizational document, and insurance policies maintained by any Member or Director or Affiliate thereof providing for, among other things, indemnification of and advancement of expenses for any indemnitee for, among other things, the same matters that are subject to indemnification and advancement of expenses under this Agreement.

"**Outstanding Acquisition Opportunity**" has the meaning set forth in Section 11.1(a).

"**Participating Holder**" has the meaning set forth in Section 9.5(i)(i).

"**Partnership**" has the meaning set forth in Section 1.9.

"**Partnership Agreement**" means the Amended and Restated Agreement of Limited Partnership of the Partnership, dated of even date herewith, as may be amended from time to time.

"**Partnership Appropriate Oil and Gas Properties**" means any of the following: (a) the interests of BG in any of the Oil and Gas Properties located in East Texas and North Louisiana that were contributed to the Partnership or its Subsidiaries pursuant to the Unit Purchase and Contribution Agreement (to the extent covering the same depths and underlying assets); and/or (b) Oil and Gas Properties meeting all of the following criteria: (i) such Oil and Gas Properties

are located onshore in the United States of America, (ii) the proved developed reserves of such Oil and Gas Properties comprise at least 65% of proved reserves and have a projected decline rate of 12.5% or less on an annualized basis in the three calendar years post-acquisition, (iii) undeveloped acreage contributes less than 30% of the value of such Oil and Gas Properties, (iv) substantially all of the future development opportunities on such Oil and Gas Properties could economically occur through drilling vertical wells, (v) the cash flow from such Oil and Gas Properties in the aggregate are reasonably estimated to be sufficient to cover the cost of future development and (vi) such Oil and Gas Properties are valued at an amount equal to or less than the aggregate amount of the available borrowing capacity under the any then-existing credit facility (pro forma for the acquisition), cash on hand and other sources of secured debt financing reasonably available to the Partnership or its Subsidiaries.

"**Partnership Group**" has the meaning set forth in Section 1.9.

"**Partnership Interests**" has the meaning set forth in the Partnership Agreement.

"**Percentage Interest**" means, as of the date of determination (a) with respect to any Member and particular class or series of Unit, that percentage corresponding with the ratio that such Member's number of Units within such class or series bears to the total outstanding number of Units of such class or series held by all Members and (b) with respect to any Member and all Units, that percentage corresponding with the ratio that such Member's Membership Interests represented by its Units bears to the total Membership Interests of all Members represented by their outstanding Units, in each case, as set forth in Exhibit A.

"**Permitted Lien**" means (i) Liens for taxes not yet due and payable or which are being actively contested in good faith by appropriate proceedings with appropriate reserves therefor; (ii) Liens imposed by law, such as mechanics', materialmens', carriers', workmens', warehousemens', repairmens', landlords' or other like Liens and security obligations that are not delinquent or which are being actively contested in good faith by appropriate proceedings; or (iii) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, matters of record, zoning, building or other restrictions, variances or covenants as to the use of real property, Liens incidental to the conduct of the business of the Company and its Subsidiaries or to the ownership of their properties, or other minor irregularities of title, that do not materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Subsidiaries.

"**Permitted Transfer**" means an Affiliate Transfer.

"**Person**" means an individual or a corporation, partnership, limited liability company, trust, estate, unincorporated organization, association, "group" (as such term is defined in Section 13(d) of the Exchange Act) or other entity.

"**Pledged Interests**" has the meaning set forth in Section 9.3(b)(i).

"**PR Holder**" has the meaning set forth in Section 9.6(a).

"**Preemptive Right**" has the meaning set forth in Section 9.6(a).

"**Proceeding**" has the meaning set forth in Section 8.2.

"**Proposed Transferee**" has the meaning set forth in Section 9.4(b).

"**Qualified Public Offering**" means the completion of an underwritten public offering of Equity Interests in the Partnership or any successor thereto pursuant to an effective registration statement filed by the Partnership or any successor thereto with the SEC (other than (a) a registration relating solely to an employee benefit plan or employee stock plan, a dividend reinvestment plan, or a merger or a consolidation, (b) a registration incidental to an issuance of securities under Rule 144A of the Securities Act, (c) a registration on Form S-4 under the Securities Act or any successor form under the Securities Act, or (d) a registration on Form S-8 under the Securities Act or any successor form under the Securities Act), pursuant to which the aggregate amount of such Equity Interests for which a registration filing is made (together with the aggregate amount of such Equity Interests registered from any prior such offerings) is at least 35% of the total then-outstanding Equity Interests in the Partnership or any successor thereto, as applicable.

"**Registration Rights Agreement**" means the Registration Right Agreement, dated as of the date hereof, by and among the Partnership, the Harbinger Member and the EXCO Member.

"**Regulations**" means the proposed, temporary and final Treasury Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding Treasury Regulations).

"**Regulatory Allocations**" has the meaning set forth in Section 4.2(b)(viii).

"**Remaining New Interests**" has the meaning set forth in Section 9.6(d).

"**Required Contribution**" has the meaning set forth in Section 5.14(a).

"**Restricted Person**" means, with respect to any Member, any officer or employee of any Person (i) that is a Competitor by virtue of being an operating business that competes with the Partnership Group (other than activities that account for less than 25% of the consolidated revenues of such Person (taken together with revenues of such Person's Affiliates) and (ii) in which such Member or its 100% Affiliate holds, directly or indirectly through one or more Subsidiaries, greater than 25% of the Equity Interests of such Person; *provided*, that in no event shall any officer, director or employee of Harbinger Group Inc. or EXCO be a Restricted Person (under either clause (i) or clause (ii) of this definition).

"**ROFR Holders**" has the meaning set forth in Section 9.4(b).

"**Sale Price**" has the meaning set forth in Section 9.4(b).

"**SC Notice**" has the meaning set forth in Section 5.7(b).

"**SEC**" has the meaning set forth in Section 6.2(c).

"**Secretary of State**" has the meaning set forth in the Recitals hereto.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Seller's Notice**" has the meaning set forth in Section 9.4(b).

"**Senior Officer**" has the meaning set forth in Section 5.10.

"**Shared Assets Agreement**" means, collectively, (a) that certain Shared Assets/Use Agreement, dated as of even date herewith, by and among EXCO, EOC and the Operating Company, as amended, and (b) that certain Shared Assets Agreement, dated as of even date herewith, by and among the Operating Company, EOC and BG US Production Company, LLC, a Delaware limited liability company, as amended.

"**Significant Subsidiary**" means, with respect to a Person, a "significant subsidiary" of such Person as such term is defined in Rule 12b-2 promulgated under the Exchange Act (or any successor rule or statute), whether or not such Person is subject to the requirements of the Exchange Act.

"**Simulated Basis**" means the Gross Asset Value of any separate Depletable Property.

"**Simulated Depletion**" means, with respect to each separate Depletable Property, a depletion allowance computed in accordance with federal income tax principles and in the manner specified in Regulation Section 1.704-1(b)(2)(iv)(k)(2). For purposes of computing Simulated Depletion with respect to any Depletable Property, the Simulated Basis of such property shall be deemed to be the Gross Asset Value of such property, and in no event shall such allowance, in the aggregate, exceed such Simulated Basis.

"**Simulated Gain**" means with respect to each separate Depletable Property, the simulated gain as computed in accordance with Regulation Section 1.704-1(b)(2)(iv)(k)(2) (i.e., the excess of the amount realized from the sale or other disposition of a separate Depletable Property over the Gross Asset Value of such property). If the Gross Asset Value of any property the sale of which would result in Simulated Gain is increased as provided in this Agreement, the amount of such adjustment shall be taken into account as gain from the disposition of such property for purposes of computing Simulated Gain.

"**Simulated Loss**" means with respect to each separate Depletable Property, the simulated loss as computed in accordance with Regulation Section 1.704-1(b)(2)(iv)(k)(2) (i.e., the excess of the Gross Asset Value of a separate Depletable Property over the amount realized from the sale or other disposition of such property). If the Gross Asset Value of any property the sale of which would result in Simulated Loss is decreased as provided in this Agreement, the amount of such adjustment shall be taken into account as loss from the disposition of such property for purposes of computing Simulated Loss.

"**Special Committee**" has the meaning set forth in Section 5.7(b).

"**Special Meeting**" has the meaning set forth in Section 5.10.

"**Subscribing Member**" has the meaning set forth in Section 9.6(d).

"**Subsidiary**" means, with respect to any Person at any date, any other Person of which the parent, directly or indirectly, owns Equity Interests that (a) represent more than 50% of the total number of outstanding common or other residual Equity Interests (however denominated) of such Person, (b) represent more than 50% of the total voting power of all outstanding Equity Interests of such Person which are entitled to vote in the election of directors, managers or other Persons performing similar functions for and on behalf of such Person, (c) are entitled to more than 50% of the dividends paid and other distributions made by such Person prior to liquidation or (d) are entitled to more than 50% of the assets of such Person or proceeds from the sale thereof upon liquidation; provided, for purposes of this Agreement (except where specifically stated otherwise), each member of the Partnership Group shall be deemed to be a Subsidiary of the Company.

"**Substitute Member**" means any Transferee that has been admitted as a Member of the Company pursuant to Section 9.10(c) by virtue of such Transferee receiving all or a portion of a Member's Units from a Member.

"**Tag-Along Notice**" has the meaning set forth in Section 9.5(a).

"**Tag-Along Notice Period**" has the meaning set forth in Section 9.5(c).

"**Tag-Along Response Notice**" has the meaning set forth in Section 9.5(c).

"**Tag-Along Right**" has the meaning set forth in Section 9.5(c).

"**Tag-Along Sale**" has the meaning set forth in Section 9.5(a).

"**Tagging Holder**" has the meaning set forth in Section 9.5(a).

"**Tax Fiscal Year**" has the meaning set forth in Section 1.5.

"**Tax Matter**" has the meaning set forth in Section 7.3.

"**Tax Matters Member**" has the meaning set forth in Section 7.3.

"**Transfer**" means any direct or indirect transfer, sale, assignment, exchange, gift, conveyance or other disposition, and any direct (but, for the avoidance of doubt, excluding any indirect) pledge or grant of a security interest, in each case whether voluntary, by operation of law or otherwise of all or any portion of a Member's Units (including through a direct or indirect transfer, sale, assignment, exchange, gift, conveyance or other disposition, but excluding any indirect pledge of or grant of a security interest in beneficial ownership of Equity Interests or of Control of any Person which owns or Controls a Member's Units, or another Person in any chain of ownership of Equity Interests or chain of Control of such Person). Any reference to a Transfer by a Member of Units will include any direct or indirect transfer, sale, assignment, exchange, gift, conveyance or other disposition of beneficial ownership of Equity Interests or of Control of such Member or of another Person in any chain of ownership of Equity Interests or chain of Control of such Member, including through direct or indirect transfer, sale, assignment, exchange, gift, conveyance or other disposition of beneficial ownership of Equity Interests or of Control of one or more other Persons directly or indirectly Controlling or beneficially owning

any Equity Interests in such Member; *provided*, that neither (i) a transfer of securities, or a Change of Control, of the ultimate parent entity of a Member nor (ii) the pledge or grant of a security interest in one or more other Persons directly or indirectly Controlling such Member (as opposed to the direct pledge of or grant of a security interest in such Member's Units) shall constitute a "Transfer" of a Member's Units. For the avoidance of doubt, the parties acknowledge that Harbinger Group Inc. is the ultimate parent entity of HGI Energy for purposes of the definition of "Transfer."

"**Transferee**" means a Person that acquires all or any portion of a Member's Units as a result of a Transfer.

"**Transferor**" means a Person that Transfers all or any portion of such Person's Units.

"**Transferring Member**" has the meaning set forth in Section 9.4(a).

"**Undesignated Director**" has the meaning set forth in Section 5.3(a)(iii).

"**Unilateral Capital Contribution Event**" has the meaning set forth in Section 5.14(b).

"**Unit**" has the meaning set forth in Section 3.1(a).

"**Unit Purchase and Contribution Agreement**" means the Unit Purchase and Contribution Agreement, dated as of November 5, 2012, by and among the EXCO, EOC, the Operating Company and HGI Energy, as the same may be amended, revised, supplemented or otherwise modified from time to time.

"**Unrelated Financing**" has the meaning set forth in Section 5.16.

"**Valuation Firm**" means a nationally recognized independent investment banking or valuation firm with expertise in the oil and gas sector.

"**Vernon Gathering**" means Vernon Gathering, LLC, a Delaware limited liability company.

12.2 Construction. Whenever the context requires, (a) the gender of all words used in this Agreement includes the masculine, feminine, and neuter and (b) terms "hereof," "herein," "hereby" and derivative or similar words refer to this Agreement, and such words do not refer to the Act or any particular section, clause or provision of this Agreement. All references to a Person include such Person's successors and, except as otherwise set forth in this Agreement, permitted assigns. All references to Articles and Sections refer to articles and sections of this Agreement, and all references to Exhibits are to exhibits attached hereto, each of which is made a part hereof for all purposes. The use herein of the word "include" or "including," when following any general statement, term or matter, will not be construed to limit such statement, term or matter to the specific items or matters set forth following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather will be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The term "or" is not exclusive. The definitions set forth or referred to

in Article XII will apply equally to both the singular and plural forms of the terms defined and derivative forms of defined terms will have correlative meanings. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision will be applicable whether such action is taken directly or indirectly by such Person, including actions taken by or on behalf of any Affiliate of such Person. All accounting terms used herein and not otherwise defined herein will have the meanings accorded them in accordance with GAAP and, except as expressly provided herein, all accounting determinations will be made in accordance with GAAP. The parties acknowledge that this Agreement has been negotiated by such parties with the benefit of counsel and, accordingly, any principle of law that provides that any ambiguity in a contract or agreement shall be construed against the party that drafted such contract or agreement shall be disregarded and is expressly waived by all of the parties hereto.

ARTICLE XIII
MISCELLANEOUS

13.1 Notices.

(a) Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and must be given either by (a) three (3) Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid (b) one (1) Business Day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, (c) on the date of delivery if delivered personally, or (d) if by facsimile, upon written confirmation of receipt by facsimile, in each case to the intended recipient as set forth below. All notices, requests and consents to be sent to a Member must be sent to or made at the address given for that Member on Exhibit A, or such other address as that Member may specify by notice to the other Members. Any notice, request or consent to the Company or the Board must be given to the Board or, if appointed, the secretary of the Company at the Company's principal executive offices. Whenever any notice is required to be given by Law or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

(b) The terms "in writing," "written communications," "written notice" and words of similar import shall be deemed satisfied under this Agreement by use of e-mail and other forms of electronic communication.

13.2 Confidential Information.

(a) No Member, Director or Officer shall, and each Member shall cause its Affiliates not to, disclose (except to such Member's, Director's or Officer's attorneys, accountants and representatives who agree to keep such information confidential or are bound by fiduciary or other existing obligations of confidentiality), to any third party, either during his or its association with the Company or thereafter, any Confidential Information of which a Member, Director or Officer is or becomes aware. Each Member, Director and Officer in possession of Confidential Information shall, and each Member

shall cause its Affiliates that are in possession of Confidential Information to, take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft. Notwithstanding the above, a Member, Director or Officer may disclose Confidential Information to its Affiliates who are made aware of the provisions of this Section 13.2 or to the extent (a) the disclosure is necessary for the Member, Director, Officer and/or the Company's agents, representatives, and advisors to fulfill their duties to the Company pursuant to this Agreement and/or other written agreements, (b) the disclosure is required by Law, Governmental Authority or the rules of any securities exchange on which securities of the Member or any of its Affiliates is listed (including information required in any filings under the Exchange Act, or the Securities Act in connection with any securities offerings), or (c) such disclosure is made to a Person in connection with a proposed Transfer permitted by this Agreement who has signed an agreement imposing upon such Person restrictions on use and disclosure of the Confidential Information. No Member shall, and each Member shall cause its Affiliates not to, make or issue any press release or public announcement with respect to the Company or the Partnership Group without the prior written approval of each other Member, unless required by Law, Governmental Authority or the rules of any securities exchange on which securities of the Company or any of its Subsidiaries are listed, in which case the Member issuing such press release or public announcement shall provide written notice and a copy of such required press release or public announcement to each other Member not less than two (2) Business Days prior to the date of such press release or public announcement; *provided*, *further*, that the Harbinger Member, the EXCO Member and their respective Affiliates and authorized representatives shall be permitted to disclose such information regarding such Member's investment in the Company and its Subsidiaries, the financial performance of the Company and its Subsidiaries, operations of the Company and its Subsidiaries and such other information relevant to such Member's investment in the Company (but excluding any information concerning the other Members that is not in the public domain and excluding any trade secrets or other proprietary information relating to intellectual property of the Company or another Member) to the equityholders and prospective investors of such Member and its Affiliates who are under duties or obligations of confidentiality.

(b) For so long as Article XI remains in effect, each Member shall implement reasonable procedures to restrict the access of any Restricted Person of such Member to Confidential Information provided to such Member pursuant to Article XI.

13.3 Entire Agreement. This Agreement and the letter agreement among the Harbinger Member and the EXCO Member entered into substantially concurrently herewith constitute the entire agreement among the Members relating to the Company and supersedes all prior contracts or agreements with respect to the Company and the matters addressed or governed hereby, whether oral or written.

13.4 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations hereunder or with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person hereunder or with respect to the Company. Failure on the part of a Person to complain of any act

of any Person or to declare any Person in default hereunder or with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.5 Amendment or Modification. Except for amendments authorized by Section 2.1 or as otherwise provided in the immediately succeeding sentence, this Agreement and any provision hereof may be amended, waived (except as otherwise provided herein), or modified from time to time only by a written instrument signed by Members holding 80% or more of the outstanding Units; *provided*, that any amendment, waiver or modification of any provision that would disproportionately affect a Member as compared to all other Members shall require the consent of such Member. Notwithstanding the foregoing, in addition to other amendments authorized herein, amendments may be made to this Agreement from time to time by the Board, without the consent of any Member, (i) to correct any typographical or similar ministerial errors, (ii) to delete, modify or add any provision of this Agreement required to be so deleted, modified or added by, or for compliance with, applicable Law or the interpretation thereof, (iii) to cure any mistake or ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement that are not inconsistent with the provisions of this Agreement, (iv) to reflect any changes to Exhibit A necessary to make the information thereon complete and accurate as of the date of such amendment and (v) to reflect the creation or issuance of Additional Units in accordance with Sections 3.1, 3.6, 5.4 and 5.7.

13.6 Binding Effect. Subject to the restrictions on Transfers set forth in this Agreement, this Agreement is binding on and shall inure to the benefit of the Members and their respective heirs, legal representatives, successors and permitted assigns and all other Persons hereafter holding, having or receiving an interest in the Company, whether as Transferees, Substitute Members or otherwise. The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other Person.

13.7 Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware, without regard to the principles of conflicts of law (whether of the State of Delaware or otherwise) that would result in the application of the laws of any other jurisdiction. In the event of a direct conflict between the provisions of this Agreement and any provision of the Delaware Certificate or any mandatory provision of the Act, the applicable provision of the Delaware Certificate or the Act shall control.

13.8 Consent to Jurisdiction and Service of Process; Appointment of Agent for Service of Process. EACH PARTY TO THIS AGREEMENT HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY UNITED STATES DISTRICT COURT LOCATED IN WILMINGTON, DELAWARE OR DELAWARE CHANCERY COURT LOCATED IN WILMINGTON, DELAWARE AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER SUCH ACTIONS OR PROCEEDINGS ARE BASED IN STATUTE, TORT, CONTRACT OR OTHERWISE), SHALL BE LITIGATED IN SUCH COURTS. EACH PARTY (i) CONSENTS TO SUBMIT

ITSELF TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR SUCH ACTIONS OR PROCEEDINGS, (ii) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT, AND (iii) AGREES THAT IT WILL NOT BRING ANY SUCH ACTION OR PROCEEDING IN ANY COURT OTHER THAN SUCH COURTS. EACH PARTY ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE AND IRREVOCABLE JURISDICTION AND VENUE OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY NON-APPEALABLE JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH ACTIONS OR PROCEEDINGS. A COPY OF ANY SERVICE OF PROCESS SERVED UPON THE PARTIES SHALL BE MAILED BY REGISTERED MAIL TO THE RESPECTIVE PARTY EXCEPT THAT, UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS. IF ANY AGENT APPOINTED BY A PARTY REFUSES TO ACCEPT SERVICE, EACH PARTY AGREES THAT SERVICE UPON THE APPROPRIATE PARTY BY REGISTERED MAIL SHALL CONSTITUTE SUFFICIENT SERVICE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF A PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

13.9 Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES TO THIS AGREEMENT HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED. EACH PARTY ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF ANY OF THE OTHER PARTIES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTION CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAYBE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

13.10 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

13.11 Waiver of Certain Rights. Each Member irrevocably waives any right it may have to demand any distributions or withdrawal of property from the Company except as provided herein or to maintain any action for dissolution (whether pursuant to Section 18-802 of the Act or otherwise) of the Company or for partition of the property of the Company and confirms that such waivers are a material term of this Agreement.

13.12 Notice to Members of Provisions. By executing this Agreement, each Member acknowledges that it has actual notice of (a) all of the provisions hereof (including the restrictions on the transfer set forth in Article IX) and (b) all of the provisions of the Delaware Certificate.

13.13 Counterparts. This Agreement may be executed in multiple counterparts, any of which may be delivered via facsimile or PDF, with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

13.14 Headings. The headings used in this Agreement are for the purpose of reference only and will not otherwise affect the meaning or interpretation of any provision of this Agreement.

13.15 Remedies. The Company and the Members shall be entitled to enforce their rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement (including costs of enforcement) and to exercise any and all other rights existing in their favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that the Company or any Member may in its or his sole discretion apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation or threatened violation of the provisions of this Agreement. In addition, any successful Member is entitled to costs related to enforcing this Agreement, including reasonable and documented attorneys' fees and court costs. **THE PARTIES WAIVE ANY AND ALL RIGHTS, CLAIMS OR CAUSES OF ACTION AGAINST ONE ANOTHER ARISING UNDER THIS AGREEMENT FOR ANY LOST PROFITS, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES; *PROVIDED, HOWEVER,* THAT A PARTY MAY RECOVER FROM ANY OTHER PARTY ALL COSTS, EXPENSES OR DAMAGES, INCLUDING LOST PROFITS, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, CONSEQUENTIAL, REMOTE OR SPECULATIVE DAMAGES PAID OR OWED TO ANY THIRD PERSON FOR WHICH SUCH PARTY HAS A RIGHT TO RECOVER FROM SUCH OTHER PARTY UNDER THE TERMS HEREOF.**

13.16 Severability. To the maximum extent permitted under applicable Law, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

[Separate Signature Page Attached]

IN WITNESS WHEREOF, the Members have executed this Agreement as of the Closing Date.

EXCO Holding MLP, Inc.

By: /s/ William L. Boeing
Name: William L. Boeing
Title: Vice President, General Counsel and Secretary

HGI Energy Holdings, LLC

By: /s/ Ehsan Zargar
Name: Ehsan Zargar
Title: Vice President, Counsel and Corporate Secretary

Harbinger Group Inc. Closes Joint Venture with EXCO Resources;
Establishes New Energy Operating Partnership; New Partnership Signs Agreement to Acquire Conventional Oil and Natural Gas Assets from Affiliate of BG Group plc for $132.5 Million

NEW YORK, February 15, 2013 -- Harbinger Group Inc. (NYSE: HRG) ("HGI" or the "Company") announced today that its wholly-owned subsidiary, HGI Energy Holdings, LLC, successfully closed, effective February 14, 2013, on its previously announced joint venture with EXCO Resources, Inc. ("EXCO"; NYSE: XCO) to create a private oil and gas partnership (the "Partnership").

Pursuant to the transaction, the Partnership purchased and will operate EXCO's conventional oil and natural gas assets in West Texas, including and above the Canyon Sand formation, as well as in the Danville, Waskom, Holly and Vernon fields in East Texas and North Louisiana. A definitive agreement to enter into the Partnership was announced on November 5, 2012.

"This joint venture with EXCO fits well within our strategy of identifying and acquiring businesses with untapped value that we can support and grow by providing access to long-term capital and partnering with high-quality, proven management teams," said Philip A. Falcone, HGI Chairman and Chief Executive Officer. "With this transaction, we are further diversifying HGI by establishing a new Energy operating business that will complement our existing, highly-successful Consumer Products and Insurance & Financial Services businesses. We will continue to look for strategic opportunities to increase our footprint in the important Energy sector by acquiring companies with long-term growth potential."

"The Partnership is expected to provide stable dividends to HGI from long-life, low geological-risk conventional oil and gas assets that generate steady production and reliable cash flows, while at the same time retaining ample cash flow to invest in its reserve base, maintain production and position itself for further growth," said HGI President Omar Asali. "Additionally, as a result of the July 1, 2012 effective date of the transaction, we have already received an economic benefit of approximately $24.2 million. We appreciate the efforts of the EXCO team in facilitating an orderly transaction and are excited about working with such an established and well-known operator."

Under the terms of the agreement announced on November 5, the Partnership acquired the oil and gas assets from EXCO for approximately $725 million of total consideration, which represents HGI's effective equity interest of $372.5 million, $127.5 million in oil and gas properties and related assets contributed by EXCO, in each case before giving effect to preliminary closing adjustments described below, and approximately $225 million of bank debt. The net cash contributed from HGI was $348.3 million reflecting the effect of preliminary closing adjustments and the economic benefits related to the July 1, 2012 effective date.

HGI has approximately a 75% equity interest in the Partnership. The Partnership will be governed by a Board of Directors of the general partner consisting of two EXCO directors and two HGI directors. EXCO will continue to operate the assets as contract operator of the properties and provide services pursuant to contract operating and administrative service agreements with the Partnership.

HGI and EXCO intend to opportunistically add incremental cash flow to the Partnership through the acquisition of other mature, conventional assets over time. As the first step in executing this business strategy, effective as of February 14, 2013, the Partnership entered into an agreement to acquire certain conventional oil and natural gas assets in the Danville, Waskom and Holly fields in East Texas and North Louisiana, including and above the Cotton Valley formation, from an affiliate of BG Group plc for $132.5 million, subject to customary closing adjustments. These properties represent an incremental working interest in properties that EXCO contributed to the Partnership. This transaction is expected to close in March 2013. The Partnership intends to fund the acquisition using its revolving credit agreement.

HGI's financial advisor for this transaction is Citigroup and its legal advisors were Andrews Kurth LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP.

The foregoing summary does not purport to be a complete description of the transaction and related agreements. Interested parties should read HGI's other announcements and public filings regarding this transaction and related agreements by reviewing HGI's filings with the Securities and Exchange Commission (www.sec.gov).

About Harbinger Group Inc.

Harbinger Group Inc. ("HGI"; NYSE: HRG) is a diversified holding company. HGI's principal operations are conducted through subsidiaries that offer life insurance and annuity products; branded consumer products such as batteries, personal care products, small household appliances, pet supplies, and home and garden pest control products; and energy assets. HGI is principally focused on acquiring controlling and other equity stakes in businesses across a diversified range of industries and growing its existing businesses. In addition to HGI's intention to acquire controlling equity interests, HGI may also from time to time make investments in debt instruments and acquire minority equity interests in companies. Harbinger Group Inc. is headquartered in New York and traded on the New York Stock Exchange under the symbol HRG. For more information on HGI, visit: www.harbingergroupinc.com.

About EXCO Resources, Inc.

EXCO Resources, Inc. is an oil and natural gas acquisition, exploitation, development and production company headquartered in Dallas, Texas with principal operations in East Texas, North Louisiana, Appalachia and West Texas.

Forward Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: Some of the statements contained in the Press Release and certain oral statements made by our representatives from time to time regarding the matters discussed herein are or may be forward-looking statements. Such forward-looking statements are based upon management's current expectations that are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by such forward-looking statements. These statements and other forward-looking statements made from time-to-time by the Company and its representatives, including the expected closing of the transaction with the BG seller and the expected ability of the Partnership to make distributions, are based upon certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may" or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation, the ability of the Company's subsidiaries (including, the Partnership) to generate sufficient net income and cash flows to make upstream cash distributions, capital market conditions, that the Company may not be successful in identifying any suitable future acquisition opportunities, the risks that may affect the performance of the operating subsidiaries of the Company and those factors listed under the caption "Risk Factors" in the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission. All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. The Company does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results

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