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): November 5, 2012

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, 27th 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:

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

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

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

☐ 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.

Unit Purchase and Contribution Agreement

On November 5, 2012, HGI Energy Holdings, LLC ("HGI Energy"), a Delaware limited liability company and a wholly owned subsidiary of Harbinger Group Inc. ("HGI" or the "Company"), entered into a Unit Purchase and Contribution Agreement (the "Purchase Agreement") with EXCO Resources, Inc. ("EXCO Parent"), a Texas corporation, EXCO Operating Company, LP ("EOC", and collectively with EXCO Parent, "EXCO"), a Delaware limited partnership, and EXCO/HGI JV Assets, LLC ("MLP LLC"), a Delaware limited liability company initially formed as an indirect wholly owned subsidiary of EXCO Parent, pursuant to which, at the closing of the transactions contemplated by the Purchase Agreement (the "Closing"), which will be effective in economic terms as of July 1, 2012 (the "Effective Time"), EXCO and HGI Energy have agreed to form EXCO/HGI Production Partners, LP (the "Partnership"), a Delaware limited partnership, and its general partner, EXCO/HGI GP, LLC, a Delaware limited liability company (the "General Partner"). The Partnership will be formed for the purpose of holding producing oil, gas and mineral leases and wells located in shallow depths in the Permian Basin in West Texas and in East Texas/North Louisiana and holding certain contracts, easements, permits and rights-of-way, tangible assets, data and records, in each case, relating to such oil and gas properties (the "Contributed Properties").

Contributions to MLP LLC. Pursuant to the Purchase Agreement, prior to the Closing, EXCO Parent and EOC will contribute the Contributed Properties to MLP LLC, and MLP LLC will assume certain related liabilities, after which EXCO Parent will cause all of the issued and outstanding limited liability company interests in MLP LLC to be held by EXCO Holding MLP, Inc. ("EXCO Holding"), a Texas corporation and a wholly owned subsidiary of EXCO Parent.

Contributions to, and Distributions from, the Partnership. At the Closing, and in each case in accordance with the terms and conditions set forth in the Purchase Agreement, EXCO Parent will cause EXCO Holding to: (a) contribute and deliver all of the issued and outstanding limited liability company interests of MLP LLC to the Partnership in exchange for 12,750,000 common units representing limited partner interests in the Partnership ("Common Units") and a cash amount equal to $597,500,000 (which amounts may be adjusted as described below) and (b) contribute 500,000 Common Units to the General Partner in exchange for 500,000 units representing limited liability company interests in the General Partner ("GP LLC Units") (which amounts may be adjusted as described below). Additionally, HGI Energy will contribute (a) a cash amount equal to $372,500,000 to the Partnership (the "HGI Energy Contribution") in exchange for 37,250,000 Common Units (which amounts may be adjusted as described below), and (b) contribute 500,000 Common Units to the General Partner in exchange for 500,000 GP LLC Units (which amounts may be adjusted as described below). Immediately after the aggregate 1,000,000 Common Units are contributed by EXCO Holding and HGI Energy to the General Partner, such Common Units held by the General Partner will be converted into 1,000,000 notional general partner units representing general partner interests in the Partnership (which amounts may be adjusted as described below). Also at Closing, the Partnership is expected to enter into a $400,000,000 secured revolving credit facility (the "Partnership Debt"), from which an initial $225,000,000 (as may be adjusted as described below) is expected to be drawn at the Closing to fund in part the Partnership's $597,500,000 cash distribution to EXCO Holding.

Adjustment of Contributions and Distributions. Each of the amounts described above are subject to adjustments set forth in the Purchase Agreement that are intended to provide MLP LLC with the economic benefits and costs associated with the ownership of the Contributed Properties during the period from the Effective Time to the Closing and to maintain the relative equity ownership of HGI Energy, on the one hand, and EXCO Holding, on the other hand, in the Partnership and the General Partner.

Such amounts may also be adjusted, with the effect of maintaining the relative equity ownership between HGI Energy and EXCO Holding, to the extent that assets are excluded from the transaction or adjustments are made to the applicable amounts, in each case, based upon title defects, environmental defects or the failure to obtain required third party consents, waivers of applicable preferential purchase rights or waivers of maintenance of uniform interest provisions. It is a condition to each of EXCO's and HGI Energy's obligations to complete the transactions contemplated by the Purchase Agreement that the aggregate value of these adjustments do not, in the aggregate, exceed $70,000,000.

Representations and Warranties; Covenants; Indemnities. The Purchase Agreement contains customary representations and warranties, covenants and indemnities by EXCO and HGI Energy.

Title and Environmental Matters. With limited exceptions, HGI Energy's exclusive remedy for title and environmental matters is through a customary title and environmental defect mechanism, which includes customary thresholds and deductibles. HGI Energy will have until January 7, 2013 to conduct its diligence of title and environmental matters relating to the Contributed Properties.

Equity Ownership of the Partnership. Upon completion of the Closing, HGI Energy will hold 74.5% of the Common Units and EXCO Holding will hold 25.5% of the Common Units, in each case directly or through their interest in the General Partner. In addition, each of HGI Energy, on the one hand, and EXCO Holding, on the other hand, will hold 50% of the GP LLC Units. The General Partner will, in turn, own a 2% general partner interest in the Partnership and all of the incentive distribution rights in the Partnership (the "Incentive Distribution Rights"). The Incentive Distribution Rights will entitle the General Partner to receive (a) quarterly distributions of available cash (as defined in the Amended and Restated Agreement of Limited Partnership of the Partnership to be entered into at Closing (the "Partnership Agreement"), which will include all sources of cash after giving effect to reserves, but will exclude cash from capital contributions) equal to 23% of the amount of such distributions after distributions to the General Partner and holders of Common Units exceed $1.00 per unit per fiscal year, and (b) net proceeds from distributions of the proceeds of sales of certain capital assets equal to 23% of the amount of such distributions to the General Partner and holders of Common Units following the return of 110% of invested capital with respect to Common Units.

Management of the General Partner. Following the Closing, the General Partner will be the sole general partner of the Partnership. The General Partner will be managed by the Board of Directors of the General Partner (the "Board"), which will initially consist of two members designated by HGI Energy and two members designated by EXCO Holding. Under the terms of the Amended and Restated Limited Liability Company Agreement of the General Partner (the "LLC Agreement") that will be entered into at Closing, 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.

Certain Business Opportunities. In addition, the LLC Agreement will require each of EXCO Parent and certain of its affiliates (the "EXCO Group") and HGI and certain of its affiliates (the "HGI Group") to present certain business opportunities to the Partnership. If the EXCO Group or the HGI Group desires to purchase, acquire or otherwise obtain oil and gas properties meeting certain specified criteria, including that such oil and gas properties (a) are located onshore in the United States of America, (b) have proved developed reserves that comprise at least 65% of proved reserves and projected decline rates of 12.5% or less on an annualized basis in the three calendar years post-acquisition, (c) include undeveloped acreage that contributes less than 30% of the value of such oil and gas properties, (d) with respect to future development opportunities, substantially all of such future development opportunities could economically occur through drilling vertical wells, (e) are in the aggregate reasonably estimated to generate cash flow sufficient to cover the cost of future development and (f) are valued at an amount equal to or less than the aggregate amount of then-existing financing reasonably available to the Partnership ("Partnership Appropriate Oil and Gas Properties"), such group will be obligated to give notice of such potential acquisition to the Partnership, which must be delivered at least 40 days prior to the closing of the potential acquisition. For a period of 30 days after such notice and all information reasonably requested by the receiving party have been received, the Partnership will 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 (a) from the seller(s) of such Partnership Appropriate Oil and Gas Properties or (b) from the EXCO Group or the HGI Group, as applicable, following such group's acquisition of such Partnership Appropriate Oil and Gas Properties, in each case, upon substantially the same terms and the same price as payable or paid by the EXCO Group or HGI Group, as applicable, for such Partnership Appropriate Oil and Gas Properties. If the EXCO Group or the HGI Group desires to sell, transfer or otherwise dispose of any Partnership Appropriate Oil and Gas Properties, such group will be obligated to give notice of such potential disposition to the Partnership, which must be delivered at least 40 days prior to the closing of the potential disposition. For a period of 30 days after such notice and all information reasonably requested by the receiving party have been received, the Partnership will have an irrevocable right and option to agree to purchase all but not less than all of such Partnership Appropriate Oil and Gas Properties from the EXCO Group or the HGI Group, as applicable, on substantially the same terms as those offered by the other potential purchaser and at a price no less than 2% higher than the price offered by such other potential purchaser. The provisions in the LLC Agreement governing business opportunities do not apply to package sales in which the Partnership Appropriate Oil and Gas Properties constitute less than 20% of the overall value of the transaction, sales of all or substantially all of HGI's or EXCO's assets, or acquisitions of an entity in which Partnership Appropriate Oil and Gas Properties constitute one-third or less of the value of such entity and will terminate upon the earliest to occur of (a) 12 months following either a change of control of EXCO Parent or a change of control of HGI, (b) HGI Energy exercising, pursuant to the LLC Agreement, full special committee control rights relating to certain Board actions after a change of control of EXCO Parent, (c) EXCO Parent or its affiliates no longer serving as an operator of the Contributed Properties or (d) either (i) EXCO Holding no longer owning any GP LLC Units, (ii) HGI Energy no longer owning any GP LLC Units or (iii) HGI Energy transferring 25% or more of the outstanding GP LLC Units to a competitor of the Partnership.

Certain Appalachia Business Opportunities. Acquisitions and dispositions by EXCO of conventional oil and gas properties in New York, Ohio, Pennsylvania and West Virginia ("Appalachia Properties") are subject to the provisions in the LLC Agreement governing business opportunities (described above), but such rights with respect to Appalachia Properties are further subject to the terms of that certain Appalachia Letter Agreement, by and among EXCO Parent, EOC, HGI Energy and HGI, dated as of November 5, 2012 (the "Appalachia Agreement"). Pursuant to the Appalachia Agreement, EXCO and its affiliates may acquire, without complying with the applicable provisions of the LLC Agreement, Appalachia Properties (a) that (i) are acquired primarily for the purpose of complementing EXCO's existing portfolio of existing Appalachia Properties, (ii) are acquired by EXCO solely for its own account and (iii) will be operated by EXCO (or certain affiliates of EXCO) for its own account and (b) except as provided above or in any permitted disposition described below, for which EXCO will not provide any third party with any equity or equity-linked right to such acquired Appalachia Properties. Pursuant to the Appalachia Agreement, EXCO may dispose of or transfer, without complying with the applicable provisions of the LLC Agreement, Appalachia Properties (a) to entities for which the equity owners (i) are persons whose principal business is owning and operating oil and gas properties and (ii) received a significant portion of their equity interests in exchange for the contribution of assets and (b) to any person if after such disposition or transfer neither EXCO nor its affiliates will remain as operator or receive any general partnership or other promoted equity interest or significant control rights, provided that with respect to such disposition or transfers, subject to existing agreements with third parties, HGI shall have a right of first offer.

Common Unit and GP LLC Unit Transfer Restrictions. Under the Partnership Agreement and LLC Agreement, respectively, transfers of Common Units and GP LLC Units will be subject to various restrictions, and each of HGI Energy and EXCO Holding will have various rights with respect to the transfer or issuance of Common Units and GP LLC Units, including (a) rights of first refusal, (b) tag-along rights, (c) preemptive rights and (d) drag-along rights.

Operation of the Contributed Properties. Also in connection the Closing, (i) each of EXCO Parent and EOC will enter into an Operating Agreement with MLP LLC to provide certain services with respect to the operation of the Contributed Properties contributed by such party to MLP LLC and certain related assets and (ii) EXCO Parent, the General Partner and the Partnership will enter into an Administrative Services Agreement, pursuant to which EXCO Parent will provide certain services to the Partnership.

Conditions to Closing. The Purchase Agreement contains a number of conditions that must be satisfied before EXCO and HGI Energy have the obligation to effect the Closing, including, in addition to the condition described above: the accuracy of EXCO's and HGI Energy's respective representations and warranties; compliance by EXCO and HGI Energy with their respective covenants; the absence of injunctions or certain suits or actions; the receipt of certain consents (including the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended); the receipt of the debt financing to the Partnership described above; the obtaining and maintenance of certain insurance coverage by EXCO Parent and the Partnership and its subsidiaries; the release of liens under certain existing debt of EXCO and its affiliates; and the receipt by HGI Energy of certain historical financial statements relating to the Contributed Properties.

Termination of Purchase Agreement. The Purchase Agreement can be terminated upon the occurrence of certain events, including if Closing has not occurred on or prior to the earlier of March 5, 2013 (the "Termination Date") and the expiration of the obligations contained in the agreement under which the Partnership Debt is to be provided to the Partnership. Under certain circumstances, if the Purchase Agreement is terminated by a party thereto (the "Terminating Party") due to (a) a breach of the Purchase Agreement by another party that would reasonably be expected to result in a failure to satisfy a condition to Closing and that cannot be cured prior to the earlier of the Termination Date or 30 days following notice of such breach or (b) the breach of the non-Terminating Party of its obligation to consummate the Closing (or, in the case of EXCO, the related reorganization transactions) when all of such other party's conditions to Closing have been satisfied or waived, then the non-Terminating Party shall be required to pay the Terminating Party an aggregate amount equal to $60,000,000.

The Purchase Agreement has been provided solely to inform investors of its terms. The representations, warranties and covenants contained in the Purchase Agreement were made only for purposes of such agreement and as of specific dates, were made solely for the benefit of the parties to the Purchase Agreement and may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. In addition, such representations, warranties and covenants may have been qualified by certain disclosures not reflected in the text of the Purchase Agreement, and may be subject to standards of materiality applicable to contracting parties that differ from what may be viewed as material by shareholders of, or other investors in, HGI. Investors are not third-party beneficiaries under the Purchase Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of HGI, EXCO or any of their respective subsidiaries or affiliates. The assertions embodied in the representations and warranties of HGI Energy and EXCO are qualified by information contained in the confidential disclosure schedules delivered in connection with signing the Purchase Agreement as well as by information contained in certain of HGI's and EXCO's public filings. Information concerning the subject matter of such representations and warranties may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in the parties' public disclosures.

The foregoing description of the Purchase Agreement, the form of Partnership Agreement, the form of LLC Agreement and the Appalachia Agreement does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement, the form of Partnership Agreement, the form of LLC Agreement and the Appalachia Agreement, which are filed as Exhibits 2.1, 10.1, 10.2 and 10.3, respectively, and incorporated herein by reference.

Forward-Looking Statements:

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: Some of the statements contained in this report and certain oral statements made by HGI's representatives from time to time regarding the matters discussed herein, including those statements related to the proposed transaction and its effects on HGI, 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 similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation, the risk that closing of the transaction will not occur, will be delayed or will close on terms materially different than expected (including as a result of title and environmental diligence of properties to be acquired, commodity price risks, drilling and production risks), financing plans for the Partnership and the transaction, reserve estimates and values, statements about the Partnership properties and potential reserves and production levels, the ability of HGI's subsidiaries (including the 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. 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.

(d) Exhibits

Exhibit Number	Exhibit Description
2.1*	Unit Purchase and Contribution Agreement, dated as of November 5, 2012, by and among EXCO Resources, Inc., EXCO Operating Company, LP, EXCO/HGI JV Assets, LLC and HGI Energy, LLC
10.1	Form of Amended and Restated Agreement of Limited Partnership of EXCO/HGI Production Partners, LP
10.2	Form of Amended and Restated Limited Liability Company Agreement of EXCO/HGI GP, LLC
10.3	Appalachia Letter Agreement, dated as of November 5, 2012, by and among EXCO Resources, Inc., EXCO Operating Company, LP, HGI Energy Holdings, LLC and Harbinger Group Inc.

* 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: November 9, 2012

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

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Exhibit 2.1

Execution Version

UNIT PURCHASE AND CONTRIBUTION AGREEMENT

BY AND AMONG

EXCO RESOURCES, INC.,

EXCO OPERATING COMPANY, LP,

EXCO/HGI JV ASSETS, LLC

AND

HGI ENERGY HOLDINGS, LLC

DATED AS OF NOVEMBER 5, 2012

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UNIT PURCHASE AND CONTRIBUTION AGREEMENT

This Unit Purchase and Contribution Agreement (as may be amended, restated, supplemented or otherwise modified from time to time, this "Agreement") is dated as of November 5, 2012 (the "Execution Date"), 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. In accordance with and subject to this Agreement and as part of the Reorganization (as hereinafter defined), EXCO Parent and EOC intend to contribute certain conventional oil and gas properties and associated assets to MLP LLC, and to effect the Reorganization (as hereinafter defined), such that, after the completion of the Reorganization, EXCO Holding MLP, Inc., a Texas corporation and a wholly owned subsidiary of EXCO Parent ("EXCO Holding") will own all of the issued and outstanding membership interests of MLP LLC (the "MLP LLC Membership Interests").

B. Immediately prior to Closing, EXCO Parent will cause EXCO Holding to form EXCO/HGI GP, LLC, a Delaware limited liability company (the "General Partner"), and thereafter, with the General Partner, EXCO/HGI Production Partners, LP, a Delaware limited partnership (the "Partnership"), to serve as the joint venture entity upon and following the Closing. Neither the General Partner nor the Partnership shall operate any business or own any material assets until and unless the Closing occurs.

C. At Closing, subject to the terms and conditions of this Agreement:

(i) EXCO Parent will cause EXCO Holding to (a) contribute and deliver all of the MLP LLC Membership Interests to the Partnership in exchange for the EXCO Issued Units (as hereinafter defined) and a cash amount equal to the Distribution Amount (as hereinafter defined) together with $980 as a return of the organizational limited partner contribution, and (b) contribute the EXCO Contributed Units (as hereinafter defined) to the General Partner pursuant to a Contribution and Assignment of Common Units (as hereinafter defined) in exchange for the EXCO GP LLC Units (as hereinafter defined);

(ii) Investor will (a) contribute cash in an amount equal to the Cash Contribution (as hereinafter defined) to the Partnership in exchange for the Investor Issued Units (as hereinafter defined) and (b) contribute the Investor Contributed Units (as hereinafter defined) to the General Partner pursuant to a Contribution and Assignment of Common Units in exchange for the Investor GP LLC Units (as hereinafter defined);

(iii) the EXCO Contributed Units and the Investor Contributed Units held by the General Partner will be automatically converted into a like number of Notional General Partner Units (as hereinafter defined) and IDRs (as hereinafter defined) representing a continuation of the 2% General Partner Interest.

D. Immediately after the Closing, the Partnership will be owned approximately 73.5% by Investor, 24.5% by EXCO Holding and 2% by the General Partner (along with owning the IDRs), and the General Partner will be owned 50% by Investor and 50% by EXCO Holding.

NOW, THEREFORE, in consideration of the premises and of the mutual promises, representations, warranties, covenants, conditions and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound by the terms hereof, agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.1 Defined Terms. In addition to the terms defined in the Preamble and the Recitals of this Agreement, for purposes hereof, the capitalized terms used herein and not otherwise defined shall have the meanings set forth below:

"AAA" has the meaning set forth in Section 10.5(c).

"Accounting Arbitrator" has the meaning set forth in Section 10.5(c).

"Actual Amount" has the meaning set forth in Annex A.

"Actual Knowledge" means information personally known by an individual identified in Schedule 5.1 or Schedule 6.1, as applicable.

"Adjusted Initial Draw Amount" means the Target Initial Draw Amount, as adjusted pursuant to Section 2.3.

"Administrative Services Agreement" means the Administrative Services Agreement in substantially the form attached as Exhibit N.

"Administrative Services Fee" has the meaning set forth in the Administrative Services Agreement.

"AFEs" means authorization for expenditures issued pursuant to a Contract.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly Controls, is Controlled by or is under common Control with such Person. For the avoidance of doubt and notwithstanding anything herein to the contrary, (a) each Partnership Entity shall be considered an Affiliate of EXCO Parent and its Affiliates prior to Closing and (b) no Partnership Entity shall be considered an Affiliate of Investor, EXCO or their respective Affiliates from and after Closing.

"Aggregate Defect Deductible" means $14,000,000.

"Agreed Reduction Amount" has the meaning set forth in Annex A.

"Agreement" has the meaning set forth in Preamble of this Agreement.

"Allocable Amount" has the meaning set forth in Section 13.8.

"Allocated Value" has the meaning set forth in Section 2.4.

"Allocation Schedule" has the meaning set forth in Section 13.8.

"Asset Tax Records" means copies of books, records or documents relating to Taxes only to the extent imposed on the Assets or with respect to the Assets, excepting any documents and other materials that are subject to a valid legal privilege and also excepting the Excluded Assets.

"Assets" means the EOC Assets, the EXCO Parent Assets and the Gathering Assets, and "Asset" means any of the foregoing.

"Assignment of MLP LLC Membership Interests" means the Assignment of MLP LLC Membership Interests in substantially the form attached as Exhibit K-1.

"Assignments" means the (a) the Production Assets Assignments and (b) the Vernon Assignment.

"Assumed Obligations" means (a) all obligations and liabilities, known or unknown, to the extent attributable to the ownership, use or operation of the Production Assets during the period at or after the Effective Time; (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 Production Assets at or after the Effective Time, (c) all obligations to pay the proportionate share attributable to the Production Assets to perform all obligations applicable to or imposed on the lessee, owner or operator under the Subject Leases or under any Contracts included in the Production Assets, or as required by any Law, including the payment of all Taxes for which MLP LLC 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 Production Assets according to the terms of applicable gas sales, processing, gathering or transportation Contracts, (ii) payment of the proportionate share attributable to the Production Assets to properly plug and abandon any and all Wells, including temporarily abandoned Wells, (iii) payment of the proportionate share attributable to the Production 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 Production Assets, and (iv) payment of the proportionate share attributable to the Production Assets to abandon, clean up, restore and remediate the premises covered by or related to the Production Assets in accordance with applicable agreements and Laws; *but excluding*, in all such instances, (x) the Excluded Liabilities, (y) the Pre-Effective Time Liabilities (other than those liabilities described in subsection (d) above, which liabilities for the avoidance of doubt are part of the "Assumed Obligations" hereunder) and (z) prior to the Cut-off Date, matters that are the bases for the downward adjustments set forth in Section 2.2(b), which will be exclusively settled and accounted for pursuant to the terms of Section 2.2(b), Section 2.2(c) and Section 10.5.

"Audited Financial Statements" has the meaning set forth in Section 7.10(a).

"Averaged Remedy Amount" has the meaning set forth in Annex A.

"BG Consent Properties" means those Leases described in Exhibit A-1(B) and Exhibit A 1(C) and related Assets, in each case, that are burdened by the BG JDA.

"BG JDA" means that certain Joint Development Agreement dated August 14, 2009, as amended, among BG US Production Company, LLC, EOC and EXCO Production Company, LP.

"BG Tax Partnership" means the tax partnership among the parties to the BG JDA affecting the BG Consent Properties.

"Business Day" means each calendar day except Saturdays, Sundays and federal holidays.

"Cash Adjustment Amount" has the meaning set forth in Section 2.2.

"Cash Contribution" means the Target Cash Contribution, as adjusted in accordance with Section 2.2(c) and Section 2.3.

"Casualty Loss" has the meaning set forth in Section 3.8(a).

"Central Time" means the central time zone of the United States of America.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., as amended.

"Claim Notice" has the meaning set forth in Section 12.3(b).

"Closing" has the meaning set forth in Section 10.1.

"Closing Certificate" means the certificate to be delivered at Closing by EXCO pursuant to Section 9.1(c) or by Investor pursuant to Section 9.2(c), as applicable.

"Closing Date" has the meaning set forth in Section 10.1.

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

"Common Units" has the meaning set forth in the Partnership Agreement.

"Confidentiality Agreement" means that certain Confidentiality Agreement dated August 1, 2012 between Harbinger Group Inc. and EXCO Parent.

"Contracts" means 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, (a) any Excluded Asset, (b) any Lease, easement, right-of-way, Permit or other instrument (other than acquisition or similar sales or purchase agreements) creating or evidencing an interest in any of the Assets that constitute real or immovable property and (c) all master service agreements and services and supply agreements typically held by the operator of properties similar to the Properties.

"Contribution and Assignment of Common Units" means a Contribution and Assignment of Common Units in substantially the form attached as Exhibit K-2.

"Control" means the ability to direct the management and policies of a Person through ownership of voting shares or other equity rights, pursuant to a written agreement or otherwise. The terms "Controls," "Controlled by" and other derivatives shall be construed accordingly.

"Credit Agreement" means the credit agreement, loan agreement, revolver or term loan to be entered into by the Partnership and its lenders in accordance with the terms set forth in the Debt Commitment Letter.

"Cure Period" has the meaning set forth in Section 3.2(b).

"Current Tax Period" has the meaning set forth in Section 13.3.

"Customary Post-Closing Consents" means the consents and approvals from Governmental Bodies for the assignment of the Production Assets to another Person that are customarily obtained after the assignment of properties similar to the Production Assets.

"Cut-off Date" has the meaning set forth in Section 2.2.

"Damages" means the amount of any actual liability, loss, cost, expense, Taxes, claim, award or judgment incurred or suffered by any Person to be indemnified under this Agreement arising out of or resulting from the indemnified matter, whether attributable to personal injury or death, property damage, contract claims (including contractual indemnity claims), torts or otherwise, including reasonable fees and expenses of attorneys, consultants, accountants or other agents and experts reasonably incident to matters indemnified against, and the reasonable costs of investigation and monitoring of such matters, and the reasonable costs of enforcement of the indemnity.

"Debt Commitment Letter" means that certain Commitment Letter, by and among EXCO Parent, HGI, J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A., dated as of November 5, 2012.

"Dedicated Employee" has the meaning set forth in the Administrative Services Agreement.

"Default Rate" means an interest rate (which shall in no event be higher than the rate permitted by applicable Law) equal to 8% per annum.

"Defect Claim Date" has the meaning set forth in Section 3.2(a).

"Defensible Title" means that title of EXCO and/or MLP LLC with respect to the Production Assets that, except for and subject to the Permitted Encumbrances:

(a) with respect to a Subject Well (limited to any currently producing intervals with respect to a Well or the reservoirs set forth in Schedule 3.2 with respect to a Future Well, as applicable), entitles such Party to receive Hydrocarbons within, produced, saved and marketed from such Subject Well throughout the duration of the productive life of such Subject Well not less than the Net Revenue Interest shown in Schedule 2.4 or Schedule 3.2 (as applicable) for such Subject Well, except (i) for decreases in connection with those operations from and after the Execution Date in which such Party may be a nonconsenting co-owner, (ii) for decreases resulting from the establishment or amendment of pools or units from and after the Execution Date, (iii) for decreases required to allow other Working Interest owners to make up past underproduction or pipelines to make up past under-deliveries and (iv) as otherwise shown in Schedule 2.4, Schedule 3.2, Exhibit A-2, Exhibit B-2 or Exhibit B-3;

(b) with respect to a Subject Well (limited to any currently producing intervals with respect to a Well or the reservoirs set forth in Schedule 3.2 with respect to a Future Well, as applicable), obligates such Party to bear a percentage of the costs and expenses for the maintenance and development of, and operations relating to, such Subject Well not greater than the Working Interest shown in Schedule 2.4 or Schedule 3.2 (as applicable) for such Subject Well, without increase throughout the productive life of such Subject Well, except (i) for increases that are accompanied by at least a proportionate increase in such Party's Net Revenue Interest, (ii) for increases resulting from contribution requirements with respect to defaults by co-owners under the applicable operating agreement and (iii) as otherwise shown in Schedule 2.4, Schedule 3.2, Exhibit A-2, Exhibit B-2 or Exhibit B-3; and

(c) is free and clear of liens, encumbrances, obligations or defects.

"Disposal Fee" has the meaning set forth in each of the Operating Agreements.

"Disputed Environmental Matters" has the meaning set forth in Section 4.2(a).

"Disputed Title Benefits" has the meaning set forth in Section 3.3(d).

"Disputed Title Defect" has the meaning set forth in Section 3.2(b).

"Disputed Title Matters" has the meaning set forth in Section 3.4(a).

"Distribution Agreement" means the Distribution Agreement in substantially the form attached as Exhibit H.

"Distribution Amount" means the Target Distribution Amount, as adjusted in accordance with Section 2.2(c) and Section 2.3.

"DOJ" means the U.S. Department of Justice.

"Dollars" means U.S. Dollars.

"Effective Time" means 12:01 a.m. Central Time on July 1, 2012.

"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.

"Employee Liabilities" means (without limiting the obligations of the Partnership Group under Article 4 of the Administrative Services Agreement and the provisions of Section 2.2(a)(iv) and Section 2.2(b)(v)) all liabilities caused by, arising out of, or resulting from any employee/employer relationships of EXCO or any of its Affiliates with any Employee, including (a) EXCO's or its Affiliates' employment relationship with the Employees, (b) EXCO's or its Affiliates' Employee Benefit Plans applicable to the Employees, (c) EXCO's or its Affiliates' responsibilities under ERISA respecting Employee Benefit Plans applicable to the Employees or (d) ERISA Affiliate Liabilities; excluding, for the avoidance of doubt, (i) liabilities arising from claims by any Employee (or such Employee's spouse or other relatives) against a member of the Partnership Group relating to personal injury and/or death of an Employee or (ii) liabilities for which MLP LLC is liable under the Shared Asset/Use Agreement.

"Employees" means all employees of EXCO 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 EXCO or any such Affiliate.

"Enforceability Exceptions" has the meaning set forth in Section 5.4(a).

"Environmental Arbitration Decision" has the meaning set forth in Section 4.2(e).

"Environmental Arbitration Notice" has the meaning set forth in Section 4.2(b).

"Environmental Arbitrator" has the meaning set forth in Section 4.2(c).

"Environmental Defect" means (a) any written notice from a Governmental Body asserting or alleging a violation of an Environmental Law attributable to the use, ownership or operation of the Assets, (b) a condition on or affecting an Asset that violates an Environmental Law, including the potential loss of the use of Assets or Production Assets on account of such violation of such Environmental Law, (c) a condition on or affecting an Asset with respect to which remedial or corrective action is required under an Environmental Law and (d) any other Environmental Liability.

"Environmental Defect Notice" has the meaning set forth in Section 4.1(a).

"Environmental Defect Property" has the meaning set forth in Section 4.1(a).

"Environmental Laws" means, as the same have been amended as of the Execution Date (but not otherwise), 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 as of the Execution Date 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 Assets.

"Environmental Liabilities" means any and all environmental response costs (including costs of Remediation), damages, natural resource damages, settlements, consulting fees, expenses, penalties, fines, prejudgment and post-judgment interest, court costs, attorneys' fees and other liabilities incurred or imposed (a) pursuant to any order, notice of responsibility, directive (including requirements embodied in Environmental Laws), injunction, judgment or similar act (including settlements) by any Governmental Body or court of competent jurisdiction to the extent arising out of any violation of, or Remedial obligation under, any Environmental Laws that are attributable to the ownership or operation of the Assets or (b) pursuant to any claim or cause of action by a Governmental Body or other Person for personal injury, property damage, damage to natural resources, Remediation or response costs to the extent arising out of any violation of, or any Remediation obligation under, any Environmental Laws that are attributable to the ownership or operation of the Assets.

"EOC" has the meaning set forth in the Preamble of this Agreement.

"EOC Assets" means, subject to the terms and conditions of this Agreement, and less and except the Excluded Assets, all of EOC's right, title and interest in and to the following:

(a) (i) the Leases that are identified in Exhibit A-1(A), INSOFAR AND ONLY INSOFAR, as EOC's interests in such Leases cover or relate to the Vernon Depths (EOC's interests in such Leases as limited to such depths, the "Vernon Leases"); (ii) the Leases that are identified in Exhibit A-1(B), INSOFAR AND ONLY INSOFAR, as EOC's interests in such Leases cover or relate to the ETX Depths (EOC's interests in such Leases as limited to such depths, the "ETX Leases"); and (iii) the Leases that are identified in Exhibit A-1(C), INSOFAR AND ONLY INSOFAR, as EOC's interests in such Leases cover or relate to NLA Depths (EOC's interests in such Leases as limited to such depths, the "NLA Leases" and together with the Vernon Leases and the ETX 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 (the "TX/LA Units");

(c) (i) 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, primarily in connection with the production of Hydrocarbons from the TX/LA Leases, including the wells shown

in Exhibit A-2 and (ii) those wells described in Exhibit A-3 (including such rights and interests as are owned by EOC and are necessary for the continued production of Hydrocarbons from the wells described in Exhibit A-3) (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 assets described in subsection (e) below, the TX/LA Units, the TX/LA Leases and the TX/LA Wells, the "TX/LA Properties");

(e) subject to the terms of the Shared Assets/Use Agreement and excluding the assets described in subsection (d) above, concurrent rights with EOC in and to all flowlines, pipelines, gathering systems and appurtenances thereto located on the TX/LA Leases or TX/LA Units and used in connection with the ownership or operation of the TX/LA Wells or the production of Hydrocarbons therefrom;

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

(g) all surface fee interests, 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;

(h) subject to the terms of the Shared Assets/Use Agreement and excluding the assets described in subsection (g) above, concurrent rights with EOC 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;

(i) to the extent owned by EOC, all equipment, machinery, tools, fixtures and other tangible personal property and improvements located on the TX/LA Properties (other than the TX/LA Wells) and used solely in connection with the ownership or operation of the TX/LA Properties or the production of Hydrocarbons therefrom;

(j) to the extent owned by EOC, but subject to the terms of the Shared Assets/Use Agreement and excluding the assets described in subsection (i) above, concurrent rights with EOC in and to all equipment, machinery, tools, fixtures and other tangible personal property and improvements 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;

(k) 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;

(l) subject to the terms of the Shared Assets/Use Agreement and excluding the assets described in subsection (k) above, concurrent rights with EOC 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;

(m) 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;

(n) to the extent transferable without the payment of a fee or other penalty (unless Investor has agreed that MLP LLC should pay such fee or other penalty), all geophysical and other seismic data and related technical data and information (in each case) relating to the TX/LA Leases or TX/LA Units;

(o) subject to Section 3.8, 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 EOC 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

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

"EOC Operating Agreement" means the EOC Operating Agreement in substantially the form attached as Exhibit M-1.

"Equity Commitment Letter" has the meaning set forth in Section 6.8(a).

"Equity Financing" has the meaning set forth in Section 6.8(a).

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

"ERISA Affiliate Liability" means all liabilities (a) under Section 302 of ERISA, (b) under Title IV of ERISA, (c) under Sections 412 or 4971 of the Code, in the case of clauses (a), (b) and (c), that are imposed on EXCO Parent or any of its subsidiaries under or in respect of an Employee Benefit Plan solely by reason of the treatment of EXCO Parent or any of its subsidiaries as a single employer with another Person as a result of the application of Sections 414(b), (c), (m) or (o) of the Code or by reason of the treatment of EXCO Parent or any of its subsidiaries as under common control with another Person as a result of the application of Section 4001(b) of ERISA, and (d) in respect of a "multiemployer plan" (within the meaning of ERISA) that are imposed on EXCO Parent or any of its subsidiaries on a so-called "controlled group" basis, including under Section 414 of the Code.

"Escrow Agent" has the meaning set forth in Section 3.2(b).

"Escrow Amount" has the meaning set forth in Annex A.

"ETX Depths" means 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 ETX Leases.

"ETX Leases" has the meaning set forth in the definition of "EOC Assets" in this Section 1.1.

"Event" has the meaning set forth in the definition of "Material Adverse Effect" in this Section 1.1.

"Excess Reference Title Defect Amount" has the meaning set forth in Annex A.

"Excess Remedy Amount" has the meaning set forth in Annex A.

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

"Excluded Assets" means:

(a) the amounts to which any EXCO Party is entitled pursuant to Section 8.3(b);

(b) the Excluded Records;

(c) all claims and causes of action of any EXCO Party 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) to the extent relating to matters that are not Assumed Obligations;

(d) subject to Section 3.8, and except as otherwise expressly provided in the Administrative Services Agreement or herein, all rights and interests of any EXCO Party (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) subject to the terms of the Shared Assets/Use Agreement, concurrent rights with MLP LLC in the Assets described in subsections (e), (h), (j) and (l) of the definitions of each of "EOC Assets" and "EXCO Parent Assets";

(g) all geophysical and other seismic and related technical data and information relating to the Production Assets to the extent that such geophysical and other seismic and related technical data and information is not transferable without payment of a fee or other penalty (unless Investor has agreed that the Partnership or MLP LLC should pay such fee or other penalty);

(h) subject to the terms of the Administrative Services Agreement, all proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property;

(i) all data relating to the Assets that cannot be disclosed to MLP LLC, the Partnership or Investor as a result of confidentiality arrangements under agreements with Third Parties (*provided* that EXCO has used its commercially reasonable efforts to obtain a waiver of any such confidentiality restriction);

(j) any of the Assets excluded from the transactions contemplated hereunder pursuant to Section 3.2(c)(ii), Section 3.6, Section 3.7, Section 3.8, Section 4.1(c)(ii) or Section 7.4;

(k) subject to the terms of the EOC Operating Agreement and the EXCO Parent Operating Agreement, all salt water disposal wells and water gathering systems owned by EXCO or any of its Affiliates and all easements and other surface rights relating solely thereto, in each case to the extent relating to water produced from Wells located on Leases other than the Vernon Leases;

(l) to the extent used or held for use in connection with the Assets or operations with respect thereto, (A) all field and other offices of EXCO or any Affiliate of EXCO and all computers, equipment, furniture and other personal property (to the extent not relating specifically to any Assets or customarily located on the Production Assets) located within such offices, and (B) all vehicles held by EXCO or its Affiliates; and

(m) all yards and warehouses of EXCO or any Affiliate of EXCO relating to the Properties or operations with respect thereto and all property held within such yards or warehouses.

"Excluded Asset Retained Liability" means all obligations and liabilities, known or unknown, relating to, arising out of or resulting from any Excluded Asset (provided, that for purposes of the indemnity in Section 12.2(b)(iii), the term "Excluded Assets" as used in this definition shall be deemed to exclude the assets described in subsections (a), (e), (f), and (k) of the definition of Excluded Assets).

"Excluded Liabilities" means all obligations and liabilities, known or unknown, relating to, arising out of or resulting from (i) the Existing Litigation, (ii) Employee Liabilities, (iii) Offsite Environmental Liabilities, (iv) Indebtedness of EXCO Parent or its Affiliates (other than Indebtedness created by Partnership or its Affiliates at Closing as contemplated by this Agreement or following the Closing), (iv) the Excluded Asset Retained Liability or (v) any personal injury or death occurring or attributable to the Production Assets prior to the Effective Time.

"Excluded Records" means (a) all corporate, financial and legal records of any EXCO Party that relate to its business generally (whether or not relating to the Assets), (b) any records to the extent disclosure or transfer 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 legal records and legal files of any EXCO Party that do not relate to the Assets or that are protected by attorney-client work product or similar privilege (other than copies of (i) title opinions and (ii) Contracts), (e) personnel records, (f) records relating to the dispositions of the Assets, including bids received from and records of negotiations with Third Parties, the liabilities with respect to which are not Assumed Obligations, (g) books, records or documents relating to Taxes that are not Assumed Obligations and (h) any records with respect to the other Excluded Assets.

"EXCO" has the meaning set forth in the Preamble of this Agreement.

"EXCO Contributed Units" means the Target EXCO Contributed Units, as adjusted in accordance with Section 2.2(c) and Section 2.3.

"EXCO Existing Debt" means the (a) Credit Agreement, dated April 30, 2010, among EXCO Parent, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, as the same may be amended, restated, modified or supplemented from time to time, and (b) Indenture, dated as of September 15, 2010, among EXCO Parent, the subsidiary guarantors named therein, Wilmington Trust Company, as trustee, and the other lenders named therein, as the same may be amended, restated, modified or supplemented from time to time.

"EXCO Fundamental Representations" means the representations and warranties set forth in Section 5.2, Section 5.3, Section 5.4 and Section 5.22.

"EXCO GP LLC Units" means the Target EXCO GP LLC Units, as adjusted in accordance with Section 2.2(c) and Section 2.3.

"EXCO Group" means EXCO Parent, its Affiliates (including EOC) and each of their respective officers, directors, employees, agents, advisors and other Representatives.

"EXCO Holding" has the meaning set forth in the Recitals to this Agreement.

"EXCO Issued Units" means the Target EXCO Units, as adjusted in accordance with Section 2.2(c) and Section 2.3.

"EXCO Parent" has the meaning set forth in the Preamble of this Agreement.

"EXCO Parent Assets" means, subject to the terms and conditions of this Agreement, and less and except the Excluded Assets, all of EXCO Parent's right, title and interest in and to the following:

(a) the Leases that are identified in Exhibit B-1, **INSOFAR AND ONLY INSOFAR**, as EXCO Parent's interests in such Leases cover or relate to depths from the surface of the earth down to the stratigraphic equivalent of the base of the Canyon Sands formation as shown in the Halliburton Triple Combo Log Gamma Ray Curve for the Sugg 13-1 Well (API No. 422-353-4547), located 835' FSL and 1796' FEL of Section 13, Block H of the TCRR Co. Survey, Irion County, Texas, at 7872' measured depth (EXCO Parent's interests in such Leases as limited to such depths, the "Sugg Ranch Leases");

(b) all unitization and pooling agreements, declarations, orders, and the units created thereby, in each case, to the extent relating to any of the Sugg Ranch Leases and to the production of Hydrocarbons therefrom (the "Sugg Ranch Units");

(c) (i) all oil, gas, water, carbon dioxide, or injection wells located on the Sugg Ranch Leases or the Sugg Ranch Units and used, or held for use, primarily in connection with the production of Hydrocarbons from the Sugg Ranch Leases, including the wells shown in Exhibit B-2 and (ii) those wells described in Exhibit B-3 (including such rights and interests as are owned by EXCO Parent and are necessary to the continued production of Hydrocarbons from the wells described in Exhibit B-3) (collectively, the "Sugg Ranch Wells");

(d) all flowlines, pipelines, gathering systems and appurtenances thereto located on the Sugg Ranch Leases or Sugg Ranch Units and used solely in connection with the ownership or operation of the Sugg Ranch Wells or the production of Hydrocarbons therefrom (such assets, together with the assets described in subsection (e) below, the Sugg Ranch Units, the Sugg Ranch Leases and the Sugg Ranch Wells, the "Sugg Ranch Properties");

(e) subject to the terms of the Shared Assets/Use Agreement and excluding the assets described in subsection (d) above, concurrent rights with EXCO Parent in and to all flowlines, pipelines, gathering systems and appurtenances thereto located on the Sugg Ranch Leases or Sugg Ranch Units and used in connection with the ownership or operation of the Sugg Ranch Wells or the production of Hydrocarbons therefrom;

(f) all Contracts to the extent applicable to the Sugg Ranch Properties or the production of Hydrocarbons therefrom;

(g) all surface fee interests, easements, Permits, licenses, servitudes, rights-of-way, surface leases and other surface rights used solely in connection with, the ownership or operation of the Sugg Ranch Properties or the production of Hydrocarbons therefrom;

(h) subject to the terms of the Shared Assets/Use Agreement and excluding the assets described in subsection (g) above, concurrent rights with EXCO Parent 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 Sugg Ranch Properties or the production of Hydrocarbons therefrom;

(i) to the extent owned by EXCO Parent, all equipment, machinery, tools, fixtures and other tangible personal property and improvements located on the Sugg Ranch Properties (other than the Sugg Ranch Wells) and used solely in connection with the ownership or operation of the Sugg Ranch Properties or the production of Hydrocarbons from the Sugg Ranch Properties;

(j) to the extent owned by EXCO Parent, but subject to the terms of the Shared Assets/Use Agreement and excluding the assets described in subsection (i) above, concurrent rights with EXCO Parent in and to all equipment, machinery, tools, fixtures and other tangible personal property and improvements located on the Sugg Ranch Properties and used in connection with the ownership or operation of the Sugg Ranch Properties or the production of Hydrocarbons from the Sugg Ranch Properties;

(k) all Leased Assets located on the Sugg Ranch Properties and used solely in connection with the ownership or operation of the Sugg Ranch Properties or the production of Hydrocarbons therefrom;

(l) subject to the terms of the Shared Assets/Use Agreement and excluding the assets described in subsection (k) above, concurrent rights with EXCO Parent in and to all Leased Assets located on the Sugg Ranch Properties and used in connection with the ownership or operation of the Sugg Ranch Properties or the production of Hydrocarbons therefrom;

(m) all Hydrocarbons produced from or attributable to the Sugg Ranch Leases, the Sugg Ranch Units or the Sugg Ranch Wells at and after the Effective Time;

(n) to the extent transferable without the payment of a fee or other penalty (unless Investor has agreed that MLP LLC should pay such fee or other penalty), all geophysical and other seismic data and related technical data and information (in each case) relating to the Sugg Ranch Leases or Sugg Ranch Units;

(o) subject to Section 3.8, 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 EXCO Parent relating to the Sugg Ranch Properties or any damage to or destruction thereof in each case, to the extent relating to any Assumed Obligation; and

(p) all Records relating to the ownership or operation of the Sugg Ranch Properties or the production of Hydrocarbons therefrom.

"EXCO Parent Operating Agreement" means the EXCO Parent Operating Agreement in substantially the form attached as Exhibit M-2.

"EXCO Party" means EXCO Parent or EOC, as applicable.

"EXCO Transfer" means a sale, assignment, conveyance or transfer by EXCO or an Affiliate of EXCO of, or an agreement by EXCO to sell, assign, convey or transfer all or any portion of its interest in any Asset that constitutes real or immovable property or a Well.

"Execution Date" has the meaning set forth in Preamble of this Agreement.

"Existing Litigation" means the litigation set forth in Schedule 5.7.

"Final Disputed Environmental Matters" has the meaning set forth in Section 4.2(b).

"Final Disputed Title Matters" has the meaning set forth in Section 3.4(b).

"Final Settlement Statement" has the meaning set forth in Section 10.5(b).

"Final Statement Date" has the meaning set forth in Section 10.5(b).

"Final Statement Review Period" has the meaning set forth in Section 10.5(b).

"FTC" means the Federal Trade Commission.

"Future Well" means a well to be drilled in the future on a Future Well Location, which (for the purposes of determining Defensible Title thereto and any Title Defects associated therewith pursuant to this Agreement) shall be treated as if such well had been drilled and completed and was in existence at or prior to the Effective Time.

"Future Well Location" means each drilling location identified in Schedule 3.2, subject to any depth restriction set forth in such Schedule 3.2 with respect to such location.

"GAAP" means U.S. generally accepted accounting principles.

"Gathering Assets" means, subject to the terms and conditions of this Agreement, all of Vernon's right, title and interest in and to the following:

(a) the gas gathering system depicted on the plat attached as Exhibit C (such assets, the "Vernon Gathering System");

(b) all treatment facilities held by Vernon (the "Vernon Facilities");

(c) all surface fee interests, easements, Permits, licenses, servitudes, rights-of-way, surface leases and other surface rights used or held for use primarily in connection with, the ownership or operation of the Vernon Gathering System or the Vernon Facilities, including those identified in Exhibit D (the "Vernon Real Property Interests");

(d) all Contracts to the extent applicable to the Vernon Gathering System or the Vernon Facilities;

(e) to the extent owned by Vernon, all flowlines, pipelines, equipment, machinery, tools, fixtures and other tangible personal property and appurtenances relating to the Vernon Gathering System or the Vernon Facilities;

(f) all Leased Assets relating to the Vernon Gathering System or the Vernon Facilities; and

(g) all Records relating to the ownership or operation of the Vernon Gathering System or the Vernon Facilities.

"General Partner" has the meaning set forth in the Recitals of this Agreement.

"General Partner Interest" has the meaning set forth in the Partnership Agreement.

"Governmental Body" means any instrumentality, subdivision, court, administrative agency, commission, official or other authority of the United States or any other country or any state, province, prefect, municipality, locality or other government or political subdivision thereof, or any quasi-governmental or private body exercising any administrative, executive, judicial, legislative, police, regulatory, taxing, importing or other governmental or quasi-governmental authority.

"GP LLC Agreement" means the Amended and Restated Limited Liability Company Agreement of EXCO/HGI GP, LLC in substantially the form attached as Exhibit J.

"GP LLC Units" means "Units" as such term is defined in the GP LLC Agreement.

"Guarantee" has the meaning set forth in Section 6.8(d).

"Hazardous Substances" means any pollutants, contaminants, toxic or hazardous substances, materials, wastes, constituents, compounds or chemicals that are regulated by, or may form the basis of liability under any Environmental Laws, including asbestos-containing materials (but excluding any NORM).

"HGI" has the meaning set forth in Section 6.8.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Hydrocarbons" means oil, gas, condensate and other gaseous and liquid hydrocarbons or any combination thereof.

"IDR" means the Incentive Distribution Rights as defined in the Partnership Agreement.

"Imbalances" means any imbalance at the wellhead between the amount of Hydrocarbons produced from any of the Wells and allocated to the interests of an EXCO Party or MLP LLC therein and the shares of production from the relevant Well to which such EXCO Party or MLP LLC was entitled, or at the pipeline flange (or inlet flange at a processing plant or similar location) between the amount of Hydrocarbons nominated by or allocated to an EXCO Party or MLP LLC and the Hydrocarbons actually delivered on behalf of such EXCO Party or MLP LLC at that point.

"Indebtedness" means, with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by debentures, notes or similar debt instruments, (c) all obligations of such Person under capitalized leases, (d) all letters of credit issued for the account of such Person, (e) all obligations of such Person under conditional sale, title retention or similar arrangements or other obligations to pay in respect of the balance deferred and unpaid of the purchase price of any property, (f) all obligations in respect of currency, commodity or interest rate swap, hedge or similar protection devices, (g) all guarantees of or by such Person of any of the items described in clauses (a) through (f) hereof, and (h) any amendment, renewal, extension or replacement of any of the foregoing.

"Indemnified Person" has the meaning set forth in Section 12.3(a).

"Indemnifying Person" has the meaning set forth in Section 12.3(a).

"Individual Environmental Defect Threshold" has the meaning set forth in Section 4.3(b).

"Individual Title Defect Threshold" has the meaning set forth in Section 3.5(b)(i).

"Initial General Partner LLC Agreement" means the initial Limited Liability Company Agreement of EXCO/HGI GP, LLC.

"Initial Partnership Agreement" means the initial Limited Partnership Agreement of EXCO/HGI Production Partners, LP in substantially the form attached as Exhibit I.

"Investor" has the meaning set forth in the Preamble of this Agreement.

"Investor Contributed Units" means the Target Investor Contributed Units, as adjusted in accordance with Section 2.2(c) and Section 2.3.

"Investor Fundamental Representations" means the representations and warranties set forth in Section 6.2, Section 6.3, and Section 6.4.

"Investor GP LLC Units" means the Target Investor GP LLC Units, as adjusted in accordance with Section 2.2(c) and Section 2.3.

"Investor Group" Harbinger Group Inc., Investor, and its and their respective Affiliates, officers, directors, members, managers, employees, agents, advisors and other Representatives.

"Investor Issued Units" means the Target Investor Units, as adjusted in accordance with Section 2.2(c) and Section 2.3.

"Key Dedicated Employee" has the meaning set forth in the Administrative Services Agreement.

"Laws" means all Permits, statutes, rules, regulations, ordinances, orders, and codes of Governmental Bodies.

"Leased Assets" means 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 an EXCO Party, and used, or held for use, in connection with the operation of, or the production of Hydrocarbons from, the Properties.

"Leases" means oil and gas leases, oil, gas and mineral leases, subleases and other leaseholds, royalties, overriding royalties, net profits interests, mineral fee interests, carried interests and other rights to Hydrocarbons in place.

"Lien" means a lien, mortgage, deed of trust, security interest, charge or pledge, in each case, securing an obligation to pay Indebtedness.

"Marketing Agreement" means the Marketing Agreement in substantially the form attached as Exhibit P.

"Material Adverse Effect" means any change, inaccuracy, circumstance, effect, event, result, occurrence, condition or fact (each an "Event") that would or would reasonably be expected to have a material adverse effect on (a) the ability of any EXCO Party or MLP LLC to timely consummate the transactions contemplated by this Agreement or (b) the value, ownership, operation or physical condition of the Assets, taken as a whole; *provided*, *however*, for purposes of this clause (b), that none of the following Events shall be deemed to constitute a Material Adverse Effect: (i) Events resulting from changes or effects generally affecting the international, national, regional or local economic, market, financial, credit or political conditions in the area in which the Assets are located, the United States or worldwide or any terrorism or outbreak of hostilities or war, (ii) Events generally affecting the international, national, regional or local energy industry, (iii) Events that affect the Hydrocarbon exploration, production, gathering, transportation or processing industries generally, (iv) reclassifications or recalculations of reserves in the ordinary course of business, (v) changes in the prices of Hydrocarbons, (vi) natural declines in well performance, (vii) orders or actions of any Governmental Body or changes in Law or changes in GAAP, (viii) actions taken or omitted to be taken or contributed to, by or with the consent of Investor, (ix) Events that are cured (including by the payment of money) before the earlier of the Closing or the termination of this Agreement under Article 11, (x) Events for which an adjustment is provided for under Section 2.2 or Section 2.3 that, after giving effect to such adjustment, would not otherwise materially affect the Assets or the Partnership Entities and (xi) changes in the value of EXCO Parent's securities resulting from entering into this Agreement or the announcement of the transactions contemplated by this Agreement, other than, in the case of clauses (i) through (iii), and (vii), as may disproportionately impact any EXCO Party or MLP LLC relative to other companies or joint ventures in the same industry.

"Material Contract" has the meaning set forth in Section 5.11(a).

"MLP LLC" has the meaning set forth in the Preamble of this Agreement.

"MLP LLC Membership Interests" has the meaning set forth in the Recitals of this Agreement.

"MUI" has the meaning set forth in Section 3.7(a).

"Net Revenue Interest" means, with respect to any Person, the interest of such Person in and to all Hydrocarbons produced, saved and sold from or allocated to a Subject Well, after giving effect to all royalties, overriding royalties, production payments, carried interests, net profits interests, reversionary interests and other burdens upon, measured by or payable out of production therefrom.

"NLA Depths" means 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 NLA Leases.

"NLA Leases" has the meaning set forth in the definition of "EOC Assets" in this Section 1.1.

"NORM" means naturally occurring radioactive material.

"Notional General Partner Units" has the meaning set forth in the Partnership Agreement.

"Offsite Environmental Liabilities" means all liabilities caused by, arising out of or resulting from the disposal or transportation, (in each case) to a location not on the Assets or lands pooled therewith, of any Hazardous Substances from those Assets operated by any EXCO Party or Vernon, which disposal or transportation is in violation of any Environmental Law and is attributable to the period of time from and after the acquisition of such Assets by such Person up to the Effective Time.

"Operating Agreements" means the EOC Operating Agreement and the EXCO Parent Operating Agreement.

"Other Adjustments Statement" has the meaning set forth in Section 10.5(a).

"Owing Party" has the meaning set forth in Section 11.4(e).

"Partnership" has the meaning set forth in the Recitals of this Agreement.

"Partnership Agreement" means the Amended and Restated Limited Partnership Agreement of EXCO/HGI Production Partners, LP in substantially the form attached as Exhibit L.

"Partnership Approval" means an action taken to cause the General Partner to cause the Partnership to take the required action.

"Partnership Entities" means the General Partner, the Partnership and the Partnership Subsidiaries.

"Partnership Group" means the each of the Partnership Entities, and each of their respective officers, directors, employees, agents, advisors and other Representatives.

"Partnership Subsidiaries" means each of MLP LLC and Vernon.

"Party" and "Parties" have the meanings set forth in the Preamble of this Agreement.

"Permits" means any permits, approvals or authorizations by, or filings with, Governmental Bodies.

"Permitted Encumbrances" means any or all of the following:

(a) the terms and conditions of the Subject 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 EXCO's or MLP LLC's Net Revenue Interest below that shown in Schedule 2.4 or Schedule 3.2 (as applicable);

(b) all unit agreements, pooling agreements, operating agreements, farmout 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 EXCO's or MLP LLC's Net Revenue Interest below that shown in Schedule 2.4 or Schedule 3.2 (as applicable) or increase the applicable EXCO's or MLP LLC's Working Interest above that shown in Schedule 2.4 or Schedule 3.2 (as applicable), without a proportionate increase in the Net Revenue Interest of EXCO or MLP LLC, as applicable;

(c) preferential rights to purchase, Third Party consents to assignment and similar transfer restrictions; provided that, with respect to transfers or assignments to the applicable EXCO Party or its predecessors prior to the Reorganization, (i) all applicable preferential rights have expired without exercise or were waived; and (ii) all consents constituting Specified Consent Requirements were obtained;

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

(e) 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), or if delinquent, being contested in good faith by appropriate actions;

(f) all rights to consent by, required notices to, filings with, or other actions by Governmental Bodies 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;

(g) excepting circumstances where such rights have already been triggered, customary rights of reassignment arising upon final intention to abandon or release any Asset;

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

(i) calls on production under existing Contracts;

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

(k) all rights reserved to or vested in any Governmental Bodies to control or regulate any of the Assets in any manner or to assess Tax 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 Body or under any franchise, grant, license or Permit issued by any Governmental Body;

(l) any lien, charge or other encumbrance on or affecting the Assets that is waived or deemed waived (by the express terms of this Agreement) by Investor at or prior to Closing or that is discharged by an EXCO Party at or prior to Closing;

(m) liens of landowners that (i) do not materially interfere with the use or ownership of the Assets subject thereto or affected thereby (as currently used or owned); and (ii) secure amounts not yet delinquent;

(n) the Material Contracts set forth in Schedule 5.11, to the extent that the net cumulative effect of such instruments does not reduce EXCO's or MLP LLC's Net Revenue Interest below that shown in Schedule 2.4 or Schedule 3.2 (as applicable) or increase EXCO's or MLP LLC's Working Interest above that shown in Schedule 2.4 or Schedule 3.2 (as applicable), without a proportionate increase in the Net Revenue Interest of EXCO or MLP LLC, as applicable;

(o) the terms and conditions of the Vernon Real Property Interests;

(p) 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 EXCO's or MLP LLC's Net Revenue Interest below that shown in Schedule 2.4 or Schedule 3.2 (as applicable) or increase EXCO's or MLP LLC's Working Interest above that shown in Schedule 2.4 or Schedule 3.2 (as applicable), without a proportionate increase in the Net Revenue Interest of EXCO or MLP LLC, as applicable.

"Person" means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, Government Body or any other entity.

"Phase I Environmental Site Assessment" means an environmental site assessment performed pursuant to the American Society for Testing and Materials E1527 - 05, or any similar environmental assessment.

"Phase II Environmental Site Assessment" means a further assessment regarding a recognized environmental condition identified in Investor's Phase I Environmental Site Assessment.

"Pre-Effective Time Liabilities" means all liabilities relating to EXCO's and its Affiliates' ownership and operation of the Production Assets prior to the Effective Time.

"Preliminary Settlement Statement" has the meaning set forth in Section 10.5(a).

"Production Assets" means the EOC Assets and the EXCO Parent Assets.

"Production Assets Assignments" means the Sugg Ranch Assignment and the TX/LA Assignment.

"Production Burdens" means all royalties, overriding royalties and other burdens on production with respect to the Subject Leases. For the avoidance of doubt, in no event shall Production Burdens include Excluded Liabilities.

"Production Taxes" means severance, production and similar Taxes (including any interest, penalties or additional amounts that may be imposed with respect thereto) based on the quantity or value of the production of Hydrocarbons from the Production Assets.

"Properties" means the Sugg Ranch Properties and the TX/LA Properties and "Property" means a Sugg Ranch Property or a TX/LA Property, as applicable.

"Property Costs" means (a) all operating and production expenses (including costs of insurance; title examination and curative actions, excluding such examinations and actions in connection with any Title Defect; Property Taxes, Production Taxes and Sales/Use Taxes; and gathering, processing and transportation costs in respect of Hydrocarbons produced from the Properties) and capital expenditures (including costs of drilling and completing wells and costs of acquiring equipment) incurred in the ownership and operation of the Production Assets in the ordinary course of business, and (b) overhead costs charged to the Production Assets under the applicable operating agreement, but excluding (in all cases) costs and expenses attributable to (i) obligations to pay owners of any Production Burden revenues or proceeds attributable to sales of Hydrocarbons relating to the Production Assets, including those held in suspense, (ii) Damages 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), (iii) obligations to plug wells, dismantle or decommission facilities, close pits and restore the surface around such wells, facilities and pits, (iv) Environmental Liabilities, including obligations to remediate any contamination of groundwater, surface water, soil, sediments or personal property under applicable Environmental Laws, (v) obligations with respect to Imbalances, and (vi) claims for indemnification or reimbursement from any Third Party with respect to costs of the type described in preceding clauses (i) through (v), whether such claims are made pursuant to Contract or otherwise. For the avoidance of doubt, in no event shall Property Costs include Excluded Liabilities.

"Property Taxes" means ad valorem, property and similar Taxes (including any interest, penalties or additional amounts that may be imposed with respect thereto) attributable to the ownership or operation of the Assets.

"Public Announcement Restrictions" has the meaning set forth in Section 7.3.

"Records" means copies of all files, records, maps, information, and data, whether written or electronically stored, relating to the Assets, including: (a) land and title records (including abstracts of title, title opinions, and title curative documents); (b) contract files; (c) correspondence; (d) operations, environmental, production, and accounting records; (e)

production, facility and well records and data; and (f) Asset Tax Records; *provided, however,* that the term "Records" shall not include any of the foregoing items that are Excluded Assets and any information that cannot, without unreasonable effort or expense that Investor does not agree for MLP LLC to undertake or pay, as applicable, be separated from any files, records, maps, information and data related to the Excluded Assets.

"Reference Title Defect Amount" means, with respect to any Title Defect, the average of (A) Investor's estimated Title Defect Amount with respect to such Title Defect as set out in the Title Defect Notice with respect to such Title Defect and (B) EXCO Parent's estimated Title Defect Amount with respect to such Title Defect, which EXCO Parent estimate shall be delivered in writing by EXCO Parent to Investor together with the computation and information upon which EXCO Parent's estimate is based, including any analysis by any title attorney or examiner hired by EXCO Parent.

"Reduction Amount" has the meaning set forth in Annex A.

"Registration Rights Agreement" means the Registration Rights Agreement, by and among the Partnership, Investor and EXCO Holding, contemplated to be executed and delivered by the parties thereto at the Closing.

"Related Agreements" means each of the agreements, documents and instruments attached as Exhibits to this Agreement and all other agreements, documents and instruments contemplated to be executed and delivered by a Party in connection with the Reorganization, at the Closing, at a contribution of Production Assets following the Closing or otherwise pursuant to this Agreement.

"Remediation" (and variants of such term) means, with respect to an Environmental Defect, the implementation and completion of any investigation, remedial, removal, response, construction, closure, disposal or other corrective actions required under Environmental Laws to correct or remove such Environmental Defect.

"Remedy" (and variants of such term) means, (a) with respect to an Environmental Defect, Remediation or other activities to cure any violation of Environmental Law and (b) with respect to a Title Defect, the implementation and completion of any activity to cure or remedy such Title Defect.

"Remedy Amount" means, with respect to an Environmental Defect, the present value as of the Closing Date of the cost (net to the interest of the applicable EXCO Party or Vernon, as applicable, prior to the consummation of the transactions contemplated by this Agreement) of the most cost effective Remedy of such Environmental Defect that is reasonably available.

"Remedy Deadline" has the meaning set forth in Section 3.2(b).

"Remedy Notice" means a notice given by EXCO Parent to Investor at or prior to Closing reflecting that EXCO Parent intends to attempt to Remedy a Title Defect during the Cure Period.

"Reorganization" has the meaning set forth in Section 8.1(a).

"Reorganization Corporate Documents" means the Initial General Partner LLC Agreement, the Initial Partnership Agreement and the Distribution Agreement.

"Representatives" means (a) employees, officers, directors and counsel of a Party or any of its Affiliates or (b) any consultant or agent retained by a Party or the parties listed in subsection (a) above.

"Required Financial Statements" has the meaning set forth in Section 7.10(a).

"Sales/Use Taxes" means sales and use and similar Taxes (including any interest, penalties or additional amounts that may be imposed with respect thereto) attributable to the ownership or operation of the Assets or imposed on the Partnership or the Partnership Subsidiaries.

"SEC" means the Securities and Exchange Commission.

"Securities Act" has the meaning set forth in Section 5.21.

"Shared Assets/Use Agreement" means the Shared Asset/Use Agreement in substantially the form attached as Exhibit O.

"Shared Employees" has the meaning set forth in the Administrative Services Agreement.

"Shortfall Reference Title Defect Amount" has the meaning set forth in Annex A.

"Shortfall Remedy Amount" has the meaning set forth in Annex A.

"Specified Consent Requirement" means a requirement to obtain a lessor's or other Person's prior consent to assignment of an interest in a Subject Lease or other Asset that provides that (a) any purported assignment in the absence of such consent first having been obtained is void, (b) the Person holding the right may terminate the affected Subject Lease or other instrument creating the applicable EXCO Party's or Vernon's rights in the affected Asset, or (c) the Person holding the right may impose additional conditions on the proposed assignee that involve the payment of money, the posting of collateral security or the performance of other material obligations by the assignee that would not be required in the absence of the assignment of the affected Subject Lease or other Property.

"Subject Leases" means the Sugg Ranch Leases and the TX/LA Leases.

"Subject Wells" means the Wells and the Future Wells and "Subject Well" means a Well or a Future Well, as applicable.

"Sugg Ranch Assignment" means the Assignment and Bill of Sale in substantially the form attached as Exhibit E.

"Sugg Ranch Leases" has the meaning set forth in the definition of "EXCO Parent Assets" in this Section 1.1.

"Sugg Ranch Properties" has the meaning set forth in the definition of "EXCO Parent Assets" in this Section 1.1.

"Sugg Ranch Units" has the meaning set forth in the definition of "EXCO Parent Assets" in this Section 1.1.

"Sugg Ranch Wells" has the meaning set forth in the definition of "EXCO Parent Assets" in this Section 1.1.

"SW System" has the meaning set forth in each of the Operating Agreements.

"Target Cash Contribution" means $372,500,000.

"Target Distribution Amount" means $597,500,000.

"Target EXCO Contributed Units" means 500,000 Common Units.

"Target EXCO GP LLC Units" means 500,000 GP LLC Units.

"Target EXCO Units" means 12,750,000 Common Units.

"Target Initial Draw Amount" means $225,000,000.

"Target Investor Contributed Units" means 500,000 Common Units.

"Target Investor GP LLC Units" means 500,000 GP LLC Units.

"Target Investor Units" means 37,250,000 Common Units.

"Tax Purposes" has the meaning set forth in Section 13.7.

"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) filed with or submitted to, or required to be filed with or submitted to, any Governmental Body 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 Body, including any interest, penalties or additional amounts that may be imposed with respect thereto.

"Termination Date" has the meaning set forth in Section 11.1.

"Termination Fee" means $60,000,000.

"Third Party" means any Person other than a Party to this Agreement or an Affiliate of a Party to this Agreement.

"Third Person Claim" has the meaning set forth in Section 12.3(b).

"Title Arbitration Decision" has the meaning set forth in Section 3.4(e).

"Title Arbitration Notice" has the meaning set forth in Section 3.4(b).

"Title Arbitrator" has the meaning set forth in Section 3.4(c).

"Title Benefit" means any right, circumstance or condition that operates to (a) increase the Net Revenue Interest of an EXCO Party or MLP LLC in any Subject Well above that shown in Schedule 2.4 or Schedule 3.2 (as applicable) without a greater than proportionate increase in such Party's Working Interest above that shown in Schedule 2.4 or Schedule 3.2 (as applicable) or (b) decrease the Working Interest of an EXCO Party or MLP LLC in any Subject Well below that shown in Schedule 2.4 or Schedule 3.2 (as applicable) without a decrease in such EXCO Party's or MLP LLC's Net Revenue Interest in such Subject Well.

"Title Benefit Amount" means, with respect to any Title Benefit, the value of such Title Benefit as determined pursuant to Section 3.3(c).

"Title Benefit Notice" has the meaning set forth in Section 3.3(a).

"Title Benefit Property" has the meaning set forth in Section 3.3(a).

"Title Defect" means any lien, charge, encumbrance, obligation, defect or other similar matter that, if not cured, causes none of EOC, EXCO Parent or MLP LLC to have Defensible Title in and to any Production Asset as of the Effective Time and as of the Closing (or, if later, the time of contribution); *provided, however,* that the following shall not be considered Title Defects for any purpose of this Agreement:

(a) defects in the chain of title consisting of the failure to recite marital status in a document or omissions of successions of heirship or estate proceedings, unless Investor provides affirmative evidence that such failure or omission could reasonably be expected to result in another Person's superior claim of title to the relevant Asset;

(b) defects arising out of lack of survey, unless a survey is expressly required by applicable Laws;

(c) defects based on a gap in EXCO's or MLP LLC's chain of title in the state's records as to state leases, or in the county records as to other leases, unless such gap is affirmatively shown to exist in such records by an abstract of title, title opinion or landman's title chain or runsheet, which documents shall be provided within two Business Days after the delivery of a Title Defect Notice with respect to such defects;

(d) defects as a consequence of cessation of production, insufficient production, or failure to conduct operations on any of the Properties held by production, or lands pooled, communitized or unitized therewith, unless Investor provides affirmative evidence that causes Investor to reasonably believe the cessation of production, insufficient production or failure to conduct operations would give rise to a

right to terminate the Subject Lease in question, which evidence shall be provided within two Business Days after the delivery of a Title Defect Notice with respect to such defects;

(e) defects based on references to lack of information (unless such information (i) is not reflected in the records of the applicable county or parish and (ii) is not in EXCO's files or records made available to Investor);

(f) defects that have been cured by applicable Laws of limitations or prescription;

(g) defects arising out of lack of corporate or other entity authorization unless Investor provides affirmative evidence that causes Investor to reasonably believe such corporate or other entity action may not have been authorized and could reasonably be expected to result in another Person's superior claim of title to the relevant property; and

(h) in the case of a Future Well, defects based on any permits, easements, rights-of-way, unit designations, or production and drilling units having not yet obtained, formed or created.

"Title Defect Amount" means, with respect to any Title Defect, the value of such Title Defect as determined pursuant to Section 3.2(d).

"Title Defect Escrow Account" has the meaning set forth in Section 3.2(b).

"Title Defect Notice" has the meaning set forth in Section 3.2(a).

"Title Defect Property" has the meaning set forth in Section 3.2(a).

"Transaction Items" has the meaning set forth in Section 2.3.

"TX/LA Assignment" means the Assignment and Bill of Sale in substantially the form attached hereto as Exhibit F.

"TX/LA Leases" has the meaning set forth in the definition of "EOC Assets" in this Section 1.1.

"TX/LA Properties" has the meaning set forth in the definition of "EOC Assets" in this Section 1.1.

"TX/LA Units" has the meaning set forth in the definition of "EOC Assets" in this Section 1.1.

"TX/LA Wells" has the meaning set forth in the definition of "EOC Assets" in this Section 1.1.

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

"Vernon Assignment" means the Assignment of Vernon Membership Interests in substantially the form attached as Exhibit G.

"Vernon Closing Date Working Capital" means, as of the Closing Date, the current assets minus the current liabilities of Vernon, determined in accordance with GAAP, as adjusted to (a) exclude deferred Taxes (whether assets or liabilities) and (b) to give effect to the exclusion of the Excluded Assets and to the exclusion of the Excluded Liabilities. For the avoidance of doubt, "Vernon Closing Date Working Capital" shall include the fair market value of all Imbalances of Vernon at the Closing Date.

"Vernon Depths" means from the surface of the earth down to the stratigraphic equivalent of the base of the Cotton Valley formation as shown in the Schlumberger Platform Express Final Composite Gamma Ray Log for the Davis Bros. 29-5 Well (API No. 1704920418), located 650' FSL and 850' FEL of Section 29, T16N, R2W, Jackson Parish, Louisiana, at 15,331' measured depth (including the Bossier sands contained within such depths).

"Vernon Effective Date Working Capital" means $1,088,868.

"Vernon Facilities" has the meaning set forth in the definition of "Gathering Assets" in this Section 1.1.

"Vernon Gathering System" has the meaning set forth in the definition of "Gathering Assets" in this Section 1.1.

"Vernon Leases" has the meaning set forth in the definition of "EOC Assets" in this Section 1.1.

"Vernon Membership Interests" means all of the issued and outstanding membership interests in Vernon.

"Vernon Real Property Interests" has the meaning set forth in the definition of "Gathering Assets" in this Section 1.1.

"Vernon Working Capital Adjustment" means the difference between the Vernon Closing Date Working Capital and the Vernon Effective Date Working Capital.

"Wells" means the Sugg Ranch Wells and the TX/LA Wells.

"WI Owner" has the meaning set forth in Section 3.7(a).

"Working Interest," with respect to any Person, means the interest of such Person in and to a Subject Well that is burdened with the obligation to bear and pay costs and expenses of maintenance, development and operations on or in connection with such Subject Well, but without regard to the effect of any and all royalties (including lessors' royalties and non-participating royalties), overriding royalties and other burdens upon, measured by or payable out of production.

Section 1.2 References and Rules of Construction.

(a) All references in this Agreement to Exhibits, Schedules, Appendices, Articles, Sections, subsections, clauses and other subdivisions refer to the corresponding Exhibits, Schedules, Appendices, Articles, Sections, subsections, clauses and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Exhibits, Schedules, Appendices, Articles, Sections, subsections, clauses 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, clause or other subdivision unless expressly so limited. The words "this Article," "this Section," "this subsection" and "this clause," and words of similar import, refer only to the Article, Section, subsection and clause hereof in which such words occur. The word "including" (in its various forms) means including without limitation. All references to "$" shall be deemed references to Dollars. Each accounting term not defined herein shall have the meaning given to it under GAAP as interpreted as of the Execution Date. Unless expressly provided to the contrary, the word "or" is not exclusive. 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 requires otherwise. Appendices, Exhibits and Schedules referred to herein are attached hereto and by this reference incorporated herein for all purposes. Reference herein to any federal, state, local or foreign Law shall be deemed to also refer to all rules and regulations promulgated thereunder, unless the context requires otherwise, and shall also be deemed to refer to such Laws as in effect as of the Execution Date or, except as otherwise expressly provided herein, as hereafter amended.

(b) Inclusion of a matter on a Schedule in relation to a representation or warranty that addresses matters having a Material Adverse Effect shall not be deemed an indication that such matter does, or may, have a Material Adverse Effect. Likewise, the inclusion of a matter on a Schedule to this Agreement in relation to a representation or warranty shall not be deemed an indication that such matter necessarily would, or may, breach such representation or warranty absent its inclusion on such Schedule. Matters may be set forth on a Schedule for informational purposes only.

ARTICLE 2
CONTRIBUTION; AND ADJUSTMENTS

Section 2.1 Contribution of Cash and Equity Interests. At the Closing, upon the terms and subject to the conditions of this Agreement, the following shall occur concurrently, with each conditioned on the other:

(a) EXCO Holding, Investor and the General Partner shall enter into the GP LLC Agreement;

(b) the General Partner, EXCO Holding and Investor shall execute and deliver the Partnership Agreement;

(c) EXCO Holding shall contribute and deliver to the Partnership all of the MLP LLC Membership Interests, free and clear of any liens or encumbrances (but subject to the terms of the organizational documents of MLP LLC) in return for (i) the EXCO Issued Units and (ii) a cash amount equal to the Distribution Amount;

(d) Investor shall contribute to the Partnership the Cash Contribution, in exchange for the Investor Issued Units;

(e) EXCO Holding shall contribute and deliver to the General Partner the EXCO Contributed Units in exchange for the EXCO GP LLC Units

(f) Investor shall contribute and deliver to the General Partner the Investor Contributed Units in exchange for the Investor GP LLC Units;

(g) the EXCO Contributed Units and the Investor Contributed Units held by the General Partner shall automatically be converted into a like number of Notional General Partner Units and IDRs representing a continuation of the 2% General Partner Interest;

(h) EXCO Holding and Investor shall cause the General Partner to cause the Partnership to enter into the Credit Agreement and to incur under the Credit Agreement the Adjusted Initial Draw Amount; and

(i) EXCO Holding and Investor shall cause the General Partner to cause the Partnership to distribute to EXCO Holding the Distribution Amount in cash together with $980 as a return of the organizational limited partner contribution.

To the extent actions are required to be undertaken by EXCO Holding in this Section 2.1, EXCO Parent shall cause EXCO Holding to take such action at the time required to do so.

Section 2.2 Cash Adjustment Amount. All adjustments pursuant to Section 2.2(a) and Section 2.2(b) shall be made (x) in accordance with the terms of this Agreement and, to the extent not inconsistent with this Agreement, in accordance with GAAP as consistently applied (y) without duplication (in this Agreement or otherwise) and (z) with respect to those matters set forth in Section 2.2(a) and Section 2.2(b) identified on or before the 180th day after Closing (the "Cut-off Date"). Each adjustment described in Section 2.2(a) and Section 2.2(b) shall be allocated among the Assets in accordance with Section 2.4 and Schedule 3.2 (as applicable). The net adjustment resulting from Section 2.2(a) and Section 2.2(b) made to an initial amount of zero is referred to herein as the "Cash Adjustment Amount" (and shall be expressed as a positive number, if positive, and as a negative number, if negative).

(a) The Cash Adjustment Amount shall be increased by the following amounts (without duplication) in the aggregate:

(i) an amount equal to all Property Costs and all Production Burdens paid by any EXCO Party or its Affiliates attributable to the ownership and operation of the Production Assets and that are incurred at or after the Effective Time, but excluding any amounts previously reimbursed to any EXCO Party pursuant to Section 8.3;

(ii) an amount equal to, to the extent that such amounts have been received by any of the Partnership Entities and not remitted or paid to any EXCO Party or its Affiliate, (A) all proceeds from the production of Hydrocarbons from or attributable to the Properties prior to the Effective Time, net of expenses (other than Property Costs or expenses relating to liabilities that are not Assumed Obligations), (B) all other income, proceeds, receipts and credits earned with respect to the Production Assets prior to the Effective Time (including, to the extent that any EXCO Party actually paid such amounts on behalf of such Third Parties in such Party's role as operator of the Production Assets, proceeds from cash calls and billings and other funds received for the account of Third Parties with respect to any of the Production Assets operated by such Party for all periods prior to the date on which such Party's resignation as operator becomes effective) net of expenses (other than Property Costs or expenses relating to liabilities that are not Assumed Obligations) and (C) any other amounts to which any EXCO Party is entitled pursuant to Section 8.3;

(iii) the amount of all prepaid expenses (including pre-paid bonuses, rentals, cash calls and advances to Third Party operators for expenses not yet incurred, prepaid Taxes, and scheduled payments) paid by any EXCO Party or its Affiliates with respect to the ownership or operation of the Production Assets after the Effective Time (excluding expenses relating to liabilities that are not Assumed Obligations);

(iv) to the extent that proceeds for such volumes have not been received by any EXCO Party, an amount equal to the aggregated volumes of Hydrocarbons stored in stock tanks, pipelines or other storage as of the Effective Time that are attributable to the ownership and operation of the Production Assets multiplied by the contract price therefor on the Effective Time;

(v) to the extent that any EXCO Party is underproduced as of the Effective Time as shown with respect to the net Imbalances set forth in Schedule 5.12, as complete and final settlement of all such Imbalances, the amount of the Imbalances multiplied by a price of $2.50 per MMBtu;

(vi) the Vernon Working Capital Adjustment, if greater than zero; and

(vii) an amount equal to (A) the Administrative Services Fee (together with sales and use Taxes relating to the services thereunder, if applicable) that would have been payable from the Effective Time up to the Closing Date if the Administrative Services Agreement had been in effect during such period of time, (B) the Disposal Fee that would have been payable from the Effective Time up to

the Closing Date if the Operating Agreements had been in effect during such period of time, and (C) any "loss" that would have been payable under Section 4.2(c) of each of the Operating Agreements for the period of time from the Effective Time up to the Closing Date if the Operating Agreements had been in effect during such period of time.

(b) The Cash Adjustment Amount shall be decreased by the following amounts (without duplication):

(i) all Property Costs and Production Burdens paid by any of the Partnership Entities attributable to the ownership and operation of the Production Assets and that are incurred prior to the Effective Time, but excluding any amounts previously reimbursed to any Partnership Entity pursuant to Section 8.3;

(ii) to the extent that such amounts have been received by any EXCO Party and not remitted or paid to any of the Partnership Entities, (A) all proceeds from the production of Hydrocarbons from or attributable to the Properties at or after the Effective Time, net of expenses (other than Property Costs or expenses relating to liabilities that are not Assumed Obligations), (B) all proceeds attributable to the sale of any of the Productions Assets from and after the Execution Date up to the Closing, net of any expenses, (C) all other net income, proceeds, receipts and credits earned with respect to the Production Assets at and after the Effective Time (excluding, to the extent that any EXCO Party actually paid such amounts on behalf of such Third Parties in such Party's role as operator of the Production Assets, all proceeds of cash calls and billings and other funds received for the account of Third Parties with respect to any of the Production Assets operated by such Party for all periods prior to the date on which such Party's resignation as operator of becomes effective) and (D) any other amounts to which MLP LLC is entitled pursuant to Section 8.3;

(iii) to the extent that any EXCO Party is overproduced as of the Effective Time as shown with respect to the net Imbalances set forth in Schedule 5.12, as complete and final settlement of all such Imbalances, the amount of the Imbalances multiplied by a price of $2.50 per MMBtu;

(iv) all funds held in suspense by any EXCO Party with respect to the operation, ownership, production and developments of the Assets, including those amounts set forth in Schedule 5.17;

(v) any "profit" that would have been payable under Section 4.2(c) of each of the Operating Agreements for the period of time from the Effective Time up to the Closing Date if the Operating Agreements had been in effect during such period of time; and

(vi) (A) the absolute value of the Vernon Working Capital Adjustment, if less than zero and (B) to the extent not accounted for in the Vernon Working Capital Adjustment, all proceeds attributable to the sale of any of the Gathering Assets from and after the Execution Date up to the Closing, net of any expenses.

(c) At Closing,

(i) prior to the contribution of the EXCO Contributed Units and the Investor Contributed Units to the General Partner:

(A) 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);

(B) the Target Investor Units shall be increased (if the Cash Adjustment Amount is positive) or decreased (if the Cash Adjustment Amount is negative), as applicable, by the quotient of (x) the product of (A) 74.5% multiplied by (B) the absolute value of the Cash Adjustment Amount divided by (y) $10.00;

(C) the Target EXCO Units shall be increased (if the Cash Adjustment Amount is positive) or decreased (if the Cash Adjustment Amount is negative), as applicable, by the quotient of (x) the product of (A) 25.5% multiplied by (B) the absolute value of the Cash Adjustment Amount divided by (y) $10.00;

(D) the Target Investor Contributed Units and the Target EXCO Contributed Units shall each be increased (if the Cash Adjustment Amount is positive) or decreased (if the Cash Adjustment Amount is negative), as applicable, by the product of (1) the sum of the increase (or decrease) in Target Investor Units and Target EXCO Units pursuant to Section 2.2(c)(i)(B) and Section 2.2(c)(i)(C) multiplied by (2) 1%;

(ii) in connection with the contribution of the EXCO Contributed Units and the Investor Contributed Units to the General Partner, the Target EXCO GP LLC Units and the Target Investor GP LLC Units shall each be increased or decreased, as applicable, by an amount equal to the increase (or decrease) to the Target Investor Contributed Units and the Target EXCO Contributed Units pursuant to Section 2.2(c)(i)(D).

in each case, based upon the Cash Adjustment Amount as set forth in the Preliminary Settlement Statement.

Section 2.3 Other Adjustments. Pursuant to Article 3, Article 4 and Section 7.4, at Closing and, if applicable, following the resolution of any Title Defect or Environmental Defect or the later contribution of any Assets excluded at Closing, each of the Target Cash Contribution, the Target Distribution Amount, the Target EXCO Units, the Target Investor Units, the Target Initial Draw Amount, the Target EXCO Contributed Units, the Target Investor Contributed Units, the Target EXCO GP LLC Units and the Target Investor GP LLC Units (collectively, the

"Transaction Items") will be adjusted in accordance with Annex A. Based upon such adjustments, each Party shall take such actions, and shall exercise (or cause their respective Affiliates to exercise) their powers under the relevant Related Agreements to cause the members of the Partnership Group to take such actions, as are required pursuant to Annex A in accordance with the terms thereof.

Section 2.4 Allocated Values. The "Allocated Values" for the Assets (which are provided for, and allocated among, each of the Subject Wells and Vernon's Assets) are set forth in Schedule 2.4 and Schedule 3.2. The Parties have accepted such Allocated Values for purposes of this Agreement and the transactions contemplated hereby, but no Party makes any representation or warranty as to the accuracy of such values.

ARTICLE 3
TITLE MATTERS

Section 3.1 EXCO's Title. Except for the special warranty of title set forth in the Production Assets Assignments, and for the express representations and warranties set forth in Section 5.28, no EXCO Party makes any warranty or representation, express, implied, statutory or otherwise, with respect to title to any of the Assets; and Investor hereby acknowledges and agrees that, other than a breach of the special warranty of title set forth in the Production Assets Assignments or a breach of the representations and warranties in Section 5.28, and subject to Section 3.5, the sole remedy of Investor, or any of the Partnership Entities for any defect of title with respect to the Assets, including any Title Defect, shall be as set forth in Section 3.2.

Section 3.2 Title Defects.

(a) To assert a claim of a Title Defect, Investor must deliver a claim notice to EXCO Parent (a "Title Defect Notice") after the discovery thereof no later than 5:00 p.m. Central Time on January 7, 2013 (such cut-off time and date, the "Defect Claim Date"). To be effective, each Title Defect Notice shall be in writing and (i) include a description of the alleged Title Defect that is reasonably sufficient for EXCO Parent to determine the basis of the alleged Title Defect, (ii) identify the Subject Well(s) or other Production Asset(s) adversely affected by the Title Defect (each a "Title Defect Property"), (iii) set forth the Allocated Value of each Title Defect Property, and (iv) specify the Investor's estimate of the Title Defect Amount with respect to each alleged Title Defect and the computations and information upon which Investor's belief is based, including any analysis by any title attorney or examiner hired by Investor. Investor shall furnish to EXCO Parent copies of all documents upon which Investor relies for its assertion of a Title Defect, including, at a minimum, supporting documents in Investor's possession reasonably necessary for EXCO Parent (as well as any title attorney or examiner hired by EXCO Parent) to verify the existence of the alleged Title Defect. Investor shall also on or before the Defect Claim Date use its good faith efforts to furnish EXCO Parent with written notice of any Title Defect or Title Benefit that is discovered by Investor or any of its Representatives while conducting Investor's due diligence with respect to the Production Assets prior to the Defect Claim Date.

(b) Upon EXCO Parent's delivery of a Remedy Notice to Investor prior to Closing, EXCO Parent shall have the right, but not the obligation, to attempt, at its sole cost, to cure or remove (or cause to be cured or removed) on or before the 90th day after the Closing Date (the "Cure Period") any Title Defects for which EXCO Parent has received a Title Defect Notice from Investor prior to the Defect Claim Date. With respect to any Title Defect (i) for which EXCO Parent has provided a Remedy Notice to Investor prior to or on the Closing Date which is not cured by EXCO Parent prior to Closing or (ii) for which EXCO Parent disputes the existence of a Title Defect or disputes the Title Defect Amount with respect to a Title Defect where the Parties have agreed on the remedy set forth in Section 3.2(c)(i) with respect thereto (in each case, a "Disputed Title Defect"), then, subject to the Individual Title Defect Threshold and the Aggregate Defect Deductible, at or substantially concurrent with Closing, an Escrow Amount determined in accordance with Section V.a of Annex A, computed using the Reference Title Defect Amount applicable to such Title Defect, shall be deposited in accordance with Section V.a of Annex A into an escrow account with an escrow agent mutually agreeable to Investor and EXCO Parent (such escrow agent, the "Escrow Agent" and such account, the "Title Defect Escrow Account"), and the Transaction Items shall be adjusted accordingly in accordance with Section V.a of Annex A. If any Title Defect with respect to which EXCO Parent has provided a Remedy Notice to Investor, and with respect to which the Escrow Amount relating thereto has been deposited into the Title Defect Escrow Account is cured prior to the expiration of the Cure Period, then the Parties shall effect the actions required by Section V.b of Annex A in respect of such Title Defect. If any Title Defect with respect to which EXCO Parent has provided a Remedy Notice to Investor is not cured by EXCO Parent within the Cure Period, then, on or before the fifth day after the expiration of the Cure Period (the "Remedy Deadline"), or if later on or before the fifth day after the final determination of the applicable Title Defect Amount pursuant to Section 3.4, the Parties shall effect the actions required by Section V.c, Section V.d or Section V.e of Annex A, as applicable, with respect to such Title Defect. Notwithstanding the foregoing, any disputes with respect to (x) the proper and adequate cure for any such Title Defect, (y) any Title Defect Amount or (z) whether the alleged Title Defect constitutes a Title Defect, shall be finally and exclusively resolved in accordance with the provisions of Section 3.4, and the Parties shall effect the actions required by Section V of Annex A in accordance with the determination of the Title Arbitrator pursuant to Section 3.4. An election by EXCO Parent to attempt to cure a Title Defect shall be without prejudice to its rights under Section 3.4 and shall not constitute an admission against interest or a waiver of EXCO Parent's right to dispute the existence, nature or value of, or cost to cure, the alleged Title Defect. Any Disputed Title Defects (including disputes with respect to whether any Disputed Title Defect has been cured) that have not been waived or otherwise resolved by EXCO Parent and Investor prior to the Remedy Deadline shall be exclusively and finally resolved in accordance with the provisions of Section 3.4.

(c) In the event that any Title Defect is not either waived by Investor or cured (as agreed by the Parties), in each case prior to the Closing, EXCO Parent and Investor shall mutually agree upon one of the following remedies (subject to the Individual Title Defect Threshold and the Aggregate Defect Deductible):

(i) make an adjustment to the Transaction Items pursuant to (x) Section II.a of Annex A if the Title Defect Amount applicable to such Title Defect is agreed by the Parties or (y) Section V.a of Annex A if the Title Defect Amount applicable to such Title Defect is disputed by the Parties;

(ii) have the applicable EXCO Party retain the entirety of the Title Defect Property (and any Assets solely related to such Title Defect Property) that is adversely affected by such Title Defect in which event the Transaction Items shall be adjusted pursuant to Section II.a of Annex A, based on the Allocated Value of such Title Defect Property and such Title Defect Property (and any Assets solely related to such Title Defect Property) shall no longer be included within the definition of Assets or Production Assets (or EXCO Parent Assets or EOC Assets, as applicable) for any purpose under this Agreement and such Title Defect Property (and any Assets solely related to such Asset) shall become an Excluded Asset hereunder and the Assumed Obligations shall not include liabilities or obligations relating to such Excluded Asset; or

(iii) have EXCO Parent indemnify MLP LLC, pursuant to a written indemnity agreement, in form and substance reasonably satisfactory to Investor, for any and all Damages arising out of or resulting from such Title Defect.

With respect to any Title Defect, if Investor and EXCO Parent cannot agree upon the remedy for such Title Defect under Section 3.2(c)(i), Section 3.2(c)(ii) or Section 3.2(c)(iii) above prior to the Closing, then Investor and EXCO Parent shall be deemed to have chosen the remedy under Section 3.2(c)(ii) with respect to such Title Defect.

(d) The Title Defect Amount resulting from a Title Defect shall be the amount by which the Allocated Value of the Title Defect Property adversely affected by such Title Defect is reduced as a result of the existence of such Title Defect and shall be determined in accordance with the following methodology, terms and conditions:

(i) if Investor and EXCO Parent agree on the Title Defect Amount, that amount shall be the Title Defect Amount;

(ii) if the Title Defect is a lien, encumbrance or other charge that is undisputed and liquidated in amount, then the Title Defect Amount shall be the amount necessary to be paid to remove the Title Defect from the applicable EXCO Party's interest in the affected Title Defect Property;

(iii) if the Title Defect reflects a discrepancy (with a proportional decrease in the Working Interest for the affected Title Defect Property) between (A) the Net Revenue Interest for the affected Title Defect Property and (B) the Net Revenue Interest stated in Schedule 2.4 or Schedule 3.2 (as applicable), then the Title Defect Amount shall be the product of the Allocated Value of such Title Defect Property multiplied by a fraction, the numerator of which is the amount of the Net Revenue Interest decrease and the denominator of which is the Net Revenue Interest stated in Schedule 2.4 or Schedule 3.2 (as applicable);

(iv) if the Title Defect represents an obligation, encumbrance, burden or charge upon or other defect in title to the Title Defect Property of a type not described in subsections (ii) or (iii) above, the Title Defect Amount shall be determined by taking into account the Allocated Value of the Title Defect Property, the portion of the Title Defect Property adversely affected by the Title Defect, the legal effect of the Title Defect, the potential economic effect of the Title Defect over the life of the Title Defect Property, the reasonable cost and expense of curing or remediating, as applicable, such Title Defect, and such other factors as are necessary to make a proper evaluation;

(v) the Title Defect Amount with respect to a Title Defect shall be determined without duplication of any costs or losses included in any other Title Defect Amount hereunder, or for which Investor otherwise receives credit in the calculation of the adjustments to the Transaction Items pursuant to Section 2.3;

(vi) notwithstanding anything to the contrary in this Article 4, the aggregate Title Defect Amounts attributable to the effects of all Title Defects upon any Title Defect Property shall not exceed the Allocated Value of such Title Defect Property; and

(vii) if the Parties agree on the remedy set forth in Section 3.2(c)(i) but the Parties do not agree by the scheduled Closing with respect to any Title Defect Amounts relating thereto, then the provisions of Section 3.2 and Section 3.4 shall apply.

Section 3.3 Title Benefits.

(a) In addition to any Title Benefits reported by Investor pursuant to Section 3.2, EXCO Parent has the right, but not the obligation, to deliver to Investor on or before the Defect Claim Date with respect to each Title Benefit discovered by EXCO Parent a notice (a "Title Benefit Notice") in writing and including (i) a description of the Title Benefit reasonably sufficient to determine the basis of the alleged Title Benefit, (ii) the Subject Well affected by such Title Benefit (a "Title Benefit Property"), (iii) the Allocated Value of each Title Benefit Property, (iv) EXCO Parent's estimate of the Title Benefit Amount attributable to the Title Benefit and the computations and information upon which EXCO Parent's belief is based on or before the Defect Claim Date with respect to each Title Benefit discovered by EXCO Parent. EXCO Parent shall deliver to Investor copies of all documents upon which EXCO Parent relies for its assertion of a Title Benefit, including, at a minimum, supporting documents reasonably necessary for Investor (as well as any title attorney or examiner hired by Investor) to verify the existence of the alleged Title Benefit.

(b) With respect to each Title Benefit Property affected by any Title Benefits reported under Section 3.2(a) or Section 3.3(a), the Title Benefit Amount attributable to such Title Benefit shall be used to reduce the amount of the aggregate Title Defect Amounts and Remedy Amounts attributable to Title Defects and Environmental Defects properly and timely raised by Investor after taking into account the Individual Title Defect Threshold and the Individual Environmental Defect Threshold, as applicable.

(c) The Title Benefit Amount resulting from a Title Benefit shall be the amount by which the Allocated Value of the Title Benefit Property affected by such Title Benefit is increased as a result of the existence of such Title Benefit and shall be determined in accordance with the following methodology, terms and conditions:

(i) if Investor and EXCO Parent agree on the Title Benefit Amount, that amount shall be the Title Benefit Amount;

(ii) if the Title Benefit reflects a difference (with a proportional increase in the Working Interest for the affected Title Defect Property) between (A) the Net Revenue Interest for the affected Title Benefit Property and (B) the Net Revenue Interest stated in Schedule 2.4 or Schedule 3.2 (as applicable), then the Title Benefit Amount shall be the product of the Allocated Value of such Title Benefit Property multiplied by a fraction, the numerator of which is the amount of the Net Revenue Interest increase and the denominator of which is the Net Revenue Interest stated in Schedule 2.4 or Schedule 3.2 (as applicable); and

(iii) if the Title Benefit represents a benefit in the ownership or title to the Title Benefit Property of a type not described in subsection (ii) above, the Title Benefit Amount shall be determined by taking into account the Allocated Value of the Title Benefit Property, the portion of the Title Benefit Property benefitted by the Title Benefit, the legal effect of the Title Benefit, the potential economic effect of the Title Benefit over the life of the Title Benefit Property and such other factors as are necessary to make a proper evaluation.

(d) If the Parties cannot reach an agreement on alleged Title Benefits or Title Benefit Amounts (in each case, a "Disputed Title Benefit") by the scheduled Closing, then (i) the average of EXCO's and Investor's good faith estimate of such disputed Title Benefit Amount shall be used in calculating the reduction to the Title Defect Amounts and Remedy Amounts pursuant to Section 3.3(b) to the extent applicable, and (ii) the provisions of Section 3.4 shall apply.

Section 3.4 Title Disputes.

(a) If, after the Remedy Deadline, the Parties are unable to agree on any Disputed Title Defects or Disputed Title Benefits (the "Disputed Title Matters") such dispute(s), and only such dispute(s), shall be exclusively and finally resolved in accordance with the following provisions of this Section 3.4. Investor shall provide to EXCO Parent by not later than the tenth Business Day following the Remedy Deadline a written description meeting the requirements of Section 3.2(a) or Section 3.3(a), as applicable, together with supporting documentation, of the Disputed Title Matters. By not later than ten Business Days after EXCO Parent's receipt of Investor's written description of the Disputed Title Matters, EXCO Parent shall provide to Investor a written response setting forth EXCO Parent's position with respect to the Disputed Title Matters together with supporting documentation.

(b) By not later than ten Business Days after Investor's receipt of EXCO Parent's written response to Investor's written description of the Disputed Title Matters and supporting documentation, either EXCO or Investor may initiate a non-administered arbitration of any such dispute(s) conducted in accordance with the Commercial Arbitration Rules of the AAA, to the extent that such rules do not conflict with the terms of this Section 3.4, by written notice (the "Title Arbitration Notice") to the other Party of any Disputed Title Matters not otherwise resolved or waived that are to be resolved by arbitration ("Final Disputed Title Matters").

(c) The arbitration shall be held before a one member arbitration panel (the "Title Arbitrator"), determined as follows. The Title Arbitrator shall be an attorney with at least 15 years' experience examining oil and gas titles in the State of Texas. Within two Business Days following the receipt by EXCO or Investor of the Title Arbitration Notice from the other Party, EXCO Parent and Investor shall each exchange lists of three acceptable, qualified arbitrators. Within two Business Days following the exchange of lists of acceptable arbitrators, the Parties shall select by mutual agreement the Title Arbitrator from their original lists of three acceptable arbitrators. If no such agreement is reached within five Business Days following the delivery of Title Arbitration Notice, the Houston, Texas office of the AAA shall select an arbitrator from the original lists provided by the Parties to serve as the Title Arbitrator.

(d) Within two Business Days following the selection of the Title Arbitrator, the following initial information shall be submitted to the Title Arbitrator (with copies to the other Parties): (i) EXCO Parent shall submit a copy of this Agreement, with specific reference to this Section 3.4 and the other applicable provisions of this Article 3; (ii) Investor shall submit a copy of Investor's written description of the Final Disputed Title Matters, together with the supporting documents that were provided to EXCO Parent; (iii) EXCO Parent shall submit a copy of EXCO Parent's written response to Investor's written description of the Final Disputed Title Matters, together with the supporting documents that were provided to Investor; and (iv) EXCO Parent shall submit a copy of the Title Arbitration Notice. The Parties may then supplement such initial information with one final supplement and/or response to the other Party's position with respect to the Final Disputed Title Matters submitted to the Title Arbitrator within three Business Days after all of such initial information has been submitted. The Title Arbitrator shall resolve the Final Disputed Title Matters based only on the foregoing submissions. Neither Investor nor EXCO Parent shall have the right to submit additional documentation to the Title Arbitrator nor to demand discovery on the other Party.

(e) The Title Arbitrator shall make its determination by written decision within 20 Business Days following his/her selection pursuant to Section 3.4(c) (the "Title Arbitration Decision"). The Title Arbitration Decision shall be final and binding upon the Parties, without right of appeal. In making his/her determination, the Title Arbitrator shall be bound by the provisions of this Article 3. The Title Arbitrator may consult with and engage disinterested Third Parties (including Louisiana counsel if any Final Disputed

Title Matter relates to properties located in Louisiana) to advise the Title Arbitrator, but shall disclose to the Parties the identities of such consultants and shall only use such Third Parties to the extent necessary to resolve the Final Disputed Title Matters. Any such consultant shall not have worked as an employee or consultant for either Party or its Affiliates during the five-year period preceding the arbitration nor have any financial interest in the dispute.

(f) The Title Arbitrator shall act as an expert for the limited purpose of determining the specific disputed Title Defects and Title Defect Amounts or Title Benefits and Title Benefit Amounts and shall not be empowered to award damages, interest or penalties to either Party with respect to any matter.

(g) The fees, costs and expenses of the Title Arbitrator, shall be allocated between EXCO Parent, on the one hand, and Investor, on the other hand, based upon the percentage which the portion of the Disputed Title Matters not awarded to such Party bears to the amount actually contested by such Party. For example, if Investor claims that the appropriate adjustments are $1,000 greater than the amount determined by EXCO Parent and if the Title Arbitrator ultimately resolves the Disputed Title Matters by awarding to Investor $300 of the $1,000 contested, then the fees, costs and expenses of the Title Arbitrator will be allocated 30% (i.e., 300 ÷ 1,000) to EXCO Parent and 70% (i.e., 700 ÷ 1,000) to Investor. Each Party shall each bear its own legal fees and other costs of preparing and presenting its case.

(h) The Parties shall implement the Title Arbitration Decision as follows: (i) in the case of alleged Title Defects determined to be Title Defects, EXCO Parent shall remedy, at its sole election, such Title Defects pursuant to Section 3.2(c) in a manner reasonably satisfactory to Investor within ten Business Days following EXCO Parent's receipt of the Title Arbitration Decision (with any amounts owed, as a result of such election, to be made and accounted for at the times set forth in Section 10.5(b)), (ii) in the case of disputed Title Defect Amounts or where an alleged Title Defect is determined to be a Title Defect and remains uncured ten Business Days following EXCO Parent's receipt of the Title Arbitration Decision, any amounts determined to be owed by either Party shall be accounted for in accordance Section V.c, Section V.d or Section V.e of Annex A, as applicable, and the Parties shall effect the actions required thereby in connection therewith. Any alleged Title Defects determined not to be Title Defects or alleged Title Benefits determined not to be Title Benefits (in each case) under the Title Arbitration Decision shall be final and binding as not being Title Defects or Title Benefits, as applicable.

(i) Any dispute over the interpretation or application of this Section 3.4 shall be decided by the Title Arbitrator with reference to the Laws of the State of Texas.

Section 3.5 Limitations on Applicability.

(a) The right of Investor or EXCO Parent to assert a Title Defect or Title Benefit, respectively, under this Article 3 shall terminate on the Defect Claim Date, except that until the alleged Title Defect or Title Benefit or Title Defect Amount or Title

Benefit Amount, as applicable, is resolved in accordance with this Agreement, there shall be no termination of Investor's or EXCO Parent's rights under this Article 3 with respect to any alleged Title Defect or Title Benefit properly reported in accordance with Section 3.4 on or before the Defect Claim Date. Thereafter, except pursuant to the special warranty of title set forth in the Production Assets Assignments, Investor (on its own behalf and on behalf of the Partnership Entities) shall be deemed to have waived any Title Defect of which Investor has not provided notice prior to the Defect Claim Date. Notwithstanding the foregoing, if a Title Defect under this Article 3 results from any matter that could also result in the breach of any representation or warranty of EXCO Parent as set forth in Article 5 or a breach of any EXCO Party's special warranty of title set forth in the Production Assets Assignments and (in either case) (i) Investor has Actual Knowledge of such matter prior to the Defect Claim Date after consultation with its consultants and counsel engaged by Investor to conduct title due diligence or (ii) the Title Defect was apparent from a recorded instrument to which EXCO or its Affiliate is or was a party which was recorded prior to the Effective Time, then, other than a Title Defect consisting of an EXCO Transfer or Lien arising by through or under EXCO or an Affiliate of EXCO, Investor shall only be entitled to assert such matter as a Title Defect to the extent permitted by this Article 3 and, for the avoidance of doubt, Investor and the Partnership Entities shall be precluded from also asserting such matter as the basis of the breach of any such representation or warranty or as a claim against any EXCO Party's special warranty of title provided in the Production Assets Assignments.

(b) Notwithstanding anything to the contrary in this Agreement, in no event shall there be any adjustments to the Transaction Items or other remedies available in respect of Title Defects under this Article 3 (i) for any Title Defect Amount with respect to an individual Title Defect if such amount does not exceed $25,000 (each, an "Individual Title Defect Threshold"); and (ii) with respect to any Title Defect Amount that exceeds the Individual Title Defect Threshold unless (A) the amount of (1) the sum of (x) all of the Title Defect Amounts of such Title Defects that exceed the Individual Title Defect Threshold (for the avoidance of doubt, including the portion of such Title Defect Amounts that is less than the Individual Title Defect Threshold), excluding any Title Defect Amounts attributable to Title Defects cured by EXCO Parent or waived by Investor, plus (y) the Remedy Amounts of all Environmental Defects, in the aggregate, excluding any individual Environmental Defect for which the Remedy Amount does not exceed the Individual Environmental Threshold and excluding any Environmental Defects cured by EXCO Parent or waived by Investor, minus (2) all Title Benefit Amounts attributable to Title Benefits, exceeds (B) the Aggregate Defect Deductible after which point, subject to the Individual Title Defect Threshold, Investor shall be entitled to adjustments to the Transaction Items or other remedies chosen by Investor and EXCO Parent in accordance with Section 3.2(c) only with respect to Title Defect Amounts in excess of such Aggregate Defect Deductible and only to the extent that Title Defect Amounts exceed the Aggregate Defect Deductible. If any Asset is excluded pursuant to Section 3.2(c), the Title Defect Amount relating to such excluded Asset will not be counted towards the Aggregate Defect Deductible.

Section 3.6 Consents to Assignment and Preferential Rights to Purchase.

(a) Promptly after the Execution Date, EXCO Parent shall prepare and send (i) notices to the holders of any required consents to assignment that are set forth in Schedule 5.13B (including the Specified Consent Requirements that are set forth in Schedule 5.13B) requesting consents to the Production Assets Assignments and, if applicable, the transactions contemplated hereby, and (ii) notices to the holders of any applicable preferential rights to purchase or similar rights that are set forth in Schedule 5.13A in compliance with the terms of such rights and requesting waivers of such rights. EXCO Parent shall use commercially reasonable efforts to cause such consents to assignment and waivers of preferential rights to purchase or similar rights (or the exercise thereof) to be obtained and delivered prior to Closing, *provided* that EXCO Parent 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 required consents and waivers. Investor shall cooperate with EXCO Parent in seeking to obtain such consents to assignment and waivers of preferential rights, *provided* that Investor 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 required consents and waivers. Any preferential purchase right must be exercised subject to all terms and conditions set forth in this Agreement (including all thresholds, deductibles and other amounts except for the cash consideration), including the successful Closing of this Agreement pursuant to Article 8 as to those Assets for which preferential purchase rights have not been exercised; *provided, however,* that the exercise of such preferential purchase rights will be for cash consideration only (based on the Allocated Value) and no partnership with the holder of such right will be formed pursuant hereto. 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 2.2(a) and Section 2.2(b). If, prior to the Closing Date, any Party discovers any required consents or preferential rights to purchase (applying to the Assets) for which notices have not been delivered pursuant to the first sentence of this Section 3.6(a), then, without limiting any rights for indemnification pursuant to Section 12.2(b)(ii) on account of a breach of EXCO's representations set forth in Section 5.13, (A) the Party making such discovery shall provide the other Party with written notification of such consents or preferential rights, as applicable, (B) EXCO Parent, following delivery or receipt of such written notification, as applicable, will promptly send notices to the holders of the required consents requesting consents to the Production Assets Assignments and, if applicable, the transactions contemplated hereby, and notices to the holders of preferential rights to purchase in compliance with the terms of such rights and requesting waivers of such rights and (C) the terms and conditions of this Section 3.6 shall apply to the Assets subject to such consents or preferential rights to purchase, as applicable.

(b) No Asset for which a Specified Consent Requirement has not been satisfied shall be included in any of the Production Assets Assignments. In cases in which the Asset subject to such a requirement is a Contract and MLP LLC is assigned the other Assets to which the Contract relates, but the Contract is not transferred to MLP LLC due to the unwaived Specified Consent Requirement, then, to the extent practicable, (i) EXCO Parent shall continue after Closing to use commercially reasonable efforts to satisfy the Specified Consent Requirement so that such Contract can be transferred to MLP LLC upon receipt of the Specified Consent Requirement, (ii) the Contract shall be

held by the applicable EXCO Party for the benefit of MLP LLC until the Specified Consent Requirement is satisfied or the Contract has terminated, and (iii) MLP LLC shall pay all amounts due thereunder, perform all obligations thereunder and, subject to the rights of MLP LLC under the Related Agreements, indemnify the EXCO Parties and their Affiliates against any Damages incurred or suffered by any such EXCO Party or Affiliate as a consequence of an EXCO Party remaining a party to such Contract (in each case, except to the extent any such Damages 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 Article 7 of the Administrative Services Agreement, applied *mutatis mutandis*) until the Specified Consent Requirement is satisfied or the Contract has terminated. In cases in which the Asset subject to such a Specified Consent Requirement is a Property or other real property interest and such consent is not satisfied by Closing, the affected Asset (and any Assets solely related to such Asset) shall not be transferred pursuant to the Production Assets Assignments, and the Transaction Items shall be appropriately adjusted in accordance with Section III.a of Annex A based upon the Allocated Value of such Asset. In such event, unless and until such Assets are thereafter transferred to MLP LLC as provided in Section 3.6(c) and subject to the foregoing provisions (including MLP LLC's indemnification obligations under this Section 3.6(b), which provisions shall control in event of any conflict with the other provisions of this Agreement), such excluded Assets (and any Assets solely related to such Assets), shall no longer be included within the definition of Assets or Production Assets (or EXCO Parent Assets or EOC Assets, as applicable) for any purpose under this Agreement and shall become an Excluded Asset hereunder, and the Assumed Obligations shall not include liabilities or obligations relating to such Excluded Assets.

(c) If an unsatisfied Specified Consent Requirement with respect to which an adjustment to the Transaction Items is made under Section 2.3 is subsequently satisfied prior to the fifth Business Day prior to Final Statement Date, a separate closing shall be held within five Business Days thereof at which (i) the applicable EXCO Party shall contribute and convey the affected Assets to MLP LLC in accordance with this Agreement, and (ii) the Parties shall take the actions required by Section III.b of Annex A on the account of such contribution of such Assets.

(d) If such consent requirement is not satisfied by the date of delivery of the final settlement statement, the EXCO Parties shall have no further obligation to contribute and convey such Assets to MLP LLC, and such Assets (and any Assets solely related to such Assets) shall be deemed to be deleted from the Exhibits and Schedules to this Agreement for all purposes. For any required consent that is not a Specified Consent Requirement, notwithstanding anything herein to the contrary, but subject to the rights for indemnification pursuant to Section 12.2(b) on account of a breach of EXCO's representations set forth in Section 5.13, MLP LLC shall be responsible from and after the Closing for any and all liabilities arising from the failure to obtain such consent except to the extent that the failure to obtain such consent results from the breach by any of the EXCO Parties of its covenants set forth in this Section 3.6.

(e) If any preferential right to purchase any Assets is exercised prior to the Reorganization or the Closing (as applicable), the Transaction Items shall be adjusted in

accordance with Section III.a of Annex A 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. The applicable EXCO Party 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 Reorganization or the Closing (as applicable) 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 MLP LLC pursuant to the Production Assets Assignments and the Transaction Items shall be adjusted in accordance with Section III.a of Annex A based upon the Allocated Value of such Assets. In the event that such Third Party exercises its preferential right to purchase following the Closing, the EXCO Parties shall have no further obligation to contribute and convey such Assets to MLP LLC, 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. If, on the other hand, 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) on the fifth Business Day prior to the Final Statement Date, then a separate closing shall be held within five Business Days thereof at which (i) the applicable EXCO Party shall contribute and convey such affected Assets to MLP LLC in accordance with this Agreement and (ii) the Parties shall take the actions required by Section III.b of Annex A on the account of such contribution of such Assets. With respect to any Assets excluded from the transactions contemplated hereby pursuant to this Section 3.6(e) (unless and until such Assets are thereafter transferred to MLP LLC as provided in this this Section 3.6(e)), such excluded Assets shall constitute Excluded Assets hereunder and, for the avoidance of doubt, the Assumed Obligations shall not include liabilities and obligations relating to such Excluded Assets.

Section 3.7 Maintenance of Uniform Interest Waivers.

(a) Promptly after the Execution Date, EXCO Parent shall prepare and send notices to the Working Interests owners (the "WI Owners") that are parties with an EXCO Party to one or more of those joint operating agreements affecting the Properties that contain a maintenance of uniform interest provision ("MUI") and that are set forth in Schedule 5.13C. EXCO Parent shall use commercially reasonable efforts to cause waivers of such MUIs to be obtained and delivered prior to undertaking the Reorganization, *provided* that EXCO Parent 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. Investor shall cooperate with EXCO Parent in seeking to obtain such waivers of the MUIs; *provided* that Investor 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. If, prior to the Closing Date, any Party discovers any joint operating agreements affecting the Properties and containing a MUI for which notices have not been delivered pursuant to the first sentence of this Section 3.7(a), then, without limiting the rights for indemnification pursuant to Section 12.2(b)(ii) on account of a breach of EXCO's representations set forth in Section 5.13, (i) the Party making such discovery shall provide the other Party with written notification of such MUIs, (ii) EXCO Parent, following delivery or receipt of such written notification, will promptly send notices to

the WI Owners that are subject to such MUIs requesting waivers of such MUIs, and (iii) the terms and conditions of this Section 3.7 shall apply to the Assets subject to such MUIs.

(b) Unless the Parties otherwise agree in writing, no Asset for which less than all of the waivers of the MUI affecting such Asset from the applicable WI Owners subject thereto have been received shall be included in any of the Production Assets Assignments. Unless the Parties otherwise agree in writing, if any such waivers of an MUI affecting an Assets are not obtained, then the Asset affected thereby (and any Assets solely related thereto) shall not be transferred pursuant to the Production Assets Assignments and the Transaction Items shall be adjusted in accordance with Section III.a of Annex A. If all of the waivers of such MUI are subsequently obtained prior to the fifth Business Day prior to the Final Statement Date, a separate closing shall be held within five Business Days thereof at which (i) the applicable EXCO Party shall contribute and convey such Assets to MLP LLC in accordance with this Agreement and (ii) the Parties shall take the actions required by Section III.b of Annex A on account of the such contribution of such Assets. If all of such waivers are not obtained by the Final Statement Date, then the EXCO Parties shall have no further obligation to contribute and convey such Assets to MLP LLC, and such Assets shall be deemed to be deleted from the Exhibits and Schedules to this Agreement for all purposes. With respect to any Assets excluded from the transactions contemplated hereby pursuant to this Section 3.7 (unless and until such Assets are thereafter transferred to MLP LLC as provided in this Section 3.7(b)), such excluded Assets shall constitute Excluded Assets hereunder and, for the avoidance of doubt, the Assumed Obligations shall not include liabilities and obligations relating to such Excluded Assets.

Section 3.8 Casualty or Condemnation Loss.

(a) If, after the Execution Date, but prior to the Reorganization, any portion of the Assets is damaged, destroyed or made unavailable or unusable for the intended purpose by fire or other casualty or is taken in condemnation or under right of eminent domain (each a "Casualty Loss") and the loss as a result of the aggregate of all such Casualty Losses exceeds $5,000,000, then to the extent Closing occurs (subject to the other terms and conditions of this Agreement, including that the conditions set forth in Sections 9.1(f) and 9.2(f) being satisfied or waived by the applicable Party), Investor and EXCO Parent shall mutually agree to either (i) have EXCO Parent cause the Assets adversely affected by any such Casualty Loss to be repaired or restored to at least their condition prior to such Casualty Loss, at EXCO Parent's sole cost and expense, as promptly as reasonably practicable (which work may extend after the Closing Date), (ii) to indemnify the Partnership Entities against any costs or expenses that any such Person reasonably incurs to repair or restore the Assets subject to any such Casualty Loss or (iii) to the extent such Assets are not material to the operation or value of the other Assets, exclude the affected Assets (and any Assets solely related to such Assets) from this Agreement and adjust the Transaction Items in accordance with Section II.a of Annex A based upon the Allocated Value of such Assets. In each case, EXCO Parent shall retain all rights to insurance, unpaid awards, condemnation payments and other rights and claims (including those rights and claims held by Vernon) against Third Parties with respect to the Casualty Loss, except to the extent the Parties otherwise agree in writing.

(b) If, after the Execution Date, but prior to the Reorganization, any Casualty Loss occurs, and the loss as a result of the aggregate of all such Casualty Losses is $5,000,000 or less, then (subject to the other terms and conditions of this Agreement, including that the conditions set forth in Sections 9.1(f) and 9.2(f) being satisfied or waived by the applicable Party) Investor shall nevertheless be required to close and EXCO Parent shall, at Closing, pay to MLP LLC all sums paid to EXCO Parent or its Affiliates (other than Vernon) by Third Parties by reason of such individual Casualty Loss and (i) EXCO Parent, on behalf of itself and its Affiliates (other than Vernon), shall assign, transfer and set over to MLP LLC or subrogate MLP LLC to all of such Person's right, title and interest (if any) in unpaid awards, condemnation payments and other rights and claims against Third Parties (other than Persons within the EXCO Group) arising out of the Casualty Loss, and (ii) Vernon shall be permitted to retain all sums paid to it and all such rights and claims in the case of a Casualty Loss attributable to Vernon's assets.

ARTICLE 4
ENVIRONMENTAL MATTERS

Section 4.1 Environmental Defects.

(a) To assert a claim of an Environmental Defect, Investor must deliver a claim notice to EXCO Parent (a "Environmental Defect Notice") promptly after the discovery thereof, but in no event later than the Defect Claim Date. Investor shall also, from time to time prior to the Defect Claim Date, use its good faith efforts to furnish EXCO Parent with written notice of any Environmental Defect that is discovered by Investor or any of its Representatives while conducting Investor's due diligence with respect to the Assets prior to the Defect Claim Date. To be effective, each Environmental Defect Notice shall be in writing and (i) include a description of the alleged Environmental Defect that is reasonably sufficient for EXCO Parent to determine the basis of the alleged Environmental Defect, (ii) identify the Asset adversely affected by the Environmental Defect (a "Environmental Defect Property"), (iii) set forth the Allocated Value of each Environmental Defect Property, and (iv) specify Investor's estimate of the Remedy Amount with respect to the alleged Environmental Defect and the computations and information upon which Investor's belief is based, including any analysis by any environmental consultant hired by Investor. Investor shall furnish to EXCO Parent copies of all documents upon which Investor relies for its assertion of an Environmental Defect, including, at a minimum, supporting documents in Investor's possession reasonably necessary for EXCO Parent (as well as any Environmental attorney or examiner hired by EXCO Parent) to verify the existence of the alleged Environmental Defect.

(b) EXCO Parent shall have the right, but not the obligation, to attempt, at its sole cost, to Remedy (or cause to be Remedied) on or before the Closing Date any Environmental Defects for which EXCO Parent has received an Environmental Defect Notice from Investor prior to the Defect Claim Date.

(c) In the event that any Environmental Defect is not waived by Investor or Remedied prior to Closing, or any dispute exists as to whether an Environmental Defect exists or a Remedy has been effected, EXCO Parent and Investor shall mutually agree upon one of the following actions (subject to the Individual Environmental Defect Threshold and the Aggregate Defect Deductible):

(i) make an adjustment to the Transaction Items pursuant to (x) Section II.a of Annex A if the Remedy Amount applicable to such Environmental Defect is agreed by the Parties or (y) Section IV.a of Annex A if the Remedy Amount applicable to such Environmental Defect is disputed by the Parties;

(ii) have the applicable EXCO Party retain the entirety of the Environmental Defect Property (and any other Assets solely related to such Environmental Defect Property) that is adversely affected by such Environmental Defect in which event the Transaction Items shall be adjusted in accordance with Section II.a of Annex A based upon the Allocated Value of such Environmental Defect Property and such Environmental Defect Property (and any other Assets solely related to such Environmental Defect Property) shall no longer be included within the definition of Assets or Production Assets (or EXCO Parent Assets or EOC Assets, as applicable) for any purpose under this Agreement and shall become an Excluded Asset hereunder, and the Assumed Obligations shall not include liabilities or obligations relating to such Excluded Assets; or

(iii) have EXCO Parent indemnify MLP LLC, pursuant to a written indemnity agreement, in form and substance reasonably satisfactory to Investor, for any and all Damages arising out of or resulting from such Environmental Defect.

With respect to any Environmental Defect, if Investor and EXCO Parent cannot agree upon the remedy for such Environmental Defect under Section 4.1(c)(i), Section 4.1(c)(ii) or Section 4.1(c)(iii) above prior to Closing, then Investor and EXCO Parent shall be deemed to have chosen the remedy under Section 4.1(c)(ii) with respect to such Environmental Defect.

Section 4.2 Environmental Disputes.

(a) The Parties shall attempt to agree on all Environmental Defects and Remedy Amounts prior to Closing. If the Parties are unable to agree on the existence of any Environmental Defect that is not excluded pursuant to Section 4.1(c)(ii) or if the Parties are unable to agree on any Remedy Amounts for which an adjustment is to be made to the Transaction Items pursuant to Section 4.1(c)(i), (in each case) by the scheduled Closing, then the average of EXCO's and Investor's good faith estimate of the Remedy Amount relating thereto shall be used to determine the adjustments to the Transaction Items pursuant to Section IV.a of Annex A. If, after the Closing, the Parties are unable to agree on an alleged Environmental Defect or the Remedy Amount (the "Disputed Environmental Matters") such dispute(s), and only such dispute(s), shall be exclusively and finally resolved in accordance with the following provisions of this

Section 4.2. Investor shall provide to EXCO Parent by not later than the tenth Business Day following the Closing a written description meeting the requirements of Section 4.1(a), together with all supporting documentation, of the Disputed Environmental Matters. By not later than ten Business Days after EXCO Parent's receipt of Investor's written description of the Disputed Environmental Matters, EXCO Parent shall provide to Investor a written response setting forth EXCO Parent's position with respect to the Disputed Environmental Matters, together with all supporting documentation.

(b) By not later than 15 Business Days after Investor's receipt of EXCO Parent's written response and supporting documentation to Investor's written description of the Disputed Environmental Matters, either EXCO or Investor may initiate a non-administered arbitration of any such dispute(s) conducted in accordance with the Commercial Arbitration Rules of the AAA, to the extent that such rules do not conflict with the terms of this Section 4.2, by written notice (the "Environmental Arbitration Notice") to the other Party of any Disputed Environmental Matters not otherwise resolved or waived that are to be resolved by arbitration ("Final Disputed Environmental Matters").

(c) The arbitration shall be held before a one member arbitration panel (the "Environmental Arbitrator"), determined as follows. The Environmental Arbitrator shall be an attorney with at least 15 years' experience in environmental law in the State of Texas. Within two Business Days following the receipt by EXCO or Investor of the Environmental Arbitration Notice from the other Party, EXCO Parent and Investor shall each exchange lists of three acceptable, qualified arbitrators. Within two Business Days following the exchange of lists of acceptable arbitrators, the Parties shall select by mutual agreement the Environmental Arbitrator from their original lists of three acceptable arbitrators. If no such agreement is reached within five Business Days following the delivery of Environmental Arbitration Notice, the Houston, Texas office of the AAA shall select an arbitrator from the original lists provided by the Parties to serve as the Environmental Arbitrator.

(d) Within two Business Days following the selection of the Environmental Arbitrator, the following initial information shall be submitted to the Environmental Arbitrator (with copies to the other Parties): (i) EXCO Parent shall submit a copy of this Agreement, with specific reference to this Section 4.2 and the other applicable provisions of this Article 4, (ii) Investor shall submit a copy of Investor's written description of the Final Disputed Environmental Matters, together with the supporting documents that were provided to EXCO Parent, (iii) EXCO Parent shall submit a copy of EXCO Parent's written response to Investor's written description of the Final Disputed Environmental Matters, together with the supporting documents that were provided to Investor and (iv) EXCO Parent shall submit a copy of the Environmental Arbitration Notice. The Parties may then supplement such initial information with one final supplement and/or response to the other Party's position with respect to the Final Disputed Environmental Matters submitted to the Environmental Arbitrator within three Business Days after all of such initial information has been submitted. The Environmental Arbitrator shall resolve the Final Disputed Environmental Matters based only on the foregoing submissions. Neither Investor nor EXCO Parent shall have the right to submit additional documentation to the Environmental Arbitrator nor to demand discovery on the other Party.

(e) The Environmental Arbitrator shall make its determination by written decision within 20 Business Days following his/her selection pursuant to Section 4.2(c) (the "Environmental Arbitration Decision"). The Environmental Arbitration Decision shall be final and binding upon the Parties, without right of appeal. In making his/her determination, the Environmental Arbitrator shall be bound by the provisions of this Article 4. The Environmental Arbitrator may consult with and engage disinterested Third Parties (including Louisiana counsel if any Final Disputed Environmental Matter relates to properties located in Louisiana) to advise the Environmental Arbitrator, but shall disclose to the Parties the identities of such consultants and shall only use such Third Parties to the extent necessary to resolve the Final Disputed Environmental Matters. Any such consultant shall not have worked as an employee or consultant for either Party or its Affiliates during the five-year period preceding the arbitration nor have any financial interest in the dispute.

(f) The Environmental Arbitrator shall act as an expert for the limited purpose of determining the specific disputed Environmental Defects and Remedy Amounts and shall not be empowered to award damages, interest or penalties to either Party with respect to any matter.

(g) The fees, costs and expenses of the Environmental Arbitrator, shall be allocated between EXCO Parent, on the one hand, and Investor, on the other hand, based upon the percentage which the portion of the disputed matters not awarded to such Party bears to the amount actually contested by such Party. Each Party shall each bear its own legal fees and other costs of preparing and presenting its case.

(h) The Parties shall implement the Environmental Arbitration Decision with respect to which the Parties chose the remedy set forth in Section 4.1(c)(i) by taking the actions required by Section IV.b, Section IV.c or Section IV.d, of Annex A, as applicable, based upon the finally determined Remedy Amount (or, if the alleged Environmental Defect is determined not to have been an Environmental Defect, based upon a Remedy Amount of $0).

(i) Any dispute over the interpretation or application of this Section 4.2 shall be decided by the Environmental Arbitrator with reference to the Laws of the State of Texas.

Section 4.3 Limitations on Applicability.

(a) The right of Investor to assert an Environmental Defect under this Article 4 shall terminate on the Defect Claim Date, except that until the alleged Environmental Defect or Remedy Amount, as applicable, is resolved in accordance with this Agreement, there shall be no termination of Investor's rights under this Article 4 with respect to any alleged Environmental Defect properly reported in accordance with Section 4.1 on or before the Defect Claim Date. Except for Investor's rights for any breach by EXCO of

Section 5.18, Investor (on its own behalf and on behalf of the Partnership Entities) shall be deemed to have waived any Environmental Defect of which Investor has not provided notice prior to the Defect Claim Date.

(b) Notwithstanding anything to the contrary in this Agreement, in no event shall there be any adjustments to the Transaction Items or other remedies available in respect of Environmental Defects under this Article 4 (i) for any Remedy Amount with respect to an individual Environmental Defect Property if such amount does not exceed $75,000 (each, an "Individual Environmental Defect Threshold"); and (ii) with respect to any Remedy Amount that exceeds the Individual Environmental Defect Threshold unless (A) the amount of (1) the sum of (x) all of the Remedy Amounts of such Environmental Defects that exceed the Individual Environmental Defect Threshold (for the avoidance of doubt, including the portion of such Remedy Amounts that is less than the Individual Environmental Defect Threshold), excluding any Remedy Amounts attributable to Environmental Defects cured by EXCO Parent or waived by Investor, plus (y) the Title Defect Amounts of all Title Defects, in the aggregate, excluding any individual Title Defect for which the Title Defect Amount does not exceed the Individual Title Defect Threshold and excluding any Title Defects cured by EXCO Parent or waived by Investor, minus (2) all Title Benefit Amounts attributable to Title Benefits, exceeds (B) the Aggregate Defect Deductible after which point, subject to the Individual Environmental Defect Threshold, Investor shall be entitled to the adjustments to the Transaction Items or other remedies chosen by Investor and EXCO Parent in accordance with Section 4.1(c) only with respect to Remedy Amounts in excess of such Aggregate Defect Deductible and only to the extent that Remedy Amounts exceed the Aggregate Defect Deductible. If any Asset is excluded pursuant to Section 4.1(c)(ii), the Remedy Amount relating to such excluded Asset will not be counted towards the Aggregate Defect Deductible.

(c) Without prejudice to any of the other dates by which performance or the exercise of rights is due hereunder, or the Parties' rights or obligations in respect thereof, the Parties hereby acknowledge that, as set forth more fully in Section 14.15, time is of the essence in performing their obligations and exercising their rights under this Article 4, and, as such, that each and every date and time by which such performance or exercise is due shall be the firm and final date and time.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF EXCO

Section 5.1 Generally.

(a) Any representation or warranty qualified to the "knowledge of EXCO" or "to EXCO's knowledge" or with any similar knowledge qualification is limited to matters within the Actual Knowledge of the individuals listed in Schedule 5.1.

(b) Subject to the foregoing provisions of this Section 5.1 and the other terms and conditions of this Agreement, EXCO represents and warrants to Investor, MLP LLC and the Partnership the matters set forth in Sections 5.2 through 5.28 as of the Execution Date.

Section 5.2 Existence and Qualification. EXCO Parent is a corporation, validly existing and in good standing under the Laws of the State of Texas and is duly qualified to do business in the State of Louisiana. EOC is a limited partnership, validly existing and in good standing (to the extent applicable) under the Laws of the State of Delaware and is duly qualified to do business in the States of Texas and Louisiana. MLP LLC is a limited liability company validly existing and in good standing under the Laws of the State of Delaware and is (or will be prior to the Reorganization) duly qualified to do business in the States of Texas and Louisiana. Vernon is a limited liability company validly existing and in good standing under the Laws of the State of Delaware and is duly qualified to do business in the State of Louisiana.

Section 5.3 Power. Each EXCO Party has the requisite power to enter into and perform this Agreement and consummate the transactions contemplated by this Agreement. MLP LLC has the requisite power to consummate the Reorganization and the transactions contemplated by this Agreement.

Section 5.4 Authorization and Enforceability.

(a) The execution, delivery and performance of this Agreement and all Related Agreements required to be executed and delivered by any EXCO Party at Closing, and the performance by such EXCO Party of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary corporate or limited partnership (as applicable) action on the part of such EXCO Party. This Agreement has been duly executed and delivered by each EXCO Party (and upon Closing, all Related Agreements required hereunder to be executed and delivered by such EXCO Party at Closing will be duly executed and delivered by such EXCO Party) and this Agreement constitutes, and at the Closing such Related Agreements will constitute, the valid and binding obligations of such EXCO Party, enforceable in accordance with their terms except as such enforceability may be limited by applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law) (such exceptions, the "Enforceability Exceptions").

(b) The execution, delivery and performance of this Agreement and all Related Agreements required to be executed and delivered by MLP LLC at Closing, and the performance by MLP LLC of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary limited liability company action on the part of MLP LLC. This Agreement has been duly executed and delivered by MLP LLC (and upon Closing, all Related Agreements required hereunder to be executed and delivered by MLP LLC at Closing will be duly executed and delivered by MLP LLC) and this Agreement constitutes, and at the Closing such Related Agreements will constitute, the valid and binding obligations of MLP LLC, enforceable in accordance with their terms except as such enforceability may be limited by applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

Section 5.5 No Conflicts.

(a) Except as set forth on Schedule 5.5, assuming (i) the receipt of all consents set forth on Schedule 5.13A and Customary Post-Closing Consents, (ii) the waiver of all preferential purchase rights set forth on Schedule 5.13B, and (iii) compliance with all MUIs set forth on Schedule 5.13C and assuming compliance by Investor with its obligations under the HSR Act, if applicable, the execution, delivery and performance by each EXCO Party of this Agreement and the Related Agreements required to be executed and delivered by any EXCO Party at Closing, and the transactions contemplated by this Agreement and such Related Agreements, will not (A) violate any provision of the organizational documents of such EXCO Party, (B) result in default of (with due notice or lapse of time or both), the creation of any lien or encumbrance under or give rise to any right of termination, cancellation or acceleration under, any note, bond, mortgage, indenture, license or agreement to which such EXCO Party is a party or that affects the Assets, (C) violate any judgment, order, ruling or decree applicable to such EXCO Party as a party in interest, or (D) violate any Laws applicable to EXCO or any of the Assets, except any matters described in subsection (B) above which would not have, individually or in the aggregate, a Material Adverse Effect (as compared to the value, ownership, operations or physical condition of the Assets at the Effective Time).

(b) Except as set forth on Schedule 5.5, assuming (i) the receipt of all consents set forth on Schedule 5.13A and Customary Post-Closing Consents, (ii) the waiver of all preferential purchase rights set forth on Schedule 5.13B, and (iii) compliance with all MUIs set forth on Schedule 5.13C and assuming compliance by Investor with its obligations under the HSR Act, if applicable, the execution, delivery and performance by MLP LLC of this Agreement and, upon Closing, the Related Agreements required to be executed and delivered by MLP LLC prior to the Closing, and the transactions contemplated by this Agreement and such Related Agreements, will not (i) violate any provision of the organizational documents of MLP LLC, (ii) result in default of (with due notice or lapse of time or both), the creation of any lien or encumbrance under or give rise to any right of termination, cancellation or acceleration under, any note, bond, mortgage, indenture, license or agreement to which MLP LLC is a party or that affects the Assets, (iii) violate any judgment, order, ruling or decree applicable to MLP LLC as a party in interest, or (iv) violate any Laws applicable to MLP LLC or any of the Assets, except any matters described in subsections (ii) above which would not have, individually or in the aggregate, a Material Adverse Effect (as compared to the value, ownership, operations or physical condition of the Assets at the Effective Time).

Section 5.6 Liability for Brokers' Fees. Neither Investor nor any of the Partnership Entities shall, directly or indirectly, have any responsibility, liability or expense, as a result of undertakings or agreements of EXCO Parent or any of its Affiliates, for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any agreement or transaction contemplated hereby.

Section 5.7 Litigation. Except as set forth in Schedule 5.7, there are no actions, suits or proceedings pending, or to EXCO's knowledge, threatened in writing, by or before any Governmental Body or arbitrator (a) with respect to any EXCO Party or the Partnership Subsidiaries (in each case) in connection with the Assets or (b) that would reasonably be

expected to materially impair the ability of any EXCO Party or the Partnership Subsidiaries to perform its obligations under this Agreement or any Related Agreement required to be executed and delivered by any EXCO Party at Closing. Neither any EXCO Party nor any Partnership Subsidiary is subject to any outstanding settlement or other similar agreement or order of any Governmental Body with respect to the ownership or operation of the Assets that is or would reasonably be expected to be material.

Section 5.8 Taxes and Assessments. Except as set forth in Schedule 5.8:

(a) all Taxes owed by the Partnership Subsidiaries or with respect to the Assets that have become due and payable have been timely and properly paid; and there are no liens for Taxes on the equity interests of any Partnership Subsidiary or any of the Assets, except for liens under clause (d) of the definition of Permitted Encumbrances;

(b) all Tax Returns required to be filed with respect to the Partnership Subsidiaries or with respect to the Assets have been filed, and all such Tax Returns were correct and complete in all material respects;

(c) no action, suit, Governmental Body proceeding or audit is now in progress or pending against the Partnership Subsidiaries or any EXCO Party with respect to any Assets, and neither any Partnership Subsidiary nor any EXCO Party has received written notice of any pending claim against it from any applicable Governmental Body for assessment of any Taxes;

(d) neither any Partnership Subsidiary nor any EXCO Party has granted an extension of waiver of the statute of limitations applicable to any Tax Return with respect to the Partnership Subsidiaries or the Assets, which period has not yet expired;

(e) neither any Partnership Subsidiary nor any EXCO Party is a party to or bound by any Tax allocation or Tax sharing or indemnification agreement with respect to the Assets;

(f) each Partnership Subsidiary is a disregarded entity for U.S. federal income tax purposes, and no entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) has been filed with respect to either Partnership Subsidiary to treat such entity as an association taxable as a corporation for U.S. federal income tax purposes; and

(g) except for the BG Tax Partnership, none of the Assets are subject to a tax partnership for federal tax purposes.

Section 5.9 Capital Commitments. Except as set forth in Schedule 5.9, as of the Effective Time, there were no outstanding AFEs or other similar capital commitments to Third Parties that were binding on the Assets or the Partnership Subsidiaries and could reasonably be expected to require expenditures by the owner of such Assets on and after the Effective Time in excess of $100,000 either individually or, in the case of any Well in the aggregate, with respect to such Well.

Section 5.10 Compliance with Laws. To EXCO's knowledge, except as set forth on Schedule 5.10, (a) with respect to Assets operated by any EXCO Party or Vernon, such Person's operation of such Assets is in compliance with all applicable Laws in all respects, and (b) with respect to Assets operated by Third Parties, such Third Party's operation of such Assets is in compliance with all applicable Laws in all respects. Neither any EXCO Party nor Vernon has received any written notice from any Governmental Body or other Person regarding any actual or alleged violation of any applicable Law with respect to such Person's ownership or operation of the Assets. This Section 5.10 does not address any matters with respect to Environmental Laws or Taxes, such matters being addressed exclusively in Section 5.18 and Section 5.8, respectively.

Section 5.11 Contracts.

(a) Schedule 5.11 sets forth a list of all Contracts of the type described below (x) to which an EXCO Party or Partnership Subsidiary is a party or is bound (in each case) as of Execution Date, (y) by which any Asset is bound as of the Execution Date, and (z) that will be binding on any of the Partnership Entities after the Closing (collectively, the "Material Contracts"):

(i) any Contract that can reasonably be expected to result in aggregate expenditures by an EXCO Party or Partnership Subsidiary of more than $100,000 during the current or any subsequent calendar year or $500,000 in the aggregate over the term of such agreement (in each case, based solely on the terms thereof and without regard to any expected increase in volumes or revenues);

(ii) any Contract that can reasonably be expected to result in aggregate revenues to an EXCO Party or Partnership Subsidiary of more than $100,000 during the current or any subsequent calendar year or $500,000 in the aggregate over the term of such agreement (in each case, based solely on the terms thereof and without regard to any expected increase in volumes or revenues);

(iii) any oil or gas purchase and sale, transportation, gathering, treating, processing or similar Contract that is not terminable without penalty on 60 days or less notice;

(iv) any indenture, loan, credit or sale-leaseback, guaranty of any obligation, bonds, letters of credit or similar financial Contract;

(v) any Contract that constitutes a lease under which an EXCO Party or Partnership Subsidiary is the lessor or the lessee of personal property which lease (A) cannot be terminated by such Person without penalty upon 60 days or less notice and (B) involves an annual base rental of more than $100,000;

(vi) any Contract that constitutes a non-competition agreement or any Contract that purports to restrict, limit or prohibit the manner in which, or the locations in which, an EXCO Party or Partnership Subsidiary conducts business, including area of mutual interest agreements;

(vii) any futures, hedge, swap, collar, put, call, floor, cap, option or other Contracts that are intended to benefit from, relate to or reduce or eliminate the risk of fluctuations in the price of commodities;

(viii) any such Contract that contains calls upon or options to purchase production or is a dedication of the Hydrocarbons;

(ix) any such Contract that constitutes a partnership agreement, joint venture agreement or similar agreements (in each case, excluding any tax partnership);

(x) any such Contract that is executory that constitutes a pending farmout agreement, exploration agreement, participation agreement or other similar agreement where the primary obligation thereunder has not fully been performed;

(xi) any such Contract that constitutes a joint operating agreement;

(xii) any Contract with an EXCO Party or a Partnership Subsidiary, on the one hand, and EXCO or any Affiliate of EXCO, on the other hand, in respect of any of the Assets; and

(xiii) any Contract that has a term in excess of two years and is not terminable without penalty on 90 days' notice or less.

(b) EXCO Parent has made available to Investor complete copies of the Material Contracts and all amendments thereto. All Material Contracts are valid and binding upon the applicable EXCO Party or Partnership Subsidiary party thereto or bound thereby, and to EXCO's knowledge, in full force and effect and (subject to the Enforceability Exceptions) enforceable against the other parties thereto, except such failures to be valid, binding, in full force and effect or enforceable as would not have, individually or in the aggregate, a Material Adverse Effect. Neither any EXCO Party nor Partnership Subsidiary is in any default in any material respect under any of the Material Contracts and, except as would not have a Material Adverse Effect, to EXCO's knowledge, no other party to any such Material Contract is in default thereunder.

Section 5.12 Payments for Production. Except as set forth in Schedule 5.12, no EXCO Party or Partnership Subsidiary is obligated by virtue of any take-or-pay payment, advance payment or other similar payment (other than royalties, overriding royalties and similar arrangements reflected in the Net Revenue Interest figures set forth in Schedule 2.4 or Schedule 3.2), gas balancing arrangements and non-consent provisions in the Contracts) to deliver Hydrocarbons, or proceeds from the sale thereof, attributable to the Properties at some future time without receiving payment therefor at or after the time of delivery. Except as set forth in Schedule 5.12, there are no Imbalances attributable to the Assets.

Section 5.13 Consents; Preferential Purchase Rights and MUIs. Except as set forth in Schedule 5.13A, none of the Assets, or any portion thereof, is subject to any preferential right to purchase that may be applicable to the transactions contemplated by this Agreement (including

the Reorganization). None of the Assets, or any portion thereof, is subject to any consent to assign (including Specified Consent Requirements) that may be applicable to the transactions contemplated by this Agreement (including the Reorganization), except (a) as set forth in Schedule 5.13B, (b) for Customary Post-Closing Consents and (c) in the case of any consent that is not a Specified Consent Requirement, as would not be material. Except as set forth in Schedule 5.13C, none of the Assets, or any portion thereof, is subject to any MUI that may be applicable to the transactions contemplated by this Agreement (including the Reorganization).

Section 5.14 Royalties. Except as described on Schedule 5.14 and for such items that are being held in suspense as permitted pursuant to applicable Law or Contract, each EXCO Party has paid in all material respects all royalties, overriding royalties and other burdens on production due by such Person with respect the Production Assets.

Section 5.15 Payout Status. To EXCO's knowledge, Schedule 5.15 contains a list of the status of any "payout" balance, as of the date set forth on such Schedule, for the Wells subject to a reversion or other adjustment at some level of cost recovery or payout (or passage of time or other event other than termination of a Subject Lease by its terms).

Section 5.16 Plugging and Abandonment. Except as set forth on Schedule 5.16, since the Effective Time up to the Execution Date, no notices, demands or proposals are currently outstanding (whether made by any EXCO Party, Partnership Subsidiary, Governmental Bodies or by any Third Party) to plug or abandon any of the wells comprising part of the Assets.

Section 5.17 Suspense Funds. Except as set forth in Schedule 5.17, as of September 30, 2012, no EXCO Party or Partnership Subsidiary holds any Third Party funds in suspense with respect to production of Hydrocarbons from any of the Properties other than amounts less than the statutory minimum amount that such Party is permitted to accumulate prior to payment.

Section 5.18 Environmental. With respect to the Assets, no EXCO Party or Partnership Subsidiary has not entered into and is not subject to any agreements, consents, orders, decrees, judgments or other directives of any Governmental Body in existence as of the date of this Agreement based on any Environmental Laws that relate to the future use of any Assets and that require any Remediation or other material change in the present conditions of any of the Assets. Except (a) as set forth in Schedule 5.18, and (b) as would not have a Material Adverse Effect, to EXCO's knowledge, the Assets are, as of the Execution Date, in compliance in all material respects with applicable Environmental Laws. To EXCO's knowledge, all necessary Permits required under Environmental Laws with regard to the ownership or operation of the Assets, as of the Execution Date, have been obtained and maintained in effect and no material violations exist in respect of such Permits. No EXCO Party or any of its Affiliates (including Vernon) 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 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 any EXCO Party, their Affiliates or the Partnership Subsidiaries (in each case) alleging any violations or remediation obligations under any Environmental Laws in connection with the Assets. All material reports, studies, written

notices from environmental Governmental Bodies, tests, analyses and other material documents specifically addressing environmental matters related to the ownership or operation of Assets, which are in an EXCO Party's possession, have been made available to Investor.

Section 5.19 Bonds. Schedule 5.19 lists all bonds, letters of credit and other similar credit support instruments maintained by an EXCO Party or Vernon with respect to the Assets, true and complete copies of which have been made available to Investor.

Section 5.20 Bankruptcy. There are no bankruptcy, insolvency, reorganization, receivership or similar proceedings pending against, being contemplated by or, to EXCO's knowledge, threatened against any EXCO Party and neither EXCO nor any of its Affiliates is insolvent or generally not paying its debts as they become due.

Section 5.21 Securities Law Compliance. EXCO Parent is acquiring the Common Units and the membership interests in the General Partner for its own account for use in its trade or business, and not with a view toward or for sale associated with any distribution thereof, nor with any present intention of making a distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities Laws. EXCO Parent is an "accredited investor" within the meaning of Regulation D of the Securities Act.

Section 5.22 Capitalization.

(a) EXCO Parent has made available to Investor true and complete copies of the organizational documents and governing agreements of the Partnership Subsidiaries each as in effect as of the Execution Date;

(b) the MLP LLC Membership Interests and the Vernon Membership Interests constitute all of the issued and outstanding equity interests in MLP LLC and Vernon, respectively;

(c) (i) as of the Execution Date EOC holds of record and beneficially all the MLP LLC Membership Interests and the Vernon Membership Interests, (in each case) free and clear of all encumbrances except for the limited liability company agreements of MLP LLC or Vernon (as applicable) and encumbrances granted pursuant to the EXCO Existing Debt; and (ii) following the Reorganization and immediately prior to the Closing, EXCO Holding will hold of record and beneficially all of the MLP LLC Membership Interests, free and clear of all encumbrances, except for the limited liability company agreement of MLP LLC and encumbrances granted pursuant to the EXCO Existing Debt, if any;

(d) following the Reorganization but prior to Closing, MLP LLC will hold of record and beneficially own all of the Vernon Membership Interests free and clear of all encumbrances, except for the limited liability company agreement of Vernon and encumbrances granted pursuant to the EXCO Existing Debt, if any, (which encumbrances shall be released at or prior to Closing);

(e) the MLP LLC Membership Interests and the Vernon Membership Interests are duly authorized, validly issued and outstanding, fully paid and not issued in violation of any preemptive rights;

(f) other than pursuant to this Agreement, neither MLP LLC nor Vernon has any outstanding convertible security, call, preemptive right, option, warrant, purchase right or other contract or commitment that would, directly or indirectly, require such entity to sell, issue or otherwise dispose of any equity interest of such entity and none of such Persons has granted any right to any distribution, carried interest, economic interest, preferred return or other right similar to the rights enjoyed by or accruing to a holder of equity interests with respect to such Person; and

(g) other than pursuant to this Agreement and the limited liability company agreement of each of MLP LLC and Vernon, there are no member agreements, voting agreements, management agreements, proxies or other similar agreements or understandings, whether written or oral, with respect to any equity interest in MLP LLC or Vernon.

Section 5.23 Subsidiaries.

(a) Prior to the Reorganization, (i) neither MLP LLC nor the Partnership has any subsidiaries or direct or indirect equity interest in any Person and (ii) the General Partner has no subsidiaries or direct or indirect equity interest in any Person other than the Partnership. Vernon has no subsidiaries or direct or indirect equity interest in any Person.

(b) MLP LLC was formed solely for the purpose of engaging in the transactions contemplated by this Agreement. Prior to the Closing, MLP LLC has not engaged in any activities other than those contemplated by this Agreement. Prior to the Reorganization, MLP LLC will not be a party to any contracts other than this Agreement or the Related Agreements. MLP LLC has never had any employees; and prior to the Reorganization has not incurred (and will not incur) any liabilities other than pursuant to this Agreement or the Related Agreements (or those incidental to its formation or existence).

Section 5.24 Indebtedness. Except (a) as set forth in Schedule 5.24, (b) for intercompany Indebtedness to be settled pursuant to Section 7.5 and (c) with respect to EXCO Existing Debt to be terminated as to the Partnership Subsidiaries and Vernon at or prior to Closing, neither MLP LLC nor Vernon has any Indebtedness from or to any other Person, and no guarantees for the benefit of any Person.

Section 5.25 Bank Accounts; Powers of Attorney. Schedule 5.25 sets forth a true and complete list of (a) all bank accounts and investment accounts maintained by (i) MLP LLC as of the Execution Date and (ii) Vernon, along with a list of Persons authorized to sign with respect to such accounts and (b) all valid powers of attorney issued by MLP LLC and Vernon that remain in effect.

Section 5.26 Current Business; Absence of Changes.

(a) Prior to the Reorganization, MLP LLC has not owned any assets or engaged in any material business activities. Vernon has not engaged in any material business activity other than the ownership, development, operation, maintenance, expansion, construction, commissioning and decommissioning of, and acquisition of, gathering systems, pipelines and treatment and processing facilities, marketing of capacity on such gathering systems, buying and selling gas and condensate in connection therewith, and the provision of compression services in connection therewith.

(b) Since the Effective Time up to the date of this Agreement, except as set forth in Schedule 5.26, each of the EXCO Parties has (i) conducted its business relating to the Assets in the ordinary course consistent with past practice and (ii) not taken any action or failed to take any action that, if taken after the Execution Date would have required the consent of Investor under Section 7.4(ii), Section 7.4(iii)(C), 7.4(v), 7.4(vi), 7.4(xii), 7.4(xiii) or Section 7.4(x).

Section 5.27 Regulatory Matters. Vernon (a) is not a "natural gas company" engaged in the transportation of natural gas in interstate commerce under the Natural Gas Act of 1938, as amended; (b) has not operated, or provided services, in a manner that subjects it to the jurisdiction of, or regulation by, the Federal Energy Regulatory Commission (i) as a natural gas company under the Natural Gas Act of 1938, (ii) as a common carrier pipeline under the Interstate Commerce Act, or (iii) as an intrastate pipeline under the Natural Gas Policy Act of 1978; and (c) is not an intrastate pipeline regulated by the Federal Energy Regulatory Commission under section 311 of the Natural Gas Policy Act of 1978.

Section 5.28 Gathering System Title. Except at set forth on Schedule 5.28: (a) no part of the Vernon Gathering System or Vernon Facilities is located on lands that are not subject to either a Permit held by Vernon permitting the location of such Assets on the lands covered by the Permit or a Vernon Real Property Interest included in the Gathering Assets; (b) Vernon is not in material breach and, to EXCO's knowledge, no counterparty is in material breach under any instrument under which Vernon holds title to any Vernon Real Property Interest; and (c) Vernon holds title to all material Vernon Real Property Interests and the Vernon Gathering System, free and clear of all liens and encumbrances other than the Permitted Encumbrances.

Section 5.29 Sufficiency of Assets. The Assets, taken together with the rights under, and services provided pursuant to, the EOC Operating Agreement, the EXCO Parent Operating Agreement, the Administrative Services Agreement, the Shared Assets/Use Agreement and the Marketing Agreement (and assuming that MLP LLC is elected as operator of Production Assets formerly operated by EXCO Parent or one its Affiliates and MLP LLC complies with its obligations in Section 8.4), constitute all of the assets and rights necessary for MLP LLC and Vernon to continue to operate the Assets (including all of the Wells) in substantially the same manner (subject to the terms of the foregoing agreements) as such Assets were operated prior to the Effective Time. There are no assets owned or leased by the EXCO Parties or their Affiliates that will be retained after the Closing Date that are necessary for the operation of the Assets as conducted as of the Effective Time, other than (a) Excluded Assets covered under the Shared Assets/Use Agreement and the SW Systems covered under the Operating Agreements, (b) assets described in subsections (l) and (m) of the definition of Excluded Assets and (c) contractual rights to services or goods generally available from Third Parties. Notwithstanding the foregoing, nothing in this Section 5.29 shall constitute a representation or warranty as to title to, or ownership of, any of the Assets.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF INVESTOR

Section 6.1 Generally

(d) Any representation or warranty qualified to the "knowledge of Investor" or "to Investor's knowledge" or with any similar knowledge qualification is limited to matters within the Actual Knowledge of the individuals listed in Schedule 6.1.

(b) Subject to the foregoing provisions of this Section 6.1 and the other terms and conditions of this Agreement, Investor represents and warrants to the EXCO Parties and MLP LLC the matters set forth in Section 6.2 through Section 6.12 as of the Execution Date.

Section 6.2 Existence and Qualification. Investor is a limited liability company, validly existing, and in good standing under the Laws of the State of Delaware.

Section 6.3 Power. Investor has the requisite power to execute and deliver this Agreement and the Related Agreements, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated by this Agreement.

Section 6.4 Authorization and Enforceability. The execution, delivery and performance of this Agreement and all Related Agreements required to be executed and delivered by Investor at Closing, and the performance of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary limited liability company, corporate or partnership action on the part of Investor. This Agreement has been duly executed and delivered by Investor (and upon Closing, all Related Agreements required hereunder to be executed and delivered by Investor at Closing will be duly executed and delivered by Investor) and this Agreement constitutes, and at the Closing such Related Agreements will constitute, the valid and binding obligations of Investor, enforceable in accordance with their terms except as such enforceability may be limited by the Enforceability Exceptions.

Section 6.5 No Conflicts. The execution, delivery and performance by Investor of this Agreement, and the transactions contemplated by this Agreement and such Related Agreements, will not (a) violate any provision of the certificate of incorporation, bylaws, agreement of limited liability company or other organizational documents of Investor, (b) result in a material default (with due notice or lapse of time or both) or the creation of any lien or 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 agreement to which Investor is a party, (c) violate any judgment, order, ruling, or regulation applicable to Investor as a party in interest, or (d) violate any Laws applicable to Investor or any of its assets, except any matters described in subsections (b) above which would not have a material adverse effect on Investor. or its ability to consummate the transactions contemplated hereby.

Section 6.6 Liability for Brokers' Fees. None of EXCO or any Partnership Entity or their respective Affiliates shall, directly or indirectly, have any responsibility, liability or expense, as a result of undertakings or agreements of Investor or its Affiliates, for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any agreement or transaction contemplated hereby.

Section 6.7 Litigation. There are no actions, suits or proceedings pending, or to Investor's knowledge, threatened in writing, before any Governmental Body or arbitrator against Investor that are reasonably likely to materially impair Investor's ability to perform its obligations under this Agreement or any Related Agreement required to be executed and delivered by Investor at Closing.

Section 6.8 Financing.

(a) Investor has delivered to EXCO a correct and complete copy of an executed commitment letter dated as of the date hereof (the "Equity Commitment Letter") from Harbinger Group Inc. ("HGI") pursuant to which HGI has committed, subject to the terms and conditions therein, to invest the amount set forth therein (the "Equity Financing") in Investor.

(b) As of the date hereof, the Equity Commitment Letter has not been, and prior to the Closing Date the Equity Commitment Letter will not be, without the consent of EXCO Parent, amended or modified in any material respect. Assuming the conditions set forth in Section 9.2 are satisfied (other than those conditions that by their nature are to be satisfied at Closing but subject to those conditions being capable of being satisfied), the net proceeds contemplated by the Equity Commitment Letter will, together with available cash of Investor, if any, on the Closing Date, in the aggregate be sufficient for Investor to pay the Cash Contribution and all fees, costs and expenses required to be paid by Investor in connection with the transactions contemplated by this Agreement.

(c) The Equity Commitment Letter is in full force and effect and is the valid, binding and enforceable obligation of Investor and HGI, except as such enforceability may be limited by and subject to the Enforceability Exceptions. The Equity Commitment Letter contains all of the conditions precedent to the obligations of the parties thereunder to make the Equity Financing available to Investor on the terms therein, and there are no other conditions related to the funding of the full amount of the Equity Financing.

(d) Investor has also delivered to EXCO a duly executed guarantee of HGI with respect to the obligations of Investor hereunder as set forth therein (the "Guarantee"). The Guarantee is in full force and effect and is the valid, binding and enforceable obligation of HGI, subject to the Enforceability Exceptions, and no event has occurred, which, with or without notice, lapse of time or both, would constitute a default on the part of the HGI under such Guarantee.

Section 6.9 Securities Law Compliance. Investor is acquiring the Common Units and the membership interests in the General Partner for its own account for use in its trade or business, and not with a view toward or for sale associated with any distribution thereof, nor with

any present intention of making a distribution thereof within the meaning of the Securities Act and applicable state securities Laws. Investor is an "accredited investor" within the meaning of Regulation D of the Securities Act.

Section 6.10 Independent Evaluation.

(a) Investor is knowledgeable of the oil and gas business and of the usual and customary practices of oil and gas producers, including those in the areas where the Assets are located.

(b) Investor is a party capable of making such investigation, inspection, review and evaluation of the Assets as a prudent and sophisticated investor would deem appropriate under the circumstances including with respect to all matters relating to the Assets, their value, operation and suitability.

(c) In making the decision to enter into this Agreement and consummate the transactions contemplated hereby, except for the express representations and warranties of EXCO Parent and EOC in this Agreement and the Related Agreements, Investor has relied solely on the basis of its own independent due diligence investigation of the Assets.

Section 6.11 Consents, Approvals or Waivers. Investor's execution, delivery and performance of this Agreement (and any Related Agreement required to be executed and delivered by Investor at Closing) is not and will not be subject to any consent, approval or waiver from any Governmental Body or other Third Party, except consents, approvals of assignments or waivers by Governmental Bodies that are customarily obtained after Closing.

Section 6.12 Bankruptcy**.** There are no bankruptcy, insolvency, reorganization or receivership proceedings pending against, being contemplated by, or threatened against Investor.

ARTICLE 7
COVENANTS OF THE PARTIES

Section 7.1 Access.

(a) Between the Execution Date and the Closing Date, EXCO will give, and cause Vernon to give, Investor and Investor's Representatives access, at Investor's sole cost, risk and expense, to the Assets (and to personnel and Representatives of EXCO and Vernon responsible for the Assets) and access to and the right to copy, at Investor's sole cost and expense, the Records in the possession of EXCO or its Affiliates, in each case, for the purpose of conducting a reasonable due diligence review of the Assets and for transition and integration planning, but only to the extent that EXCO and Vernon may do so without violating any obligations to any Third Party (*provided* that EXCO Parent shall use its commercially reasonable efforts to obtain all necessary waivers and consents from any applicable Third Party to permit such access). Investor and its Representatives shall be entitled to conduct (i) a Phase I Environmental Site Assessment of the Assets and may conduct visual inspections and record reviews relating to the Assets, including their condition and compliance with Environmental Laws, and (ii) to the extent deemed appropriate by Investor in its reasonable opinion, a Phase II Environmental Site

Assessment of the Assets, subject to, prior to performing such assessment, (A) receipt of EXCO Parent's written permission to perform such Phase II Environmental Site Assessment and (B) written protocol with EXCO Parent for the conduct of any such Phase II Environmental Site Assessment. Otherwise, Investor and its Representatives shall not conduct any testing or sampling of soil, groundwater or other materials (including any testing or sampling for Hazardous Substances, Hydrocarbons or NORM) on or with respect to the Assets prior to Closing. Investor shall abide by EXCO's, and any Third Party operator's, safety rules, regulations, and operating policies (including the execution and delivery of any documentation or paperwork, e.g., access agreements or liability releases, required by Third Party operators with respect to Investor's access to any of the Assets) while conducting its due diligence evaluation of the Assets, to the extent such rules, regulations and policies were made available to Investor. Any conclusions made from any examination done by Investor shall result from Investor's own independent review and judgment, including as informed by the work of Investor's Representatives. In the event EXCO does not grant to Investor permission to conduct a Phase II Environmental Site Assessment of any Asset, Investor may deem such Asset as having an Environmental Defect and exclude the entire Asset in accordance with Article 4 as an Environmental Defect Property without specifying any other Environmental Defect in such Environmental Defect Notice.

(b) The access granted to Investor and its Representatives under this Section 7.1 shall be limited to EXCO Parent's normal business hours, and Investor's investigation shall be conducted in a manner that reasonably minimizes interference with the operation of the Assets. Investor shall coordinate its access rights of the Assets with EXCO Parent and any applicable Third Party operator to reasonably minimize any inconvenience to or interruption of the conduct of business by EXCO or such operator. Investor shall provide EXCO Parent with at least 48 hours' written notice before the Assets are accessed pursuant to this Section 7.1, along with a description of the activities Investor intends to undertake.

(c) Investor acknowledges that, pursuant to its right of access to the Assets, Investor will become privy to confidential and other information of EXCO and its Affiliates and that such confidential information (which includes Investor's conclusions with respect to its evaluations) shall be held confidential by Investor in accordance with the terms of the Confidentiality Agreement.

(d) In connection with the rights of access, examination and inspection granted to Investor and its Representatives under this Section 7.1, **INVESTOR HEREBY INDEMNIFIES, DEFENDS AND HOLDS HARMLESS THE PARTNERSHIP, MLP LLC, EACH MEMBER OF THE EXCO GROUP AND ALL THIRD PARTY OPERATORS FROM AND AGAINST ANY AND ALL DAMAGES ATTRIBUTABLE TO PERSONAL INJURY, DEATH OR PHYSICAL PROPERTY DAMAGE, OR VIOLATION OF ANY OF SUCH PERSON'S RULES, REGULATIONS, OR OPERATING POLICIES, TO THE EXTENT ARISING OUT OF, RESULTING FROM OR RELATING TO ANY FIELD VISIT OR OTHER DUE DILIGENCE ACTIVITY CONDUCTED BY INVESTOR WITH RESPECT TO THE ASSETS, EVEN IF SUCH LIABILITIES ARISE OUT OF OR**

RESULT FROM, SOLELY OR IN PART, THE SOLE, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF LAW BY ANY SUCH INDEMNIFIED PERSON (EXCEPT TO THE EXTENT THAT SUCH LIABILITIES ARISE OR RESULT FROM SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT).

Section 7.2 Government Reviews. In a timely manner, the Parties shall (a) make all required filings, prepare all required applications and conduct negotiations with each Governmental Body as to which such filings, applications or negotiations are necessary or appropriate in the consummation of the transactions contemplated hereby and (b) provide such information as each may reasonably request to make such filings, prepare such applications and conduct such negotiations. Each Party shall reasonably cooperate with and use all commercially reasonable efforts to assist the other with respect to such filings, applications, and negotiations. Without limited the foregoing, if Investor determines that a filing under the HSR Act is required, then, within ten Business Days following the Execution Date, Investor will prepare and file with the DOJ and the FTC the notification and report form required by the HSR Act for the transactions contemplated by this Agreement, and request early termination of the waiting period thereunder. Each of the Parties agree to respond promptly to any inquiries from the DOJ or the FTC concerning such filings and to comply in all material respects with the filing requirements of the HSR Act. The Parties shall cooperate with each other and shall promptly furnish all information to the other Parties that is necessary in connection with Investor's compliance with the HSR Act. Investor shall keep the other Parties fully advised with respect to any requests from or communications with the DOJ or FTC concerning such filings and shall consult with each other with respect to all responses thereto. The Parties shall use their commercially reasonable efforts to take all actions reasonably necessary and appropriate in connection with any HSR Act filing to consummate the transactions consummated hereby. All filing fees incurred in connection with the HSR Act filings made pursuant to this Section 7.2 shall be borne by Investor.

Section 7.3 Public Announcements. No Party, nor any Affiliate or Representative thereof, shall make any press release or other public announcement regarding the existence of this Agreement, the contents hereof or the transactions contemplated hereby without the prior written consent of the other Parties (collectively, the "Public Announcement Restrictions"). The Public Announcement Restrictions shall not restrict disclosures to the extent (a) necessary for a Party to perform this Agreement (including disclosures to Governmental Bodies or Third Parties holding preferential rights to purchase, rights of consent or other rights that may be applicable to the transaction contemplated by this Agreement, as reasonably necessary to provide notices, seek waivers, amendments or termination of such rights, or seek such consents), (b) required by applicable securities or other Laws or regulations or the applicable rules of any stock exchange having jurisdiction over the Parties or their respective Affiliates or (c) that such Party has given the other Party a reasonable opportunity to review such disclosure prior to its release and no objection is raised. In the case of the disclosures described under subsections (a) and (b) of this Section 7.3, each Party shall use its reasonable efforts to consult with the other Party regarding the contents of any such release or announcement prior to making such release or announcement.

Section 7.4 Operation of Business. Except (a) as otherwise expressly contemplated by this Agreement (including actions effecting the Reorganization and those required pursuant to Section 8.1, Section 8.4 and Section 8.5), (b) as to the operations covered by the AFEs described in Schedule 5.9 and Schedule 5.26, (c) as to the matters set forth in Schedule 7.4 or (d) as otherwise previously approved by Investor in writing, from and after the Execution Date until the Closing Date, EXCO will or will cause Vernon, MLP LLC and their respective Affiliates who operate the Assets to:

(i) conduct its business related to the Assets in the ordinary course consistent with such Person's past practices;

(ii) not (A) propose any new operations with respect to the Assets and (B) commit to any new operation reasonably anticipated to require future capital expenditures by the owner of the Assets in excess of $100,000;

(iii) not (A) (1) voluntarily terminate, (2) materially amend, (3) voluntarily extend, or (4) willfully violate, breach or default under, any Material Contract; (B) enter into any Contract that would be a Material Contract if in existence on the Execution Date; and (C) waive any material rights under any Material Contract;

(iv) maintain insurance coverage on the Assets presently furnished by nonaffiliated Third Parties in the amounts and of the types presently in force;

(v) not transfer, sell, hypothecate, encumber or otherwise dispose of any Asset, except for (i) sales and dispositions of Hydrocarbons made in the ordinary course of business consistent with past practices or (ii) equipment with a value, individually or in the aggregate, not in excess of $100,000;

(vi) maintain the books of account and records relating to the Assets in the usual, regular and ordinary manner, in accordance with GAAP and the usual accounting practices of EXCO Parent;

(vii) give written notice to Investor as soon as is practicable (but within 5 Business Days) of any written notice received or given by any such Person with respect to (A) any alleged material breach of any Subject Lease or Material Contract, (B) any new written claim for damages or any new suit, action or litigation against EXCO Parent or any of its Affiliates with respect to the Assets, or (iii) any material damage to or destruction of any of the Assets; and

(viii) with respect to Vernon and MLP LLC, not (A) amend any such Person's limited liability company agreement or other organizational documents; (B) merge, reorganize, consolidate, convert to another form of entity, change its jurisdiction of organization, name or principal office, file for bankruptcy, dissolve or liquidate; (C) issue, transfer or redeem or otherwise acquire (or split, combine or reclassify) any of its own equity interests, or issue any subscription, option, warrant or right with respect to its equity interests, or any securities convertible or exchangeable for such equity interests, or declare or pay any dividend or other

distribution or payment to EXCO Parent or any of its Affiliates, other than dividends and distributions of cash (which shall be accounted for in the adjustments to the Cash Contribution) and the Excluded Assets; *provided*, that Vernon and MLP LLC shall be expressly permitted to continue paying EXCO Parent and its Affiliates for goods acquired from them and services rendered by them in the ordinary course of business consistent with past practice either (1) at cost paid to unaffiliated Third Parties or (2) pursuant to and in accordance with Material Contracts; (D) incur, assume or guaranty any Indebtedness other than any guaranty issued in connection with the EXCO Existing Debt (which Indebtedness shall be released or terminated at or prior to Closing); (E) lend money to any Person or make an equity investment in any Person; (F) make any change in its method of accounting or accounting practice or policy, other than changes required by GAAP; (G) acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or in any other manner, any business or business entity; or (H) employ any Person;

(ix) use commercially reasonable efforts to maintain all material Permits and other authorizations of Governmental Bodies necessary for the ownership and operation of the Assets;

(x) not waive, compromise or settle any action, suit or proceeding that could reasonably be expected to adversely affect the ownership, operation or value of any Asset;

(xi) not give to any Third Party any new material consent to assign right or preference right (in each case) with respect to the transfer of any Asset;

(xii) not voluntarily resign as operator with respect to any Asset currently operated by any EXCO Party, except in connection with the disposition of such Asset pursuant to the exercise of any preference right set forth on Schedule 5.13A or the transactions contemplated by this Agreement; or

(xiii) except as is contemplated by the Administrative Services Agreement or this Agreement, not increase the costs of, any services provided by any EXCO Party or any of their Affiliates in respect of the Assets;

(xiv) not make any Tax elections that would affect either the Assets or the Partnership Entities; and

(xv) not agree to take any of the actions prohibited in Section 7.4(c)(ii), Section 7.4(c)(iii), Section 7.4(c)(v), Section 7.4(c)(viii), Section 7.4(c)(x), Section 7.4(c)(xi), Section 7.4(c)(xii), Section 7.4(c)(xiii) and Section 7.4(c)(xiv).

provided that, in the case of operations described in Section 7.4(c)(ii) which are undertaken to avoid any penalty provision of any applicable agreement or are proposed by Third Parties relating to drilling, sidetracking, deepening, reworking or other similar operations with respect to an existing or prospective well, if Investor rejects the proposal for EXCO or its Affiliates to participate in such operation within the time period permitted under this Section 7.4, the

applicable EXCO Party or its Affiliate may commit to the operation and the Asset affected thereby (together with all Assets, solely related thereto) may be excluded from the transactions contemplated hereby at the option of the Investor, in which case, the Transaction Items shall be adjusted pursuant to Section II.a of Annex A based upon the Allocated Value of such Assets, respectively, and such excluded Assets shall become Excluded Assets for all purposes hereunder and the Assumed Obligations shall not include liabilities and obligations relating to such Excluded Assets. Investor acknowledges that the EXCO Parties own undivided interests in certain of the Production Assets with respect to which they are not the operator, and Investor agrees that the acts or omissions of the other Working Interests owners (including the operators) who are not any of such Persons or Affiliates of such Persons and which none of such Persons or its Affiliates have the contractual right to control shall not constitute a breach of the provisions of this Section 7.4, nor shall any action required by a vote of Working Interest owners in and of itself constitute such a breach so long as each such Person has voted its interest in a manner that complies with the provisions of this Section 7.4.

Requests for approval of any action restricted by this Section 7.4 shall be delivered to all of the following individuals, each of whom shall have the sole full authority to grant or deny such requests for approval on behalf of Investor:

Omar Asali
Fax: 212-906-8559
Email: OAsali@Harbingergroupinc.com

Bill Drew
Fax: 212-906-8559
Email: BDrew@Harbingergroupinc.com

Carl Giesler, Jr.
Fax: 212-906-8559
Email: CGiesler@Harbingergroupinc.com

Ehsan Zargar
Fax: 212-906-8559
Email: ezargar@harbingergroupinc.com

Investor’s approval of any action restricted by this Section 7.4 shall be considered granted within ten days (unless a shorter time, not to be less than 48 hours, is reasonably required by the circumstances and the applicable operating agreement and such shorter time is specified in EXCO’s notice) after Investor’s receipt of EXCO’s written notice requesting such consent, unless Investor notifies EXCO to the contrary during that period. For purposes of clause (i) of this Section 7.4 only, in the event of an emergency that EXCO Parent believes in good faith presents a likelihood of property or environmental damage and/or risk to human safety, EXCO Parent and its Affiliates may take such action as a prudent operator would take and EXCO Parent shall notify Investor of such action promptly thereafter.

Section 7.5 Intercompany Indebtedness. At or prior to Closing, EXCO Parent and its Affiliates shall settle, and shall cause Vernon to capitalize, all Indebtedness for borrowed money

between Vernon and EXCO Parent or any of its other Affiliates, so that as of Closing, Vernon shall have no Indebtedness for borrowed money to EXCO Parent or any of its other Affiliates. At or prior to Closing, all other Indebtedness between EXCO Parent or any of its other Affiliates to or from Vernon shall be settled by cash payment to or from EXCO Parent or the applicable other Affiliate of EXCO Parent.

Section 7.6 Notification of Breaches Between the Execution Date and the Closing Date:

(a) Investor shall use its good faith efforts to notify EXCO Parent promptly after Investor obtains Actual Knowledge that any representation or warranty of MLP LLC or EXCO contained in this Agreement is untrue in any material respect or that any covenant or agreement to be performed or observed by any such Person pursuant to this Agreement prior to or on the Closing Date has not been so performed or observed in any material respect in breach of this Agreement.

(b) EXCO Parent shall use its good faith efforts to notify Investor promptly after MLP LLC or EXCO obtains Actual Knowledge that any representation or warranty of Investor contained in this Agreement is untrue in any material respect or that any covenant or agreement to be performed or observed by Investor pursuant to this Agreement prior to or on the Closing Date has not been so performed or observed in any material respect in breach of this Agreement.

Section 7.7 Intentionally Omitted.

Section 7.8 Employee Matters. From and after the Execution Date up to the Closing, (a) EXCO will consult in good faith with Investor prior to terminating the employment of any (i) EXCO employee expected to serve as an officer of the General Partner or (ii) initial Dedicated Employee or Key Dedicated Employee (as initially identified in the form of Administrative Services Agreement) or hiring any replacement for any such Person and (b) EXCO will not, without the prior written consent of Investor, amend, supplement or otherwise modify the employment or compensation arrangements of any Dedicated Employee or Key Dedicated Employee, other than in the ordinary course of business consistent with its past practice. All such decisions with respect to employees who will be Shared Employees after Closing, including any EXCO employee expected to serve as an officer of the General Partner, shall be made by EXCO consistent with past practice. In addition, after the Execution Date and prior to Closing, Investor and EXCO shall cooperate to create, and at Closing EXCO shall implement, an incentive plan for certain Dedicated Employees, pursuant to which such Dedicated Employees will be entitled to receive cash payments based upon the financial performance of the IDRs or on such other terms as mutually agreed by EXCO and Investor.

Section 7.9 Partnership Credit Agreement. Promptly following the Execution Date, the Parties shall use their commercially reasonable efforts to enter into the Credit Agreement and on the terms, and subject to the conditions, set forth in the Debt Commitment Letter(s).

Section 7.10 Financial Statements.

(a) Prior to or promptly after the date of this Agreement, EXCO Parent shall engage its audit team of KPMG, LLP to perform audits and reviews of the historical financial information (including revenues and expenses) attributable to the Assets in order to prepare such historical financial statements, and shall provide Investor with such other financial statements and other financial information relating to the Assets requested by Investor in order to prepare pro forma financial statements required to be filed by Harbinger Group Inc. with the SEC under Items 2.01 and 9.01 of Form 8-K in connection with the Closing, including any "Statements of Revenues and Expenses" in lieu thereof approved by the SEC (such applicable financial statements, the "Required Financial Statements"). EXCO Parent shall use its commercially reasonable efforts to facilitate KPMG, LLP to issue unqualified opinions with respect to such historical Required Financial Statements (such Required Financial Statements and related audit opinions being hereinafter referred to as the "Audited Financial Statements") and provide its written consent for the use of its audit reports with respect to the Audited Financial Statements in reports filed by Investor or any of its Affiliates under the Exchange Act or the Securities Act, as needed. EXCO Parent shall cooperate with Investor and make available, during normal business hours, to Investor and its representatives prior to and following the Closing Date any and all existing information and documents related to the revenues and expenses and other financial information attributable to the Assets and in possession of EXCO Parent 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 Securities Act. EXCO Parent will also use its commercially reasonable efforts to assist Investor in connection with preparation of the necessary correspondence with the staff of the SEC to obtain approvals for the use of the Statements of Revenues and Expenses in lieu of carve-out financial statements as the Required Financial Statements. EXCO Parent shall use its commercially reasonable efforts to take (i) such actions as may be necessary to facilitate the completion of such audit and delivery of the Required Financial Statements to Investor and its Affiliates as soon as reasonably practicable, and (ii) to cause KPMG, LLP to provide the final Required Financial Statements no later than the Closing Date. EXCO Parent shall keep Investor regularly informed regarding the progress of the preparation of such Required Financial Statements and also shall, upon request, provide Investor with copies of drafts of the Audited Financial Statements and related audit opinions provided to EXCO Parent by KPMG, LLP and, if so requested by Investor, will instruct KPMG, LLP to provide Investor with such copies.

(b) Investor shall reimburse EXCO Parent for 66-2/3% of all fees and expenses charged by KPMG, LLP pursuant to such engagement in connection with the audits of the Audited Financial Statements, provided that Investor's reimbursement obligation shall not exceed $83,334 (as such amount is 66-2/3% of $125,000) without Investor's prior written consent.

Section 7.11 Further Assurances. After Closing, the Parties agree to take such further actions and to execute, acknowledge and deliver all such further documents and take all other commercially reasonable actions as are reasonably requested by any of the other Party for carrying out the purposes of this Agreement or of any document delivered pursuant to this Agreement.

ARTICLE 8
REORGANIZATION

Section 8.1 Reorganization.

(a) *Reorganization*. Immediately prior to Closing and pursuant to the Assignments, the Reorganization Corporate Documents and, to the extent necessary, other documents, in each case, in forms approved by Investor (which forms shall have been delivered to Investor not later than ten days prior to Closing, and the approval of which by Investor will not be unreasonably withheld, conditioned or delayed), EXCO will cause the following to occur in the order specified (the "Reorganization"):

(i) EOC will cause MLP LLC to become qualified to do business in Texas and Louisiana;

(ii) EOC will contribute to MLP LLC the EOC Assets and the Vernon Membership Interests pursuant to the applicable Assignments;

(iii) EXCO Parent will form EXCO Holding;

(iv) pursuant to the Distribution Agreement:

(A) EOC will distribute to its parents, EXCO GP Partners Old, LP and EXCO Partners OLP GP, LLC, all of the MLP LLC Membership Interests;

(B) EXCO Partners OLP GP, LLC, will distribute to its parent, EXCO GP Partners Old, LP, the MLP LLC Membership Interests interest acquired by it from EOC;

(C) EXCO GP Partners Old, LP will distribute to its parents, EXCO Parent and EXCO Partners GP, LLC, all of the MLP LLC Membership Interests; and

(D) EXCO Partners GP, LLC will distribute to its parent, EXCO Parent, the MLP LLC Membership Interests acquired by it from EXCO GP Partners Old, LP.

(v) EXCO Parent will contribute to its subsidiary, MLP LLC, all of the EXCO Parent Assets pursuant to the applicable Assignment;

(vi) Pursuant to the Distribution Agreement, EXCO Parent will contribute all of the MLP LLC Membership Interests acquired by it from EXCO Partners GP, LLC to EXCO Holding;

(vii) EXCO Holding, as the organizational member, will form the General Partner pursuant to the Initial General Partner LLC Agreement; and

(viii) EXCO Holding, as the initial limited partner, and the General Partner, as the general partner, will form the Partnership pursuant to the Initial Partnership Agreement.

(b) *Filing of Production Assets Assignments.* As soon as practicable following the Reorganization, EXCO Parent, at the sole cost and expense of MLP LLC, shall cause counterparts of the Production Assets Assignments to be recorded in all appropriate jurisdictions and offices.

(c) *Letters-in-Lieu*. As soon as practicable following the Reorganization, EXCO Parent shall deliver, on forms reasonably acceptable to Investor, transfer orders or letters in lieu thereof directing all purchasers of production from the Production Assets to make payment to MLP LLC of the proceeds attributable to production from the Production Assets from and after the Effective Time.

Section 8.2 Excluded Assets and Excluded Liabilities. In the Reorganization, MLP LLC shall not assume any Excluded Liabilities or Pre-Effective Time Liabilities (other than those liabilities assumed by MLP LLC under subsection (d) of the definition of Assumed Obligations). As between EOC and EXCO Parent, in connection with the Reorganization, (a) EOC shall retain the Excluded Liabilities and exclude the Excluded Assets (in each case) to the extent related to the EOC Assets and (b) EXCO Parent shall retain the Excluded Liabilities and exclude the Excluded Assets (in each case) to the extent related to the EXCO Parent Assets.

Section 8.3 Proration of Production Assets Costs and Revenues.

(a) Subject to the other terms and conditions of this Agreement, regardless of when possession of the Production Assets is transferred from the applicable EXCO Party to MLP LLC prior to the Closing, certain financial benefits and burdens of the Production Assets shall be transferred effective as of the Effective Time, as described in this Section 8.3. Each EXCO Party agrees that MLP LLC shall be entitled, without duplication, to all production of Hydrocarbons from or attributable to the Properties at and after the Effective Time (and all products and proceeds attributable thereto), and to all other income, proceeds, receipts and credits earned with respect to the Production Assets at and after the Effective Time (*provided* that, notwithstanding the preceding, the applicable EXCO Party shall be entitled to all proceeds of cash calls and billings and other funds received for the account of Third Parties with respect to any of the Production Assets operated by any EXCO Party for all periods prior to the date on which such EXCO Party's resignation as operator of such Production Assets becomes effective; but only to the extent that such proceeds and funds are used by an EXCO Party to pay for expenditures on behalf of such Third Parties in such EXCO Party's role as operator of any Production Assets), and MLP LLC shall be responsible for (and entitled to any refunds with respect to) all Property Costs incurred at and after the Effective Time.

(b) The EXCO Parties shall be entitled, without duplication, to all production of Hydrocarbons from or attributable to the Properties prior to the Effective Time (and all products and proceeds attributable thereto), and to all other income, proceeds, receipts and credits earned with respect to the Production Assets prior to the Effective Time (and

to proceeds from cash calls and billings and other funds received for the account of Third Parties for all periods prior to the date on which any EXCO Party's resignation as operator becomes effective, as described in subsection (a) above; but only to the extent that such proceeds and funds are used by such EXCO Party to pay for expenditures on behalf of such Third Parties in such EXCO Party's role as operator of any Production Assets), and the EXCO Parties shall be responsible for (and entitled to any refunds with respect to) all Property Costs incurred prior to the Effective Time.

(c) Should MLP LLC receive after the Closing any proceeds or other income to which any EXCO Party is entitled under Section 8.3(b), MLP LLC shall fully disclose, account for and promptly remit the same to such EXCO Party. If, after Closing, any EXCO Party receives any proceeds or other income with respect to the Production Assets to which such EXCO Party is not entitled pursuant to Section 8.3(b), such EXCO Party shall fully disclose, account for, and promptly remit the same to MLP LLC.

(d) Should any of the Partnership Entities pay after Closing any Property Costs for which any EXCO Party is responsible under Section 8.3(b), such EXCO Party shall reimburse such Partnership Entity promptly after receipt of an invoice with respect to such Property Costs, accompanied by copies of the relevant vendor or other invoice and proof of payment. Should any EXCO Party pay after Closing any Property Costs for which such EXCO Party is not responsible under Section 8.3(b), MLP LLC shall reimburse such EXCO Party promptly after receipt of an invoice with respect to such Property Costs, accompanied by copies of the relevant vendor or other invoice and proof of payment.

(e) No EXCO Party shall have any further entitlement to amounts earned from the sale of Hydrocarbons produced from or attributable to the Production Assets and other income earned with respect to the Production Assets and no further responsibility for Property Costs incurred with respect to the Production Assets following the final determination of the Cash Adjustment Amount in accordance with Section 10.5(b) and the payments of any amounts owning in accordance with Section 10.5(d).

(f) Consistent with Section 13.3 (as applicable), Taxes that are included in Property Costs, right-of-way fees, insurance premiums and other Property Costs that are paid periodically shall be prorated based on the number of days in the applicable period falling before and the number of days in the applicable period falling at and after the Effective Time, except that Production Taxes shall be prorated based on the number of units or value of production actually produced and sold, as applicable, before and at or after, the Effective Time, and Sales/Use Taxes shall be allocated according to the date the transaction resulting in the Sales/Use Tax liability occurs. In each case, MLP LLC shall be responsible for the portion allocated to the period at and after the Effective Time and the EXCO Parties shall be responsible for the portion allocated to the period before the Effective Time.

(g) For purposes of allocating production (and accounts receivable with respect thereto) under this Section 8.3, (i) liquid Hydrocarbons shall be deemed to be "from or attributable to" the Subject Leases and the Wells when they pass through the

inlet flange of the pipeline connecting into the storage facilities into which they are run or, if there are no such storage facilities, when they pass through the LACT meters or similar meters at the point of entry into the pipelines through which they are transported from the field and (ii) gaseous Hydrocarbons shall be deemed to be "from or attributable to" the Subject Leases and the Wells when they pass through the delivery point sales meters on the pipelines through which they are transported. EXCO Parent shall utilize reasonable interpolative procedures to arrive at an allocation of production when exact meter readings or gauging and strapping data is not available. EXCO Parent shall provide to Investor evidence of all meter readings and all gauging and strapping procedures conducted on or about the Effective Time in connection with the Production Assets, together with all data necessary to support any estimated allocation, for purposes of establishing the Cash Adjustment Amount pursuant to Section 2.2(a) and Section 2.2(b). The terms "earned" and "incurred" shall be interpreted in accordance with GAAP and Council of Petroleum Accountants Society standards, and expenditures that are incurred pursuant to an operating agreement, unit agreement or similar agreement shall be deemed incurred when expended by the operator of the applicable Subject Lease or Well, in accordance with EXCO Parent's customary historic practice consistently applied.

(h) After Closing, EXCO Parent shall handle all joint interest audits and other audits of Property Costs covering the period for which MLP LLC is in part responsible under Section 8.3, *provided* that EXCO Parent shall not agree to any adjustments to previously assessed costs for which MLP LLC is liable, or any compromise of any audit claims to which MLP LLC would be entitled, without the prior written consent of Investor. EXCO Parent shall provide Investor with a copy of all applicable audit reports and written audit agreements received by EXCO Parent or its Affiliates and relating to periods for which MLP LLC is partially responsible.

Section 8.4 Operatorship. As soon as is practicable following the Reorganization, EXCO Parent shall use its use its commercially reasonable efforts to take all necessary action to cause MLP LLC to become qualified to act as an operator (subject to the Operating Agreements) of those Production Assets formerly operated by EXCO Parent or one of its Affiliates. EXCO Parent shall send (or cause its applicable Affiliate to send) notices to co-owners of those Properties that EXCO Parent or its Affiliates currently operates indicating that EXCO Parent or its applicable Affiliate is resigning as operator, effective upon the completion of the Reorganization, and recommending that MLP LLC be elected successor operator. Rights and obligations associated with operatorship of the Properties are governed by operating agreements or similar agreements and will be decided in accordance with the terms of such agreements.

Section 8.5 Replacement of Bonds, Letters of Credit and Guaranties. The Parties understand that none of the bonds, letters of credit and guaranties, if any, posted by any EXCO Party or its Affiliates with Governmental Bodies or co-owners that relate to the Assets and are set forth on Schedule 5.19 will be transferred to MLP LLC. As soon as practicable following the Reorganization, EXCO Parent and, upon Closing, MLP LLC shall obtain, or cause to be obtained, in the name of MLP LLC and at MLP LLC's sole cost and expense, replacements for such bonds, letters of credit and guaranties, to the extent such replacements are necessary to permit the cancellation of the bonds, letters of credit and guaranties posted by any EXCO Party or its Affiliates.

ARTICLE 9
CONDITIONS TO CLOSING

Section 9.1 Conditions to Closing of EXCO and MLP LLC. The obligations of EXCO and MLP LLC to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by EXCO) on or prior to Closing of each of the following conditions precedent:

(a) *Representations*. The representations and warranties of Investor set forth in Article 6 shall be true and correct, in all material respects, as of the Execution Date and (without regard to the reference to the Execution Date in Section 6.1(b)) as of the Closing Date as though made on and as of the Closing Date;

(b) *Performance*. Investor shall have performed and observed, in all material respects, all covenants and agreements to be performed or observed by it under this Agreement prior to or on the Closing Date;

(c) *Closing Certificate*. Investor shall have executed and delivered a certificate from an officer of Investor certifying on behalf of Investor that the conditions set forth in Section 9.1(a) and Section 9.1(b) have been fulfilled by Investor;

(d) *No Action*. (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 Body 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 Body and (iii) no suit, action or other proceeding by any Third Party (other than a Governmental Body) 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, the Partnership Group, or the ability of any Party to comply with its obligations under this Agreement and the Related Agreements, taken as a whole, shall be pending before any Governmental Body;

(e) *Consents*. All consents and approvals (i) of any Governmental Body (including those required by the HSR Act, if applicable) required for the consummation of the transactions contemplated hereby (including for the transfer of the Production Assets from EXCO to MLP LLC and the transfer of the Vernon Membership Interests from EOC to MLP LLC, each as contemplated under this Agreement), except for Customary Post-Closing Consents, shall have been granted, or the necessary waiting period shall have expired, or early termination of the waiting period shall have been granted and (ii) set forth on Schedule 9.1(e) shall have been obtained and shall be in full force and effect and not revoked;

(f) *Title Defects, Environmental Defects and Excluded Assets*. The sum of (i) all Title Defect Amounts (or, to the extent applicable in lieu thereof, Reference Title Defect Amounts) which would adjust the Transaction Items as of Closing (taking into account any off-setting Title Benefits but excluding any Title Defect Amounts attributable to Title Defects cured by EXCO prior to Closing), (ii) all Remedy Amounts (or, to the extent applicable in lieu thereof, Averaged Remedy Amounts) which would adjust the Transaction Items as of Closing (excluding any Remedy Amounts attributable to Environmental Defects cured by EXCO prior to Closing) and (iii) the Allocated Values of all of the Assets excluded pursuant to Article 3, Article 4 or Section 7.4, shall not, in the aggregate, exceed $70,000,000;

(g) *Deliveries*. Investor shall deliver (or be ready, willing and able to deliver at Closing) duly executed counterparts of the documents to be delivered by Investor under Section 10.3;

(h) *Credit Agreement*. The lenders under the Credit Agreement shall be ready, willing and able to close the Credit Agreement with the Partnership and MLP LLC on the terms set forth in the Debt Commitment Letter contemporaneously with Closing and fund the Adjusted Initial Draw Amount; and

(i) *Insurance*. EXCO shall have obtained and there shall be in place, and the Partnership Group shall have obtained (including endorsements of MLP LLC under policies of EXCO), as applicable, the insurance set forth in the Administrative Services Agreement.

Section 9.2 Conditions to Closing of Investor. The obligations of Investor to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by Investor) on or prior to Closing of each of the following conditions precedent:

(a) *Representations*. The representations and warranties of EXCO set forth in Article 5 shall be true and correct, in all material respects, as of the Execution Date and (without regard to the reference to the Execution Date in Section 5.1(b)) as of the Closing Date as though made on and as of the Closing Date (other than representations and warranties that refer to a specified date, which need only be true and correct, in all material respects, on and as of such specified date and except to the extent that such representation or warranty (i) is qualified in terms of Material Adverse Effect or materiality or (ii) relates to EXCO Fundamental Representations, in which case each such representation or warranty need be true and correct in all respects); and the representations and warranties in Section 5.8(c) shall be true and correct as of the Closing Date;

(b) *Performance*. Each EXCO Party shall have performed and observed, in all material respects, all covenants and agreements to be performed or observed by such Person under this Agreement prior to or on the Closing Date;

(c) *Closing Certificate*. Each EXCO Party shall have executed and delivered a certificate from an officer of such Person certifying on behalf of such Person that the conditions set forth in Section 9.2(a) and Section 9.2(b) have been fulfilled by such Person;

(d) *No Action.* (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 Body 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 Body and (iii) no suit, action or other proceeding by any Third Party (other than a Governmental Body) 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, the Partnership Group, or the ability of any Party to comply with its obligations under this Agreement and the Related Agreements, taken as a whole, shall be pending before any Governmental Body;

(e) *Consents*. All consents and approvals (i) of any Governmental Body (including those required by the HSR Act, if applicable) required for the consummation of the transactions contemplated hereby (including for the transfer of the Production Assets from EXCO to MLP LLC and the transfer of the Vernon Membership Interests from EOC to MLP LLC, each as contemplated under this Agreement), except for Customary Post-Closing Consents, shall have been granted, or the necessary waiting period shall have expired, or early termination of the waiting period shall have been granted and (ii) set forth on Schedule 9.1(e) shall have been obtained and shall be in full force and effect and not revoked;

(f) *Title Defects, Environmental Defects and Excluded Assets*. The sum of (i) all Title Defect Amounts (or, to the extent applicable in lieu thereof, Reference Title Defect Amounts) which would adjust the Transaction Items as of Closing (taking into account any off-setting Title Benefits but excluding any Title Defect Amounts attributable to Title Defects cured by EXCO prior to Closing), (ii) all Remedy Amounts (or, to the extent applicable in lieu thereof, Averaged Remedy Amounts) which would adjust the Transaction Items as of Closing (excluding any Remedy Amounts attributable to Environmental Defects cured by EXCO prior to Closing) and (iii) the Allocated Values of all of the Assets excluded pursuant to Article 3, Article 4 or Section 7.4, shall not, in the aggregate, exceed $70,000,000.

(g) *Reorganization*. The Reorganization shall have occurred;

(h) *Deliveries*. EXCO shall deliver (or be ready, willing and able to deliver at Closing) and cause MLP LLC to deliver (or be ready, willing and able to deliver at Closing) duly executed counterparts of the documents to be delivered by EXCO and MLP LLC under Section 10.2;

(i) *Credit Agreement.* The lenders under the Credit Agreement shall be ready, willing and able to close the Credit Agreement with the Partnership and MLP LLC on the terms set forth in the Debt Commitment Letter contemporaneously with Closing and to fund the Adjusted Initial Draw Amount;

(j) *Insurance*. EXCO shall have obtained and there shall be in place, and the Partnership Group shall have obtained (including endorsements of MLP LLC under policies of EXCO), as applicable, the insurance set forth in the Administrative Services Agreement.

(k) *EXCO Existing Debt*. All liens on the Assets securing the EXCO Existing Debt and all obligations of any Partnership Entities under the EXCO Existing Debt shall have been released (or the lenders of such EXCO Existing Debt shall be ready, willing and able to release such liens and obligations concurrent with the funding under the Credit Agreement and Investor shall have received customary assurance that such release will be effective at such time); and

(l) *Financial Statements*. Investor shall have received the Required Financial Statements.

ARTICLE 10
CLOSING

Section 10.1 Time and Place of Closing. Consummation of the purchase and sale transaction as contemplated by this Agreement (the "Closing"), shall, unless otherwise agreed to in writing by Investor and EXCO Parent, take place at the offices of Latham & Watkins LLP, located at 811 Main Street, Suite 3700, Houston, TX 77002, at 10:00 a.m., Central Time, on January 23, 2013 or if all conditions in Article 9 to be satisfied prior to Closing have not yet been satisfied or waived, within five Business Days of such conditions having been satisfied or waived, subject to the rights of the Parties under Article 11. The date on which the Closing occurs is herein referred to as the "Closing Date."

Section 10.2 Obligations of EXCO at Closing. At the Closing, upon the terms and subject to the conditions of this Agreement, and subject to the substantially simultaneous performance by Investor of its obligations pursuant to Section 10.3, EXCO Parent shall:

(a) cause to be delivered a recordable release of any pledges, trusts, mortgages, financing statements, fixture filings and security agreements made by EXCO or its Affiliates relating to the EXCO Existing Debt and affecting the Assets, the Vernon Membership Interests or the MLP LLC Membership Interests;

(b) cause to be delivered the resignations of all of the officers and managers and terminations of all outstanding powers of attorney of Vernon and MLP LLC, effective upon the consummation of the Closing, unless EXCO Parent and Investor otherwise agree in writing;

(c) cause EXCO Holding to execute and deliver the GP LLC Agreement;

(d) following the execution and delivery of the documents described in subsections (a) through (c) above, cause EXCO Holding to execute and deliver the Partnership Agreement;

(e) following the execution and delivery of the documents described in subsections (a) through (d) above, cause EXCO Holding to execute and deliver:

(i) the Contribution and Assignment of Common Units;

(ii) a statement described in Treasury Regulation § 1.1445-2(b)(2) certifying that the applicable transferor of the Assets for U.S. federal income tax purposes is not a foreign person within the meaning of Section 1445 of the Code;

(iii) the Assignment of MLP LLC Membership Interests; and

(iv) the Registration Rights Agreement;

(f) cause EOC to execute and deliver:

(i) an acknowledgement of the Preliminary Settlement Statement;

(ii) an acknowledgement of the Other Adjustments Statement;

(iii) the EOC Operating Agreement;

(iv) the Marketing Agreement; and

(v) the Shared Assets/Use Agreement;

(g) execute and deliver:

(i) an acknowledgement of the Preliminary Settlement Statement;

(ii) an acknowledgement of the Other Adjustments Statement;

(iii) the EXCO Parent Operating Agreement

(iv) the Administrative Services Agreement; and

(v) the Shared Assets/Use Agreement; and

(h) execute and deliver, cause EOC or EXCO Holding to execute and deliver and cause EXCO Holding to cause any required Partnership Approval to cause the General Partner, the Partnership and/or MLP LLC to execute and deliver, all other instruments, documents and other items reasonably necessary to effectuate the terms of this Agreement, as may be reasonably requested by Investor.

Section 10.3 Obligations of Investor at Closing. At the Closing, upon the terms and subject to the conditions of this Agreement, and subject to the substantially simultaneous performance by EXCO Parent of its obligations pursuant to Section 10.2, Investor shall:

(a) execute and deliver the GP LLC Agreement;

(b) following the execution and delivery of the document described in subsection (a) above, execute and deliver the Partnership Agreement;

(c) transmit a wire transfer of the Cash Contribution (determined in accordance with the Preliminary Settlement Statement) in immediately available funds to the Partnership to the accounts designated not less than five Business Days prior to Closing by the Parties for the Partnership;

(d) execute and deliver (i) the Contribution and Assignment of Common Units; (ii) an acknowledgement of receipt of the Preliminary Settlement Statement; and (iii) an acknowledgement of receipt of the Other Adjustments Statement;

(e) execute and deliver the Registration Rights Agreement; and

(f) execute and deliver, and cause any required Partnership Approval to cause the General Partner, the Partnership and MLP LLC to execute and deliver, all other instruments, documents and other items reasonably necessary to effectuate the terms of this Agreement, as may be reasonably requested by EXCO.

Section 10.4 Obligations of Investor and EXCO Parent at Closing. At the Closing, upon the terms and subject to the conditions of this Agreement, and subject to the substantially simultaneous performance by EXCO Parent of its obligations pursuant to Section 10.2 and to the substantially simultaneous performance by Investor of its obligations pursuant to Section 10.3, Investor shall, and EXCO Parent shall cause EXCO Holding to:

(a) cause the General Partner to execute and deliver

(i) the Partnership Agreement;

(ii) the Administrative Services Agreement; and

(iii) the Contribution and Assignment of Common Units;

(b) cause the General Partner to cause the Partnership to:

(i) execute and deliver the Assignment of MLP LLC Membership Interests;

(ii) enter into the Credit Agreement;

(iii) make an initial borrowing under the Credit Agreement in an amount equal to the Adjusted Initial Draw Amount;

(iv) cause the Distribution Amount to be distributed to EXCO Holding;

(v) execute and deliver the Administrative Services Agreement; and

(vi) execute and deliver the Registration Rights Agreement.

(c) cause the Partnership Approval to cause MLP LLC to execute and deliver:

(i) the EOC Operating Agreement;

(ii) the EXCO Parent Operating Agreement;

(iii) the Administrative Services Agreement;

(iv) the Marketing Agreement;

(v) the Shared Assets/Use Agreement; and

(vi) the Assignment of MLP LLC Membership Interests.

(d) cause the Partnership Approval to cause MLP LLC to cause Vernon to execute and deliver the Administrative Services Agreement.

Section 10.5 Cash Contribution Adjustments and Post-Closing Cash Contribution Adjustments.

(a) Not later than three Business Days prior to the Closing Date, EXCO Parent shall prepare and deliver to Investor, using and based upon the best information available to EXCO Parent, a preliminary settlement statement setting forth EXCO Parent's good faith estimate of the Cash Adjustment Amount and the adjustments made to the Transaction Items with respect thereto pursuant to Section 2.2(c) (the "Preliminary Settlement Statement"). EXCO Parent shall promptly provide Investor with all reasonable supporting documentation for the calculations set forth in the Preliminary Settlement Statement as Investor shall reasonably request. No later than three Business Days prior to the Closing Date, Investor and EXCO Parent shall jointly prepare a statement setting forth such Parties' good faith determination of all adjustments to the Transaction Items to be made as of Closing pursuant to Section 2.3 (the "Other Adjustments Statement").

(b) Unless otherwise agreed by the Parties, no later than the 90th day following the Closing Date (the "Final Statement Date"), EXCO Parent shall prepare and deliver to Investor a statement setting forth the final calculation of the Cash Adjustment Amount and showing the adjustments made to the Target Cash Contribution with respect thereto pursuant to Section 2.2(a) and Section 2.2(b), based, to the extent possible, on actual credits, charges, receipts and other items before and after the Effective Time, and giving effect to such amounts attributable to Assets excluded and/or contributed pursuant to Article 3 and Article 4 (the "Final Settlement Statement"). EXCO shall supply

reasonable documentation available to support any credit, charge, receipt or other item included in the Final Settlement Statement, including the Vernon Working Capital. Following delivery of the Final Settlement Statement, EXCO Parent shall provide the Investor with such information, and access to those employees of EXCO Parent and its subsidiaries, as the Investor reasonably requests in connection with the Investor's review and examination of such statement. Investor, on behalf of the Partnership Entities shall deliver to EXCO Parent a written report containing any changes that such Persons propose be made to the Final Settlement Statement no later than the 60th day following the Investor's receipt thereof. EXCO Parent and Investor shall undertake to agree on the Final Settlement Statement no later than 90 days following the Investor's receipt of the Final Settlement Statement (the "Final Statement Review Period"). To the extent any Title Defect Amounts, Title Benefit Amounts or Remedy Amounts are conclusively determined after the Final Statement Date (including the determination of any Title Arbitrator or Environmental Arbitrator) and such related Assets have been contributed or are to be contributed pursuant to Article 3 or Article 4 prior to the end of the Final Statement Review Period, the Parties shall update the Final Settlement Statement to give effect to such adjustments.

(c) In the event that the Parties cannot reach agreement within the Final Statement Review Period, any Party may refer the remaining matters in dispute to the Houston, Texas office of Ernst & Young LLP or such other Person as may be selected pursuant to this Section 10.5(c) (the "Accounting Arbitrator") for review and final determination by arbitration. Should Ernst & Young LLP fail or refuse to agree to serve as Accounting Arbitrator within ten days after receipt of a written request from any Party to serve, the Parties shall request another nationally recognized accounting firm to serve as Accounting Arbitrator. Should such selected firm fail or refuse to agree to serve as Accounting Arbitrator within ten 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 five days after the end of that ten day period, or should no replacement Accounting Arbitrator agree to serve within 30 days after the original written request pursuant to this Section, the Accounting Arbitrator shall be a nationally recognized accounting firm appointed by the Houston office of the American Arbitration Association (the "AAA"). The Accounting Arbitrator's determination shall be made within 30 days after submission of the matters in dispute and shall be final and binding on the Parties, without right of appeal. In determining the proper amount of any adjustment to the Cash Adjustment Amount, the Accounting Arbitrator shall not increase the Cash Adjustment Amount more than the increase proposed by EXCO Parent nor decrease the Cash Adjustment Amount more than the decrease proposed by Investor, as applicable. The Accounting Arbitrator shall act as an expert for the limited purpose of determining the specific disputed matters submitted by the Parties with respect to the Final Settlement Statement and may not award damages or penalties to the Parties with respect to any matter. Investor and EXCO Parent shall each bear its own legal fees and other costs of presenting its case. The fees, costs and expenses of the Accounting Arbitrator, shall be allocated between EXCO Parent, on the one hand, and the Investor, on the other hand, based upon the percentage which the portion of the disputed matters not awarded to such Party bears to the amount actually contested by such Party.

(d) Within five Business Days after the date on which the Cash Adjustment Amount is finally determined in accordance with Section 10.5(b) or Section 10.5(c), as applicable, (A) Investor shall pay to EXCO Parent 74.5% of the amount by which the final Cash Adjustment Amount exceeds the Cash Adjustment Amount used to determine the Cash Contribution at Closing or (B) EXCO Parent shall pay to the Investor 74.5% of the amount by which the Cash Adjustment Amount used to determine Cash Contribution at Closing exceeds the final Cash Adjustment Amount, as applicable.

(e) All payments made or to be made under this Agreement shall be made by electronic transfer of immediately available funds to the accounts designated in writing by the applicable recipient.

(f) In the event that any assets are contributed to MLP LLC pursuant to Article 3 or Article 4 following the Final Statement Date which assets, if included in the Assets at Closing, would have resulted in changes to the Cash Adjustment Amount, the Parties shall repeat the procedures above, applied *mutatis mutandis* (but with such shorter time periods as the parties may agree) in order to give effect to the intent of this Section 10.5. Such procedure shall be replicated no more than once every 90 days (or such shorter period as the Parties may agree).

ARTICLE 11
TERMINATION; REMEDIES

Section 11.1 Termination. This Agreement may be terminated at any time prior to Closing:

(a) by the mutual prior written consent of EXCO Parent and Investor;

(b) by either EXCO Parent or Investor if Closing has not occurred on or before the date that is the earlier of (i) March 5, 2013 and (ii) the expiration of the Debt Commitment Letter (the "Termination Date"); *provided* that neither EXCO Parent, on the one hand, nor Investor, on the other hand, shall be entitled to terminate this Agreement under this Section 11.1(b) if the Closing has failed to occur because such Party willfully failed to perform or observe in any material respect its covenants or agreements hereunder,

(c) by either EXCO Parent or Investor if consummation of the Closing would violate any nonappealable final order, decree or judgment of any Governmental Body having competent jurisdiction;

(d) by Investor if either (i) there has been a breach of, or inaccuracy in, any representation or warranty of EXCO contained in Article 5 or (ii) EXCO has breached or violated any covenant contained in this Agreement, in each case, which breach, inaccuracy or violation (A) would or would reasonably be expected to result in the failure to satisfy a condition set forth in Section 9.2 and (B) cannot be or has not been cured by the date which is the earlier of (i) the Termination Date and (2) 30 days after Investor notifies EXCO Parent of such breach, inaccuracy or violation; *provided*, that Investor shall have no right to terminate this Agreement pursuant to this Section 11.1(d) if

Investor is then in breach of any of its representations or warranties in this Agreement, or has materially failed to perform any of covenants or agreements in this Agreement, in each case which breach or failure to perform would result in the failure to satisfy a condition set forth in Section 9.1;

(e) by EXCO Parent if either (i) there has been a breach of, or inaccuracy in, any representation or warranty of Investor contained in Article 6 or (ii) Investor has breached or violated any covenant contained in this Agreement, in each case, which breach, inaccuracy or violation (A) would or would reasonably be expected to result in the failure to satisfy a condition set forth in Section 9.1 and (B) cannot be or has not been cured by the date which is the earlier of (1) the Termination Date and (2) 30 days after EXCO Parent notifies Investor of such breach, inaccuracy or violation; *provided*, that EXCO Parent shall have no right to terminate this Agreement pursuant to this Section 11.1(e) if EXCO Parent is then in breach of any of its representations or warranties in this Agreement, or has materially failed to perform any of covenants or agreements in this Agreement, in each case which breach or failure to perform would result in the failure to satisfy a condition set forth in Section 9.2;

(f) by either EXCO Parent or Investor if the sum of (i) all Title Defect Amounts (or, to the extent applicable in lieu thereof, Reference Title Defect Amounts) which would adjust the Transaction Items as of Closing (taking into account any off-setting Title Benefits but excluding any Title Defect Amounts attributable to Title Defects cured by EXCO prior to Closing), (ii) all Remedy Amounts (or, to the extent applicable in lieu thereof, Averaged Remedy Amounts) which would adjust the Transaction Items as of Closing (excluding any Remedy Amounts attributable to Environmental Defects cured by EXCO prior to Closing) and (iii) the Allocated Values of all of the Assets excluded pursuant to Article 3, Article 4 or Section 7.4 shall not, in the aggregate, exceed $70,000,000;

(g) EXCO Parent if (i) all of the conditions to Closing set forth in Section 9.2 have been satisfied or waived as of such date of termination (or, with respect to conditions capable of being satisfied only at Closing, upon an immediate Closing, would be satisfied as of such Closing), (ii) each EXCO Party and MLP LLC is ready, willing and able to effect the Closing in accordance with the terms hereof and (iii) Investor has breached its obligation to effect the Closing and remains in breach five Business Days following written demand by EXCO Parent; or

(h) Investor if (i) all of the conditions to Closing set forth in Section 9.1 have been satisfied or waived as of such date of termination (or, with respect to conditions capable of being satisfied only at Closing, upon an immediate Closing, would be satisfied as of such Closing), (ii) Investor is ready, willing and able to effect the Closing in accordance with the terms hereof and (iii) any EXCO Party or MLP LLC has breached its obligation to effect (A) the Reorganization in accordance with the terms of this Agreement or (B) the Closing and, in either case, remains in breach five Business Days following written demand by Investor.

Section 11.2 Effect of Termination. If this Agreement is terminated pursuant to Section 11.1, this Agreement shall become void and of no further force or effect (except for the provisions of Section 1.1, Section 5.6, Section 6.6, Section 7.1(d), Section 7.3, Section 7.10(b), Section 11.1, this Section 11.2, Section 11.3, Section 11.4 and Article 14, which shall continue in full force and effect) and, without prejudice to the rights of the Parties under Section 11.3, EXCO, Vernon and, if applicable, MLP LLC shall be free immediately to enjoy all rights of ownership of the Assets that would otherwise apply and to sell, transfer, encumber or otherwise dispose of the Assets to any Person without any restriction under this Agreement.

Section 11.3 Remedies Upon Termination.

(a) If EXCO Parent terminates this Agreement (i) under Section 11.1(e), (ii) under Section 11.1(b) in circumstances where EXCO Parent would have had the right to terminate under Section 11.1(e), or (iii) under Section 11.1(g), and, in any such case, as of the date of such termination, all of the conditions to Closing set forth in Section 9.2 have been satisfied or waived as of such date of termination (or, with respect to conditions capable of being satisfied only at Closing, upon an immediate Closing, would be satisfied as of such Closing), then, in any such event, Investor shall pay, or cause to be paid, by wire transfer of immediately available funds to an account or accounts designated by EXCO Parent, within two (2) Business Days after the date on which this Agreement is so terminated, the Termination Fee.

(b) If Investor terminates this Agreement (i) under Section 11.1(d), (ii) under Section 11.1(b) in circumstances where Investor would have had the right to terminate under Section 11.1(d), or (iii) under Section 11.1(h), and, in any such case, as of the date of such termination, all of the conditions to Closing set forth in Section 9.1 have been satisfied or waived as of such date of termination (or, with respect to conditions capable of being satisfied only at Closing, upon an immediate Closing, would be satisfied as of such Closing), then, in any such event, EXCO Parent shall pay, or cause to be paid, by wire transfer of immediately available funds to an account or accounts designated by Investor, within two (2) Business Days after the date on which this Agreement is so terminated, the Termination Fee.

(c) For the avoidance of doubt, neither EXCO Parent nor Investor shall be required to pay the Termination Fee more than once.

Section 11.4 Limitations.

(a) In any circumstance in which a Party has the right to terminate this Agreement and has the right to receive the Termination Fee pursuant to Section 11.3, such Party's termination of this Agreement and receipt of the Termination Fee shall be the sole and exclusive remedy of such Party and its Affiliates against the other Party or Parties and their respective Affiliates for any loss suffered as a result of any breach of this Agreement (including any willful and material breach), or the failure of the transactions contemplated hereby or thereby to be consummated, or in respect of any oral representation made or alleged to be have been made in connection herewith or therewith, whether in equity or at law, in contract, in tort or otherwise, and upon such termination

and receipt of the Termination Fee, no member of the Investor Group, in the case of any payment of the Termination Fee by or on behalf of Investor, or no member of the EXCO Group, in the case of any payment of the Termination Fee by or on behalf of EXCO Parent, shall have any further liability or obligation, including consequential, indirect or punitive damages, relating to or arising out of any breach of this Agreement (including any willful and material breach), or the failure of the transactions contemplated hereby or thereby to be consummated, or in respect of any oral representation made or alleged to be have been made in connection herewith or therewith, whether in equity or at law, in contract, in tort or otherwise. Prior to Closing, the maximum aggregate monetary liability of either Investor, on the one hand, or EXCO, on the other hand, for any loss suffered as a result of any breach of this Agreement (including any willful and material breach), or the failure of the transactions contemplated hereby or thereby to be consummated, or in respect of any oral representation made or alleged to be have been made in connection herewith or therewith, whether in equity or at law, in contract, in tort or otherwise, shall be limited to the Termination Fee, and in no event shall any Party or Representative or Affiliate thereof seek to recover any money damages (including consequential, indirect or punitive damages) in excess of such amount.

(b) Upon termination of this Agreement, except as expressly set forth above in Section 11.3 and Section 11.4(a), neither Investor Group nor EXCO Group shall have any further liability or obligation relating to or arising out of this Agreement (including any willful and material breach), or the failure of the transactions contemplated hereby or thereby to be consummated, or in respect of any oral representation made or alleged to have been made in connection herewith or therewith, whether in equity or at law, in contract, in tort or otherwise, and in such event, except as expressly set forth above in Section 11.3 and Section 11.4(a), neither Investor Group nor EXCO Group shall seek to recover any money damages (including consequential, indirect, lost profits or punitive damages) or obtain any equitable relief from EXCO Group or Investor Group, as the case may be.

(c) No Investor Group member, except Investor and HGI (but only to the extent expressly set forth herein or in any Related Agreements, to the extent set forth therein, and in the Guarantee), shall have any liability for any obligation or liability of the Parties pursuant to this Agreement or for any claim for any loss suffered as a result of any breach of this Agreement (including any willful and material breach), or the failure of the transactions contemplated hereby or thereby to be consummated, or in respect of any oral representation made or alleged to have been made in connection herewith or therewith, whether in equity or at law, in contract, in tort or otherwise.

(d) No EXCO Group member, except EXCO Parent and EOC (but only to the extent set forth herein or in any Related Agreements to the extent set forth therein), shall have any liability for any obligation or liability of the Parties to this Agreement or for any claim for any loss suffered as a result of any breach of this Agreement (including any willful and material breach), or the failure of the transactions contemplated hereby or thereby to be consummated, or in respect of any oral representation made or alleged to have been made in connection herewith or therewith, whether in equity or at law, in contract, in tort or otherwise.

(e) Each Party acknowledges and agrees that the agreements contained in this Section 11.4 are an integral part of the transactions contemplated hereby, and that without these agreements the Parties would not have entered into this Agreement. Accordingly, if any Party fails promptly to pay the Termination Fee when due pursuant to this Section 11.4 (the "Owing Party"), and, in order to obtain such payment, the other Party commences a suit that results in a judgment against the Owing Party for the Termination Fee, the Owing Party will pay to such other Party, from the date such payment was required to be made, interest at the Default Rate on the Termination Fee. The Parties acknowledge that the Termination Fee shall not constitute a penalty but is liquidated damages, in a reasonable amount that will compensate the respective Parties in the circumstances in which the Termination Fee is payable for their respective efforts and resources expended and opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, which amount would otherwise be impossible to calculate with precision.

ARTICLE 12
ASSUMPTION; INDEMNIFICATION

Section 12.1 Assumption. Without limiting the Partnership Entities rights to indemnity under Section 12.2 and the remedy for Title Defects in Article 3 and Environmental Defects in Article 4, from and after the Closing, MLP LLC shall and Investor and EXCO Parent (through EXCO Holding) shall cause the Partnership Approval to cause MLP LLC to assume and fulfill, perform, pay and discharge all of the Assumed Obligations.

Section 12.2 Indemnification.

(a) From and after Closing, MLP LLC 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 Assumed Obligations (including, for purposes of certainty, Environmental Liabilities under CERCLA that constitute Assumed Obligations) to the extent such Assumed Obligations relate to periods of time prior to Closing, **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 OF ANY MEMBER OF THE EXCO GROUP** but excepting those Damages for which EXCO is required, in accordance with the terms of this Article 12 (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 12.2(b).

(b) From and after Closing, EXCO Parent shall indemnify, defend and hold harmless Investor and its Affiliates and the Partnership Group from and against all Damages incurred or, suffered by such Persons:

(i) caused by, arising out of or resulting from EXCO's failure to comply with EXCO's covenants or agreements contained in this Agreement (excluding Section 7.6) or any failure of any EXCO Fundamental Representation to be true and correct;

(ii) caused by, arising out of or resulting from any failure of any representation or warranty made (A) by EXCO contained in Article 5 to be true and correct as of the Execution Date and as of the Closing Date as though made on and as of the Closing Date (other than representations and warranties that refer to a specified date, which need only be true and correct as of such specified date) or (B) in the Closing Certificate delivered by EXCO to be true and correct, in each case other than any EXCO Fundamental Representation or covenants under Section 7.6 to be complied with;

(iii) caused by, arising out of or resulting from any Excluded Liability; and

(iv) caused by, arising out of or resulting from any Pre-Effective Time Liability other than any of those liabilities described in subsection (d) of the definition of Assumed Obligations,

EVEN IF SUCH DAMAGES, OTHER THAN DAMAGES RELATING TO ANY EXCLUDED ASSET RETAINED LIABILITY, ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), STRICT LIABILITY OR OTHER LEGAL FAULT OF INVESTOR OR ANY MEMBER OF THE PARTNERSHIP GROUP; provided that the foregoing obligations of EXCO Parent with respect to Damages suffered by Investor shall not be duplicative of Damages recovered by any member of the Partnership Group.

(c) From and after Closing, Investor shall indemnify, defend and hold harmless EXCO and its Affiliates and the Partnership Group from and against all Damages incurred, suffered by or asserted against such Persons:

(i) caused by, arising out of or resulting from Investor's failure to comply with Investor's covenants or agreements contained in this Agreement or any failure of any Investor Fundamental Representation to be true and correct (excluding Section 7.6); or

(ii) caused by, arising out of or resulting from any breach of any representation or warranty made (A) by Investor contained in Article 6 to be true and correct as of the Execution Date and as of the Closing Date as though made on and as of the Closing Date (other than representations and warranties that refer to a specified date, which need only be true and correct as of such specified date) or (B) in the Closing Certificate delivered by Investor, in each case other than any Investor Fundamental Representation to be true and correct or covenants under Section 7.6 to be complied with;

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 OF ANY MEMBER OF THE EXCO GROUP OR THE

PARTNERSHIP GROUP; provided that the foregoing obligations of Investor with respect to Damages suffered by EXCO Parent shall not be duplicative of Damages recovered by any member of the Partnership Group.

(d) **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, AND EXCEPT WITH RESPECT TO (I) FRAUD AND (II) THE PARTIES' REMEDIES UNDER THE RELATED AGREEMENTS (OTHER THAN THE CLOSING CERTIFICATES), SECTION 7.1(D), SECTION 12.2 AND SECTION 13.1 CONTAIN THE PARTIES' EXCLUSIVE REMEDIES AGAINST EACH OTHER WITH RESPECT TO BREACHES OF THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE PARTIES CONTAINED HEREIN AND IN THE CLOSING CERTIFICATES AND WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREBY OR THE OWNERSHIP AND OPERATION OF THE ASSETS. EXCEPT FOR THE REMEDIES CONTAINED UNDER THE RELATED AGREEMENTS (OTHER THAN THE CLOSING CERTIFICATES) IN SECTION 7.1(D), SECTION 12.2 AND SECTION 13.1, EACH OF THE EXCO PARTIES AND THE INVESTOR (EACH ON THEIR OWN BEHALF AND ON BEHALF OF THE PARTNERSHIP GROUP) RELEASE, REMISE AND FOREVER DISCHARGE THE OTHER PARTIES AND THEIR AFFILIATES AND ALL SUCH PARTIES' REPRESENTATIVES FROM ANY AND ALL SUITS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, DAMAGES, LOSSES, COSTS, LIABILITIES, INTEREST OR CAUSES OF ACTION WHATSOEVER, 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 (I) THIS AGREEMENT, (II) EXCO'S OR VERNON'S OWNERSHIP, USE OR OPERATION OF THE ASSETS OR (III) THE CONDITION, QUALITY, STATUS OR NATURE OF THE ASSETS, INCLUDING, IN EACH SUCH CASE, RIGHTS TO CONTRIBUTION UNDER CERCLA OR ANY OTHER ENVIRONMENTAL LAW, BREACHES OF STATUTORY OR IMPLIED WARRANTIES, NUISANCE OR OTHER TORT ACTIONS, RIGHTS TO PUNITIVE DAMAGES AND COMMON LAW RIGHTS OF CONTRIBUTION, RIGHTS UNDER AGREEMENTS BETWEEN ANY EXCO PARTY AND ANY PERSONS WHO ARE AFFILIATES OF SUCH EXCO PARTY, AND RIGHTS UNDER INSURANCE MAINTAINED BY ANY EXCO PARTY OR ANY PERSON WHO IS AN AFFILIATE OF ANY EXCO PARTY, EVEN IF CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), STRICT LIABILITY OR OTHER LEGAL FAULT OF ANY RELEASED PERSON.**

(e) Any claim for indemnity under this Section 12.2 by any Third Person must be brought and administered by a Party to this Agreement. No Indemnified Person (including any Person within the EXCO Group, the Investor Group or the Partnership Group) other than the Parties shall have any rights against any EXCO Party, MLP LLC or Investor under the terms of this Section 12.2 except as may be exercised on its behalf by MLP LLC, Investor or EXCO, as applicable, pursuant to this Section 12.2. Each Party may elect to exercise or not to exercise indemnification rights under this Section 12.2 on

behalf of the other Indemnified Persons affiliated with it in its sole discretion and shall have no liability to any such other Indemnified Person for any action or inaction under this Section 12.2.

Section 12.3 Indemnification Actions. All claims for indemnification under Section 12.2 shall be asserted and resolved as follows:

(a) For purposes hereof, (i) the term "Indemnifying Person" when used in connection with particular Damages shall mean the Person or Persons having an obligation to indemnify another Person or Persons with respect to such Damages pursuant to this Article 12 and (ii) the term "Indemnified Person" when used in connection with particular Damages shall mean the Person or Persons having the right to be indemnified with respect to such Damages by another Person or Persons pursuant to this Article 12.

(b) To make a claim for indemnification under Section 12.2, an Indemnified Person shall notify the Indemnifying Person of its claim under this Section 12.3, including, to the extent known to such Person, 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 Person (a "Third Person Claim"), the Indemnified Person shall provide its Claim Notice promptly after the Indemnified Person has actual knowledge of the Third Person Claim and shall enclose a copy of all papers (if any) served with respect to the Third Person Claim; *provided* that the failure of any Indemnified Person to give notice of a Third Person Claim as provided in this Section 12.3 shall not relieve the Indemnifying Person of its obligations under Section 12.2 except to the extent such failure materially prejudices the Indemnifying Person's ability to defend against the Third Person 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 Third Person Claim, the Indemnifying Person shall have 30 days from its receipt of the Claim Notice to notify the Indemnified Person whether it admits or denies its obligation to defend the Indemnified Person against such Third Person Claim under this Article 12. If the Indemnifying Person does not notify the Indemnified Person within such 30-day period whether the Indemnifying Person admits or denies its obligation to defend the Indemnified Person, it shall be conclusively deemed to have denied such indemnification obligation hereunder. The Indemnified Person is authorized, prior to and during such 30-day period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Person and that is not, with respect to the Indemnifying Person's rights or claims with respect to Third Parties, prejudicial to the Indemnifying Person.

(d) If the Indemnifying Person admits its obligation, it shall have the right and obligation to diligently defend, at its sole cost and expense, the Third Person Claim; provided, that the Indemnifying Person shall not be entitled to control the defense of any Third Person Claim if (i) the Indemnified Person has been advised by counsel that an

actual conflict of interest exists between the Indemnifying Person and the Indemnified Person in connection with the defense of such Third Person Claim, (ii) the Third Person Claim, individually or in the aggregate with any other claim, involves potential Damages that exceed the amount of the indemnification available under this Article 12, (iii) the Third Person Claim seeks injunctive relief or is part of a criminal proceeding or (iv) the Third Person Claim would reasonably be expected to have a material adverse effect on the Indemnified Person's business or relates to its customers, suppliers, vendors or other service providers; provided, however, in the event that the Indemnifying Person is not entitled to assume exclusive control of the defense, then the Indemnifying Person shall not be bound by any determination resulting from any compromise or settlement effected without its consent (which may not be unreasonably withheld or delayed). If the Indemnifying Person elects to control the defense of a Third Person Claim in accordance with this Section 12.3(d), the Indemnifying Person shall have full control of such defense and proceedings, including any compromise or settlement thereof. If the Indemnifying Person elects to control the defense of a Third Person Claim in accordance with this Section 12.3(d), (x) if requested by the Indemnifying Person, the Indemnified Person agrees to reasonably cooperate (without incurring any out-of-pocket expenses or other material expense) in contesting any Third Person Claim that the Indemnifying Person elects to contest (*provided*, *however,* that the Indemnified Person shall not be required to bring any counterclaim or cross-complaint against any Person) and (y) the Indemnified Person may at its own expense participate in, but not control, any defense or settlement of any Third Person Claim controlled by the Indemnifying Person pursuant to this Section 12.3(d). An Indemnifying Person shall not, without the written consent of the Indemnified Person, settle any Third Person Claim or consent to the entry of any judgment with respect thereto which (i) does not result in a final resolution of the Indemnified Person's liability with respect to the Third Person Claim (including, in the case of a settlement, an unconditional written release of the Indemnified Person), (ii) provides for remedies other than the payment of money damages that are fully indemnified pursuant to this Article 12 or (iii) includes any admission of liability on the part of any Indemnified Person.

(e) If the Indemnifying Person does not elect to, or is not entitled pursuant to Section 12.3(d) to, control the defense of a Third Person Claim, then the Indemnified Person shall have the right to defend against the Third Person Claim (at the sole cost and expense of the Indemnifying Person, if the Indemnified Person is entitled to indemnification hereunder, subject to the other provisions of this Section 12.3), with counsel of the Indemnified Person's choosing. If the Indemnified Person settles any Third Person Claim over the objection of the Indemnifying Person at a time when the Indemnifying Person either controls, or is entitled to control, the defense of the applicable Third Person Claim, the Indemnified Person shall be deemed to have waived any right to indemnity with respect to such settlement.

(f) In the case of a claim for indemnification not based upon a Third Person Claim, the Indemnifying Person shall have 30 days from its receipt of the Claim Notice to (i) cure the Damages complained of, (ii) admit its obligation to provide indemnification with respect to such Damages or (iii) dispute the claim for such indemnification. If the Indemnifying Person does not notify the Indemnified Person within such 30-day period that it has cured the Damages or that it disputes the claim for such indemnification, the Indemnifying Person shall be deemed to have disputed such claim for indemnification.

Section 12.4 Limitation on Actions.

(a) The representations and warranties of the Parties in Article 5 and Article 6, the corresponding representations and warranties given in the Closing Certificates and the indemnities in Section 12.2 for a breach of such representations or warranties, shall survive the Closing until the later of 12 months following the Closing or the completion of the audit of the financial statements for the fiscal year of the Partnership ending September 30, 2013 (the "Expiration Date"), except that (i) the EXCO Fundamental Representations and the Investor Fundamental Representations (and, in each case, the indemnities for the breach of such representations, warranties and acknowledgements in Section 12.2) shall survive indefinitely, and (ii) the representations and warranties in Section 5.8 (and the indemnities in Section 13.1 for the breach of such representations and warranties) shall survive Closing until the expiration of the applicable statute of limitations (including any applicable extensions). The covenants and agreements of the Parties in Section 7.4 (and the indemnities in Section 12.2 for a breach of such covenants and agreements) shall survive the Closing for a period of two years. Subject to Section 12.4(b), the remainder of this Agreement (including the disclaimers in Section 14.14) shall survive the Closing without time limit except (A) as may otherwise be expressly provided herein and (B) for the provisions of Article 13, which shall survive Closing until the expiration of the applicable statute of limitations (including any applicable extensions). 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 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 Section 12.2(b)(i), Section 12.2(b)(ii), Section 12.2(c)(i) and Section 12.2(c)(ii) shall terminate as of the termination date of each respective representation, warranty, covenant or agreement 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. The indemnities in Section 12.2(b)(iv) shall survive the Closing for a period of two years, 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. The indemnities in Section 12.2(a) and Section 12.2(b)(iii) shall continue without time limit.

(c) EXCO Parent shall not have any liability for indemnification under Section 12.2(b)(ii) or Section 12.2(b)(iv) or in connection with the breach of any such Section (other than a failure to comply with the final resolution of a claim pursuant to such Section as determined by a final, non-appealable judgment or a settlement agreement) (x) with respect any individual claim (or series of related claims) until the aggregate amount of Damages with respect to such claim (or series of claims) exceeds $75,000 (after which point all such Damages shall, subject to the other limitations of this Section 12.4, be subject to indemnification hereunder) and (y) until and unless the

aggregate amount of Damages for which Claim Notices are delivered with respect to Section 12.2(b)(ii) or Section 12.2(b)(iv) exceeds $14,000,000 and then, in the case of this clause (y), only to the extent such Damages exceed such amount.

(d) EXCO Parent shall not have any liability for any indemnification under Section 12.2(b)(ii) or Section 12.2(b)(iv) or in connection with the breach of any such Section (other than a failure to comply with the final resolution of a claim pursuant to such Section as determined by a final, non-appealable judgment or a settlement agreement) for Damages in excess of $70,000,000.

(e) Investor shall not have any liability for indemnification under Section 12.2(c)(ii) or in connection with the breach of such Section (other than a failure to comply with the final resolution of a claim pursuant to such Section as determined by a final, non-appealable judgment or a settlement agreement), (x) with respect any individual claim (or series of related claims) until the aggregate amount of Damages with respect to such claim (or series of claims) exceeds $75,000 (after which point all such Damages shall, subject to the other limitations of this Section 12.4, be subject to indemnification hereunder) and (y) until and unless the aggregate amount of Damages for which Claim Notices are delivered with respect to Section 12.2(c)(ii) exceeds $14,000,000 and then, in the case of this clause (y), only to the extent such Damages exceed such amount.

(f) Investor shall not have any liability for any indemnification under Section 12.2(c)(ii) or in connection with the breach of such Section (other than a failure to comply with the final resolution of a claim pursuant to such Section as determined by a final, non-appealable judgment or a settlement agreement) for Damages in excess of $70,000,000.

(g) For purposes of determining whether there has been a breach of any of Party's representations and warranties for which another Person is entitled to indemnification under Section 12.2 and the Damages resulting therefrom, any dollar, materiality or Material Adverse Effect qualifiers in such representations or warranties (except for EXCO's representations and warranties under Section 5.11(a)) shall be disregarded.

(h) The amount of any Damages for which an Indemnified Person is entitled to indemnity under this Article 12 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.

(i) 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 Agreement and the various documents delivered in connection with the Closing. No Indemnified Person shall be

entitled to indemnification pursuant to this Article 12 to the extent that such Indemnified Person has been compensated with respect to the applicable Damages by an adjustment pursuant to Section 2.2(a) or Section 2.2(b) or Section 2.3.

(j) Notwithstanding anything herein to the contrary, in the case of any claim for indemnification where Damages have been suffered both by (i) a member of the EXCO Group or Investor or its Affiliates, on the one hand, and (ii) a member of the Partnership Group, on the other hand, to the extent the Indemnified Party can be made whole by the satisfaction of the indemnification claim of a member of the Partnership Group, the indemnification claim of such member of the Partnership Group shall be satisfied first.

ARTICLE 13
TAX MATTERS

Section 13.1 Tax Indemnity.

(a) Notwithstanding any other provisions of this Agreement and without duplication, EXCO agrees to indemnify and hold harmless the Partnership Group from and against all Damages incurred, suffered by or asserted against such Persons (i) for any Taxes attributable to the Partnership Entities or the ownership of the Assets with respect to any Tax year or portion thereof ending on or before the day immediately prior to the Effective Time (including any Taxes allocable pursuant to Section 13.3), (ii) for any Taxes imposed on the Partnership Entities as a result of any breach of warranty or misrepresentation by EXCO under Section 5.8, (iii) caused by, arising out of or resulting from EXCO's breach of EXCO's covenants or agreements contained in this Article 13, (iv) for any Taxes imposed on the Partnership Entities arising out of the Reorganization and for which the Partnership Entities are not liable pursuant to under Section 13.1(b) and (v) for any Taxes of any EXCO Party (other than any Taxes for which EXCO is indemnified pursuant to Section 13.1(b)).

(b) Notwithstanding any other provisions of this Agreement and without duplication, the Partnership agrees to indemnify and hold harmless EXCO from and against all Damages incurred, suffered by or asserted against such Persons (i) for any Taxes attributable to the Partnership, MLP LLC or the ownership of the Assets with respect to any Tax year or portion thereof beginning on or after the Effective Time (including any Taxes allocable pursuant to Section 13.3), (ii) caused by, arising out of or resulting from the Partnership's breach of the Partnership or MLP LLC's covenants or agreements contained in Article 13, and (iii) any Taxes imposed on the Partnership and MLP LLC pursuant to Section 14.3.

(c) This Article 13 contains the exclusive provisions as to all Tax indemnification claims; *provided*, however (a) the representations, warranties, covenants, indemnities, agreements, rights and obligations of the Parties with respect to any Tax matter covered by this Agreement shall survive the Closing until the periods described in Section 12.4(a), and (b), any claim for Tax indemnification shall be made in accordance with the procedures set forth in Section 12.3. In the event of a conflict between the provisions of this Article 13 and any other provisions of this Agreement, the provisions of this Article 13 shall control.

Section 13.2 Tax Returns. EXCO shall prepare and file, or cause to be prepared and filed, all Tax Returns with respect to MLP LLC and the Assets that are required to be filed on or before the Closing Date, and, subject to Section 2.4, Section 8.3 and Section 14.3, EXCO shall remit the Taxes reflected on such Tax Returns as due and owing. The Partnership shall prepare and file, or cause to be prepared and filed, all Tax Returns with respect to MLP LLC and the Assets that are required to be filed after the Closing Date, and the Partnership shall pay the Taxes reflected on such Tax Returns as due and owing.

Section 13.3 Property Taxes, Production Taxes and Sales/Use Taxes. Any liability for Property Taxes, Production Taxes and Sales/Use Taxes, as the case may be, for any Tax period beginning before and ending after the Effective Time (the "Current Tax Period") shall be apportioned between EXCO, on the one hand, and the Partnership and MLP LLC, on the other hand, as follows:

(a) EXCO shall be liable for a proportionate share of the actual amount of such Property Taxes for the Current Tax Period determined by multiplying such amount by a fraction, the numerator of which is the number of days in the Current Tax Period prior to the Effective Time and the denominator of which is the total number of days in the Current Tax Period and the Partnership and MLP LLC shall be liable for a proportionate share of the actual amount of such Property Taxes for the Current Tax Period determined by multiplying such amount by a fraction, the numerator of which is the number of days (including the Closing Date) in the Current Tax Period on and after the Effective Time and the denominator of which is the total number of days in the Current Tax Period.

(b) In the case of Production Taxes for the Current Tax Period, EXCO 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, before the Effective Time and the Partnership and MLP LLC 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.

(c) In the case of any Sales/Use Taxes for the Current Tax Period, EXCO shall be liable for its share of any such Sales/Use Taxes imposed on the owner of the Assets as a result of any transaction occurring before the Effective Time. The Partnership and MLP LLC shall be liable for their share of any such Sales/Use Taxes imposed on the owner of the Assets as a result of any transaction occurring on or after the Effective Time.

(d) If EXCO or MLP LLC makes any payment of Property Taxes, Production Taxes or Sales/Use Taxes for which the other Party is liable pursuant to this Section 13.3, then to the extent that the Cash Consideration has not been adjusted pursuant to Section 2.1(a) or payments made pursuant to Section 8.3 to account for such payment, the applicable Party shall reimburse the other Party promptly but in no event later than ten

days after the presentation of a statement setting forth the amount of reimbursement to which the presenting Party is entitled along with such supporting evidence as is reasonably necessary to calculate the amount of the reimbursement.

Section 13.4 Tax Refunds and Recoupments. Notwithstanding anything to the contrary (including Section 8.3), to the extent that the Partnership or MLP LLC receives any Tax refund or credit with respect to any Taxes for which EXCO is liable pursuant to this Agreement, or any recoupment of Taxes for any Tax periods or portions thereof ending on or before the Effective Time paid by EXCO or its Affiliates on behalf of other Working Interest owners, royalty interest owners, overriding royalty interest owners and other interests owners in such Production Assets that have not been recouped by EXCO before the Closing Date, the Partnership or MLP LLC shall promptly but in no event later than ten days after receipt of such refund, credit or recoupment, as applicable, pay such amount (net of any expenses incurred by the Partnership or Partnership Subsidiaries in obtaining such Tax Refund) to EXCO to the extent the Cash Contribution has not been increased pursuant to Section 2.1(a) on account thereof.

Section 13.5 Tax Cooperation. Each of EXCO, Investor, and the Partnership 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 taxing authority and the prosecution or defense of any claim, suit or proceeding relating to any Tax.

Section 13.6 Characterization of Certain Payments. The Parties agree that any payments made pursuant to this Article 13, Article 12, Section 8.3 or Article 14 shall be treated for all Tax purposes as an adjustment to the Cash Contribution unless otherwise required by Law.

Section 13.7 Tax Treatment of the Transactions. The Parties intend and expect that the transactions contemplated by this Agreement, taken together, will be treated, for purposes of federal income taxation and for purposes of certain state income tax laws that incorporate or follow federal income tax principles ("Tax Purposes"), as resulting in the creation of a partnership in which EXCO and Investor are treated as partners. Accordingly, for Tax Purposes: (a) EXCO will be treated as contributing to the Partnership at Closing all of its interests in the Assets in exchange for an interest in the Partnership; (b) Investor will be treated as contributing to the Partnership at Closing the Cash Contribution (as adjusted) in exchange for an interest in the Partnership; and (c) EXCO will be treated as receiving a distribution from the Partnership at Closing: (i) first out of the proceeds of the Credit Agreement as a debt-finance transfer within the meaning of Treasury Regulations Section 1.707-5(b)(1) to the extent of EXCO's allocable share of the indebtedness incurred under the Credit Agreement under Treasury Regulations Sections 1.707-5(a)(2), 1.707-5(b)(2) and 1.752-3(a)(3); (ii) to the extent the amount distributed to EXCO exceeds EXCO's allocable share of the indebtedness incurred under the Credit Agreement as described in clause (i), as a reimbursement of EXCO's preformation expenditures with respect to the Assets within the meaning of Treasury Regulations Section 1.707-4(d), to the extent applicable; and (iii) to the extent the amount distributed exceeds the amounts described in clauses (i) and (ii), in a transaction subject to treatment under Section 707(a)-(2)(B) of the Code and its implementing Treasury Regulations as in part a sale, and in part a contribution, of its

interests in the Assets to the Partnership to the extent that Treasury Regulations Sections 1.707-4(d) and 1.707-5(b)(1) are inapplicable. The Parties shall file all Tax Returns in a manner consistent with this intended Tax treatment.

Section 13.8 Allocations for Tax Purposes. EXCO and Investor agree that to the extent the amount distributed by the Partnership to EXCO is treated for federal tax purposes as consideration for a sale of EXCO's interests in the Assets pursuant to Section 707(a)(2)(B) of the Code (collectively, the "Allocable Amount"), such amount shall be allocated among the Assets treated as sold to the Partnership for federal and state income tax purposes. The initial draft of such allocations shall be prepared by EXCO and shall be provided to Investor as soon as practicable following the determination of the Cash Contribution pursuant to Section 2.1(a). EXCO and Investor shall then cooperate to prepare a final schedule (the "Allocation Schedule") of the allocation of Allocable Amount among such 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 Allocation Schedule shall be updated to reflect any adjustments to the Allocable Amount. EXCO and Investor shall work in good faith to resolve any disputes relating to the Allocation Schedule. If EXCO and Investor are unable to resolve any dispute regarding the Allocation Schedule within thirty days, such dispute shall be resolved by a nationally recognized accounting firm acceptable to EXCO and Investor, the costs of which shall be borne equally by EXCO and Investor. EXCO and Investor shall file all Tax Returns (including, but not limited to, IRS Form 8594) consistent with the Allocation Schedule. Neither EXCO nor Investor shall take any Tax position inconsistent with such Allocation Schedule, and neither EXCO nor Investor shall agree to any proposed adjustment to the Allocation Schedule by any Taxing authority without first giving the other Party prior written notice; *provided*, *however*, that nothing contained herein shall prevent EXCO or Investor from settling any proposed deficiency or adjustment by any Taxing authority based upon or arising out of the Allocation Schedule, and neither EXCO nor Investor shall be required to litigate before any court any proposed deficiency or adjustment by any Taxing authority challenging such Allocation Schedule.

ARTICLE 14
MISCELLANEOUS

Section 14.1 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute but one agreement. Either Party's delivery of an executed counterpart signature page by facsimile (or email) is as effective as executing and delivering this Agreement in the presence of the other Party. No Party shall be bound until such time as all of the Parties have executed counterparts of this Agreement.

Section 14.2 Notice. 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 will be deemed to be received (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 if received during regular business hours on a Business Day, or if at a later time the next Business Day, in each case to the intended recipient as set forth below. All notices, requests and consents shall be sent as follows:

If to EXCO:

EXCO Resources, Inc.
12377 Merit Drive
Dallas, Texas 75251
Attention: Doug Miller
Facsimile: 214-706-3409

With a copy to:

EXCO Resources, Inc.
12377 Merit Drive
Dallas, Texas 75251
Attention: Steve Smith
Facsimile: 214-706-3409

If to Investor:

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

With a copy to:

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

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Steven J. Williams
Facsimile: 212-757-3990

Any Party may change its address for notice by notice to the other Party in the manner set forth above.

Section 14.3 Tax, Recording Fees, Similar Taxes & Fees. Investor and EXCO Parent (through EXCO Holding) shall cause the Partnership Approval to cause MLP LLC to bear any sales, use, excise, real property transfer or gain, gross receipts, goods and services, registration, capital, documentary, stamp or transfer Taxes, recording fees and similar Taxes and fees incurred and imposed upon, or with respect to, the property transfers or other transactions contemplated hereby. If such transfers or transactions are exempt from any such Taxes or fees upon the filing of an appropriate certificate or other evidence of exemption, the Parties will cause the Partnership Approval to cause MLP LLC to timely furnish to EXCO such certificate or evidence. Except as otherwise provided herein, all costs and expenses (including legal and financial advisory fees and expenses) incurred in connection with, or in anticipation of, this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses.

Section 14.4 Governing Law; Jurisdiction.

(a) **WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW, THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS.**

(b) **EACH PARTY TO THIS AGREEMENT HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY UNITED STATES DISTRICT COURT 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.

(c) **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. 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 WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT. 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 14.5 Intentionally Omitted.

Section 14.6 Waivers. Any failure by either Party to comply with any of its obligations, agreements or conditions herein contained may be waived by the Party to whom such compliance is owed by an instrument signed by such Party and expressly identified as a waiver, but not in any other manner. No waiver of, consent to a change in or any delay in timely exercising any rights arising from any of the provisions of this Agreement shall be deemed or shall constitute a waiver of, or consent to a change in, other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 14.7 Assignment. No Party shall assign all or any part of this Agreement, nor shall any Party assign or delegate any of its rights or duties hereunder, without the prior written consent of the other Parties (which consent may be withheld for any reason), and any assignment or delegation made without such consent shall be void. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 14.8 Entire Agreement. This Agreement (including, for purposes of certainty, the Appendix, Exhibits and Schedules attached hereto), the documents to be executed hereunder, the Confidentiality Agreement constitute the entire agreement between the Parties 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, including the Harbinger / EXCO Joint Investment Summary of Principal Terms and Conditions dated September 20, 2012.

Section 14.9 Amendment. This Agreement may be amended or modified only by an agreement in writing executed by all Parties and expressly identified as an amendment or modification.

Section 14.10 No Third Party Beneficiaries. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, express or implied, is intended to confer on any Person other than the Parties or their respective affiliated Indemnified Persons (including the Partnership Entities) 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 affiliated Indemnified Persons (but shall not be obligated to do so).

Section 14.11 Construction. The Parties acknowledge that (a) the Parties have had the opportunity to exercise business discretion in relation to the negotiation of the details of the transaction contemplated hereby, (b) this Agreement is the result of arms-length negotiations from equal bargaining positions and (c) the Parties and their respective counsel participated in the preparation and negotiation of this Agreement. Any rule of construction that a contract be construed against the drafter shall not apply to the interpretation or construction of this Agreement.

Section 14.12 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 AGREEMENT, NONE OF THE PARTIES 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 AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND, EXCEPT AS OTHERWISE PROVIDED ABOVE IN THIS SENTENCE, EACH OF THE PARTIES, FOR ITSELF AND ON BEHALF OF ITS AFFILIATES AND THE PARTNERSHIP GROUP, 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 AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.**

Section 14.13 Conspicuous. **THE PARTIES AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE OR ENFORCEABLE, THE PROVISIONS IN THIS AGREEMENT IN BOLD-TYPE FONT ARE "CONSPICUOUS" FOR THE PURPOSE OF ANY APPLICABLE LAW.**

Section 14.14 Certain Disclaimers.

(a) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE 5, THE CLOSING CERTIFICATE TO BE DELIVERED BY EXCO, THE PRODUCTION ASSETS ASSIGNMENTS, AND THE RELATED AGREEMENTS (I) NONE OF EXCO PARENT, EOC OR MLP LLC OR ANY AFFILIATE OF EXCO PARENT MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) MLP LLC AND EACH EXCO PARTY (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 INVESTOR OR THE PARTNERSHIP ENTITIES (INCLUDING ANY OPINION, INFORMATION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO INVESTOR 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 ARTICLE 5, THE CLOSING CERTIFICATE TO BE DELIVERED BY EXCO OR THE PRODUCTION ASSETS ASSIGNMENTS, WITHOUT LIMITING THE GENERALITY OF SECTION 14.14(A), MLP LLC AND EACH EXCO PARTY (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 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 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 PETROLEUM SUBSTANCES FROM THE ASSETS, OR WHETHER PRODUCTION HAS BEEN CONTINUOUS OR IN PAYING QUANTITIES, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS OR (VII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO INVESTOR OR ANY MEMBER OF THE PARTNERSHIP GROUP IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR**

PRESENTATION RELATING THERETO (INCLUDING ANY ITEMS PROVIDED IN CONNECTION WITH SECTION 7.1), 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 THAT MLP LLC SHALL BE DEEMED TO BE ACQUIRING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS, AND THAT, AS OF CLOSING, INVESTOR (ON ITS OWN BEHALF AND ON BEHALF OF THE PARTNERSHIP HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS INVESTOR DEEMS APPROPRIATE.

(c) **EXCEPT AS AND TO THE EXTENT EXPRESSLY PROVIDED IN SECTION 5.18, NEITHER MLP LLC NOR ANY EXCO PARTY HAS MADE (AND EACH SUCH PARTY 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 ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND, EXCEPT FOR THE REMEDIES SET FORTH IN ARTICLE 4, AND UNDER SECTION 12.2 FOR A BREACH OF THE REPRESENTATIONS SET FORTH IN SECTION 5.18 THE PARTNERSHIP ENTITIES SHALL BE DEEMED TO BE TAKING THE ASSETS "AS IS" AND "WHERE IS" FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION.**

(d) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE 5, IN THE CLOSING CERTIFICATE TO BE DELIVERED BY EXCO OR IN THE PRODUCTION ASSETS ASSIGNMENTS TO BE DELIVERED BY EXCO TO MLP LLC HEREUNDER, INVESTOR ACKNOWLEDGES (ON ITS BEHALF AND ON BEHALF OF THE PARTNERSHIP ENTITIES) THERE ARE NO REPRESENTATIONS AND WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, BY EXCO AS TO THE ASSETS OR PROSPECTS THEREOF AND INVESTOR HAS NOT RELIED UPON ANY ORAL OR WRITTEN INFORMATION PROVIDED BY EXCO.**

Section 14.15 Time of Essence. This Agreement contains a number of dates and times by which performance or the exercise of rights is due, and the Parties intend that each and every such date and time be the firm and final date and time, as agreed. For this reason, each Party hereby waives and relinquishes any right it might otherwise have to challenge its failure to meet any performance or rights election date applicable to it on the basis that its late action constitutes substantial performance, to require the other Parties to show prejudice, or on any equitable

grounds. Without limiting the foregoing, time is of the essence in this Agreement. If the date specified in this Agreement for giving any notice or taking any action is not a Business Day (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (and the expiration date of such period during which notice is required to be given or action taken) shall be the next day that is a Business Day.

Section 14.16 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.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been signed by each of the Parties on the Execution Date.

INVESTOR:

HGI ENERGY HOLDINGS, LLC

By: /s/ Omar Asali
Name: Omar Asali
Title: President

EXCO PARENT:

EXCO RESOURCES, INC.

By: /s/ Douglas H. Miller
Name: Douglas H. Miller
Title: Chief Executive Officer

EOC:

EXCO OPERATING COMPANY, LP

By its general partner, EXCO Partners OLP GP, LLC

By: /s/ Douglas H. Miller
Name: Douglas H. Miller
Title: Chief Executive Officer

MLP LLC:

EXCO/HGI JV ASSETS, LLC:

By: /s/ Douglas H. Miller
Name: Douglas H. Miller
Title: Chief Executive Officer

ANNEX A:
Adjustment Schedule

I. *Target Position*.

a. Investor will make the Target Cash Contribution ($372,500,000) in exchange for the Target Investor Units (37,250,000 Common Units);

b. EXCO Holding will contribute MLP LLC (holding the Assets) in exchange for the Target Distribution Amount ($597,500,000) and the Target EXCO Units (12,750,000 Common Units);

c. the Partnership will draw the Target Initial Draw Amount ($225,000,000) under the Credit Agreement;

d. EXCO Holding will contribute the Target EXCO Contributed Units (500,000 Common Units) to the General Partner, all of which shall be automatically converted into a like number of Notional General Partner Units and IDRs, in exchange for the Target EXCO GP LLC Units (500,000 GP LLC Units); and

e. Investor will contribute the Target Investor Contributed Units (500,000 Common Units) to the General Partner, all of which shall be automatically converted into a like number of Notional General Partner Units and IDRs, in exchange for the Target Investor GP LLC Units (500,000 GP LLC Units).

f. EXCO Parent will cause EXCO Holding to take any action required of EXCO Holding in this Annex A. EXCO Parent will cause EXCO Holding to cause, and Investor will cause, any required Partnership Approval to cause the General Partner and/or the Partnership to take any action required of the General Partner and/or the Partnership in this Annex A.

II. *Agreed Title Defect Amounts, Agreed Remedy Amounts and Allocated Values of Assets Excluded for Title Defects, Environmental Defects, Casualty Losses or Under Section 7.4*.

a. Prior to Closing, if pursuant to Article 3, Article 4 or Section 7.4, an adjustment is to be made to the Transaction Items based upon (x) an agreed upon Title Defect Amount or Remedy Amount or (y) the Allocated Value of an Asset to be excluded pursuant to Article 3, Article 4 or Section 7.4, other than an asset excluded pursuant to Section 3.6(b), Section 3.6(e) or Section 3.7(b) that is subject to potential post-Closing contribution to the Partnership pursuant to Section 3.6(c), Section 3.6(e) or Section 3.7(b) (such amount pursuant to clause (x) or (y), as applicable, the "Agreed Reduction Amount"), then:

i. (i) the Target Cash Contribution will be reduced by 51.4% of such Agreed Reduction Amount and (ii) the Target Investor Units will be reduced by the quotient of (A) the amount of the reduction in clause (i) divided by (B) $10;

ii. the Target Initial Draw Amount will be reduced by 31.0% of such Agreed Reduction Amount;

iii. (i) the Target Distribution Amount will be reduced by 82.4% of the Agreed Reduction Amount and (ii) the Target EXCO Units will be reduced by the quotient of (A) the product of (x) such Agreed Reduction Amount multiplied by (y) 17.6% divided by (B) $10;

iv. each of (i) the Target EXCO Contributed Units and (ii) the Target Investor Contributed Units will be reduced by the product of (A) the sum of the reduction of Common Units pursuant to II.a.i and II.a.iii multiplied by (B) 1%, and immediately following the contribution thereof to the General Partner, all of such contributed Common Units will be automatically converted into an equal number of Notional General Partner Units and the IDRs, and the Target EXCO GP LLC Units and the Target Investor GP LLC Units will be reduced by the same amount as the reduction in the aggregate number of such contributed Common Units.

III. *Assets Excluded for Specified Consent Requirements, Preferential Purchase Rights or MUIs.*

a. Prior to Closing, if pursuant to Section 3.6(b), Section 3.6(e), or Section 3.7(b), an adjustment is to be made to the Transaction Items based upon the Allocated Value of an Asset to be excluded on account of a Specified Consent Requirement, Preferential Purchase Right or an MUI, which asset is subject to later contribution to the Partnership pursuant to Section 3.6(c), Section 3.6(e) or Section 3.7(b) (such Allocated Value, the "Reduction Amount"), then:

i. (i) the Target Cash Contribution will be reduced by 51.4% of such Reduction Amount and (ii) the Target Investor Units will be reduced by the quotient of (A) the amount of the reduction in clause (i) divided by (B) $10;

ii. the Target Initial Draw Amount will not be reduced;

iii. (i) the Target Distribution Amount will be reduced by 82.4% of such Reduction Amount and (ii) the Target EXCO Units will be reduced by the quotient of (A) the product of (x) the Reduction Amount multiplied by (y) 17.6% divided by (B) $10;

iv. each of (i) the Target EXCO Contributed Units and (ii) the Target Investor Contributed Units will be reduced by the product of (A) the sum of the reduction of Common Units pursuant to III.a.i and III.a.iii multiplied by (B)

1%, and immediately following the contribution thereof to the General Partner, all of such contributed Common Units will be automatically converted into an equal number of Notional General Partner Units and the IDRs, and the Target EXCO GP LLC Units and the Target Investor GP LLC Units will be reduced by the same amount as the reduction in the aggregate number of such contributed Common Units.

b. Following Closing, if an Asset that was excluded from the transactions because of a Specified Consent Requirement, a Preferential Right to Purchase or an MUI, in each case applicable thereto, is thereafter contributed to MLP LLC pursuant to Section 3.6(c), Section 3.6(e), or Section 3.7(b) (as applicable), then:

i. (i) Investor will contribute to the Partnership 51.4% of the Reduction Amount attributable to such Asset and (ii) the Partnership will issue to Investor Common Units in an amount equal to (A) the amount of the capital contribution in clause (i) divided by (B) $10;

ii. (i) 82.4% of such Reduction Amount will be distributed by the Partnership to EXCO Holding and (ii) the Partnership will issue to EXCO Holding Common Units in an amount equal to the quotient of (A) the product of (x) such Reduction Amount multiplied by (y) 17.6% divided by (B) $10;

iii. each of Investor and EXCO Holding will cause such actions to be taken as are necessary to maintain the General Partner's continued 2% General Partner Interest and to maintain each of EXCO Holding's and Investor's equal ownership of GP LLC Units.

c. Following the Final Statement Date, if an Asset that was excluded from the transactions because of a Specified Consent Requirement, a Preferential Right to Purchase or an MUI remains excluded in accordance with the Agreement, then:

i. the Partnership will repay the debt outstanding under the Credit Agreement by an amount equal to 31.0% of the Reduction Amount attributable to such Asset.

IV. *Disputed Remedy Amounts.*

a. Prior to Closing, if, pursuant to Section 4.2(a) or Section 4.2(c)(i), an adjustment is to be made to the Transaction Items based upon an amount equaling the average of the Parties' Remedy Amounts with respect to any Environmental Defect (such average, the "Averaged Remedy Amount"), then:

i. (i) the Target Cash Contribution will be reduced by 51.4% of such Averaged Remedy Amount and (ii) the Target Investor Units will be reduced by the quotient of (A) the amount of the reduction in clause (i) divided by (B) $10;

ii. the Target Initial Draw Amount will not be reduced;

iii. (i) the Target Distribution Amount will be reduced by 82.4% of such Averaged Remedy Amount and (ii) the Target EXCO Units will be reduced by the quotient of (A) the product of (x) such Averaged Remedy Amount multiplied by (y) 17.6% divided by (B) $10;

iv. each of (i) the Target EXCO Contributed Units and (ii) the Target Investor Contributed Units will be reduced by the product of (A) the sum of the reduction of Common Units pursuant to IV.a.i and IV.a.iii multiplied by (B) 1%, and immediately following the contribution thereof to the General Partner, all of such contributed Common Units will be automatically converted into an equal number of Notional General Partner Units and the IDRs, and the Target EXCO GP LLC Units and the Target Investor GP LLC Units will be reduced by the same amount as the reduction in the aggregate number of such contributed Common Units.

b. Following Closing, if a Remedy Amount with respect to an Environmental Defect is finally determined to be greater than the Averaged Remedy Amount with respect thereto (such difference, the "Excess Remedy Amount"), then:

i. (i) EXCO Holding will contribute to the Partnership cash in the amount of 82.4% of such Excess Remedy Amount and (ii) the Partnership will cancel Common Units held by EXCO Holding in an amount equal to the quotient of (A) product of (x) such Excess Remedy Amount multiplied by (y) 17.6% divided by (B) $10;

ii. the Partnership will repay the debt outstanding under the Credit Agreement by an amount equal to 31.0% of such Excess Remedy Amount;

iii. (i) the Partnership will distribute cash to Investor equal to 51.4% of such Excess Remedy Amount and (ii) the Partnership will cancel Common Units held by Investor in an amount equal to the quotient of (A) the amount of the distribution in clause (i) divided by (B) $10;

iv. each of Investor and EXCO Holding will cause such actions to be taken as are necessary to maintain the General Partner's continued 2% General Partner Interest and to maintain each of EXCO Holding's and Investor's equal ownership of GP LLC Units.

c. Following Closing, if the actual Remedy Amount with respect to an Environmental Defect is finally determined to be less than the Averaged Remedy Amount with respect thereto (such difference, the "Shortfall Remedy Amount"), then:

i. (i) Investor will contribute to the Partnership cash in the amount of 51.4% of such Shortfall Remedy Amount and (ii) the Partnership will issue to Investor Common Units in an amount equal to (A) the product of (x) such Shortfall Remedy Amount multiplied by (y) 51.4% divided by (B) $10;

ii. (i) an amount equal to 82.4% of such Shortfall Remedy Amount will be distributed by the Partnership to EXCO Holding and (ii) the Partnership will issue to EXCO Holding Common Units in an amount equal to the quotient of (A) the product of (x) such Shortfall Remedy Amount multiplied by (y) 17.6% divided by (B) $10;

iii. the Partnership will repay the debt outstanding under the Credit Agreement by an amount equal to 31.0% of such actual Remedy Amount;

iv. each of Investor and EXCO Holding will cause such actions to be taken as are necessary to maintain the General Partner's continued 2% General Partner Interest and to maintain each of EXCO Holding's and Investor's equal ownership of GP LLC Units.

d. Following Closing, if the actual Remedy Amount with respect to an Environmental Defect is finally determined to be equal to Averaged Remedy Amount, then the Partnership will repay the debt outstanding under the Credit Agreement by an amount equal to 31.0% of such actual Remedy Amount.

V. *Escrowed Title Defect Amounts*.

a. Prior to Closing, if, pursuant to Section 3.2(b), an amount based upon a Reference Title Defect Amount is to be placed into the Title Defect Escrow Account, then:

i. (i) the Target Cash Contribution will be reduced by 51.4% of the Reference Title Defect Amount relating thereto and (ii) the Target Investor Units will be reduced by the quotient of (A) the amount of the reduction in clause (i) divided by (B) $10;

ii. the Target Initial Draw Amount will not be reduced;

iii. Investor will fund 51.4% of such Reference Title Defect Amount into the Title Defect Escrow Account and the Partnership will fund 31.0% of the Reference Title Defect Amount into the Title Defect Escrow Account (such amount, the "Escrow Amount");

iv. (i) the Target Distribution Amount will be reduced by 82.4% of such Reference Title Defect Amount and (ii) the Target EXCO Units will be reduced by the quotient of (A) the product of (x) such Escrow Amount multiplied by (y) 17.6% divided by (B) $10; and

v. each of (i) the Target EXCO Contributed Units and (ii) the Target Investor Contributed Units will be reduced by the product of (A) the sum of the reduction of Common Units pursuant to V.a.i and V.a.iii multiplied by (B) 1%, and immediately following the contribution thereof to the General Partner, all of such contributed Common Units will be automatically converted into an equal number of Notional General Partner Units and the IDRs, and the Target EXCO GP LLC Units and the Target Investor GP LLC Units will be reduced by the same amount as the reduction in the aggregate number of such contributed Common Units.

b. Following Closing, if any Title Defect for which an Escrow Amount attributable to a Reference Title Defect Amount was placed into the Title Defect Escrow Account is finally determined to be cured, then:

i. (i) 51.4% of such Reference Title Defect Amount will be paid from the Title Defect Escrow Account to the Partnership on behalf of Investor and (ii) the Partnership will issue to Investor Common Units in an amount equal to the quotient of (A) the amount delivered in clause (i) divided by (B) $10;

ii. 31.0% of such Reference Title Defect Amount will be paid from the Title Defect Escrow Account to the Partnership;

iii. (i) 82.4% of such Reference Title Defect Amount will be distributed by the Partnership to EXCO Holding and (ii) the Partnership will issue to EXCO Holding Common Units in an amount equal to the quotient of (A) the product of (x) such Reference Title Defect Amount multiplied by (y) 17.6% divided by (B) $10;

iv. each of Investor and EXCO Holding will cause such actions to be taken as are necessary to maintain the General Partner's continued 2% General Partner Interest and to maintain each of EXCO Holding's and Investor's equal ownership of GP LLC Units.

c. Following Closing, if the actual Title Defect Amount for which an Escrow Amount was placed into the Title Defect Escrow Account (the "Actual Amount") is finally determined to be less than the Reference Title Defect Amount with respect thereto (the amount of such difference, the "Excess Reference Title Defect Amount"), then:

i. 51.4% of such Actual Amount will be paid out of the Title Defect Escrow Account to Investor;

ii. 31.0% of such Actual Amount will be paid out of the Title Defect Escrow Account to the Partnership, and the Partnership will repay the debt outstanding under the Credit Agreement by an amount equal to 31.0% of such Actual Amount;

iii. (i) 51.4% of such Excess Reference Title Defect Amount will be paid from the Title Defect Escrow Account to the Partnership on behalf of Investor and (ii) the Partnership will issue to Investor Common Units in an amount equal to the quotient of (A) the amount delivered in clause (i) divided by (B) $10;

iv. 31.0% of such Excess Reference Title Defect Amount will be paid from the Title Defect Escrow Account to the Partnership;

v. (i) 82.4% of such Excess Reference Title Defect Amount will be distributed by the Partnership to EXCO Holding and (ii) the Partnership will issue to EXCO Holding Common Units in an amount equal to the quotient of (A) the product of (x) such Excess Reference Title Defect Amount multiplied by (y) 17.6% divided by (B) $10;

vi. each of Investor and EXCO Holding will cause such actions to be taken as are necessary to maintain the General Partner's continued 2% General Partner Interest and to maintain each of EXCO Holding's and Investor's equal ownership of GP LLC Units.

d. Following Closing, for any Title Defect Amount for which an Escrow Amount was placed into the Title Defect Escrow Account, if the Actual Amount is finally determined to be greater than the Reference Title Defect Amount with respect thereto (the amount of such difference, the "Shortfall Reference Title Defect Amount"), then:

i. 51.4% of such Reference Title Defect Amount will be paid from the Title Defect Escrow Account to Investor;

ii. 31.0% of such Reference Title Defect Amount will be paid from the Title Defect Escrow Account to the Partnership and the Partnership will repay the debt outstanding under the Credit Agreement by an amount equal to 31.0% of such Reference Title Defect Amount;

iii. (i) EXCO Holding will contribute to the Partnership cash in the amount of 82.4% of such Shortfall Reference Title Defect Amount and (ii) the Partnership will cancel Common Units held by EXCO Holding in an amount equal to the quotient of (A) product of (x) such Shortfall Reference Title Defect Amount multiplied by (y) 17.6% divided by (B) $10;

iv. (i) the Partnership will distribute cash to Investor equal to 51.4% of such Shortfall Reference Title Defect Amount and (ii) the Partnership will cancel Common Units held by Investor in an amount equal to the quotient of (A) the amount of the distribution in clause (i) divided by (B) $10;

v. the Partnership will repay the debt outstanding under the Credit Agreement by an amount equal to 31.0% of the Shortfall Reference Title Defect Amount; and

vi. each of Investor and EXCO Holding will cause such actions to be taken as are necessary to maintain the General Partner's continued 2% General Partner Interest and to maintain each of EXCO Holding's and Investor's equal ownership of GP LLC Units.

e. Following Closing, if the actual Title Defect Amount for which an Escrow Amount was placed into the Title Defect Escrow Account is finally determined to be equal to the Reference Title Defect Amount with respect thereto, then:

i. 51.4% of such Escrow Amount will be paid out of the Title Defect Escrow Account to Investor; and

ii. 31.0% of such Escrow Amount will be paid out of the Title Defect Escrow Account to the Partnership, and the Partnership will repay the debt outstanding under the Credit Agreement by an amount equal to 31.0% of such Escrow Amount.

VI. *Excess Debt*. To the extent that, pursuant to Section III.a.ii or Section IV.a.ii above in this Annex A, the Target Initial Draw Amount is not reduced with respect to a Reduction Amount or an Averaged Remedy Amount, any funds drawn on the credit facility as a result of such provisions shall, unless otherwise expressly determined by the General Partner, be held in a segregated account by the Partnership and not distributed other than as provided in this Annex A.

VII. *Intent*. In the event that there is a transaction resulting from the transactions contemplated by Article 3 or Article 4 that is not addressed by this Annex A, the parties shall cooperate in good faith to take such actions as shall maintain the percentage ownership of the Partnership and the General Partner, the debt under the Credit Facility and the flows of cash to and from the parties, in each case consistent with the intent of this Annex A.

FORM OF 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 [ ] [—], 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 [ ] [—], 2012;

WHEREAS, prior to the Closing Date, the Partnership was governed by the Agreement of Limited Partnership of the Partnership, dated [ ] [—], 2012 (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 EXCO, the Operating Company, the General Partner and the Partnership.

"***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***" has the meaning set forth 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.

"***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***" has the meaning set forth 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 certain Gas 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, $10.00 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***" has the meaning set forth 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***" has the meaning set forth in Section 5.10(b).

"***NDM Capital Account***" has the meaning set forth in Section 5.10(b)(ii).

"***NDM Interest***" has the meaning set forth 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***" has the meaning set forth 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 [—] 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 Operating Agreement, dated as of the Closing Date, by and between EXCO and the Operating Company, and the 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.

"***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 the Shared Assets/Use Agreement, dated as of the date hereof, by and among EXCO, EOC and the Operating Company.

"***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.

"***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***" has the meaning set forth in Section 8.2.

"***Tax Matter***" has the meaning set forth 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 MLP LLC or one of their respective 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.

"***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 Sections 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 [ ], 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 record 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 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 [—] Common Units held by the General Partner shall be automatically cancelled and the General Partner's interests in the Partnership shall be converted into [—] 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, 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 members. 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 Partner 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 Member 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 Income 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 (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 other 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) Section 11.1(a)(iii) 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.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GENERAL PARTNER:

EXCO/HGI GP, LLC

By: _____
Name:
Title:

ORGANIZATIONAL LIMITED PARTNER:

EXCO HOLDING MLP, INC.

By: _____
Name:
Title:

INITIAL LIMITED PARTNERS:

EXCO HOLDING MLP, INC.

By: _____
Name:
Title:

HGI ENERGY HOLDINGS, LLC

By: _____
Name:
Title:

Exhibit A

Partners, Capital Contributions and Units Held

Partner:	Capital Contribution	Capital Account Balance	Units	Percentage Interest
General Partner	$ [—]	[—]	[—]*	2%
EXCO Partner	[—]	[—]	[—]	24.5%
Harbinger Partner	[—]	[—]	[—]	73.5%
Total for Partners	$ [—]	$ [—]	[—]	100%

* Notional General Partner Units

Partners' Addresses for Notices

General Partner EXCO/HGI GP, LLC

12377 Merit Drive, Suite 1700, LB 82
Dallas, Texas 75251
Attention: [—]
Fax: [—]

With a copy to: each of the EXCO Partner, the Harbinger Partner and the persons listed for copies below

EXCO Partner EXCO Resources, Inc.
12377 Merit Drive, Suite 1700, LB 82
Dallas, Texas 75251
Attention: Douglas H. Miller
Stephen F. Smith
Fax: 214-706-3409

With a copy to:

Latham & Watkins LLP
811 Main Street, Suite 3700
Houston, Texas 77002
Attention: William N. Finnegan IV
Fax: 713-546-5401

Harbinger Partner

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

With a copy to:

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
Attention: David C. Buck
Jon W. Daly
Fax: 713-238-7126

And, with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Steven J. Williams
Fax: 212-757-3990

The Partnership

EXCO/HGI Production Partners, LP
12377 Merit Drive, Suite 1700, LB 82
Dallas, Texas 75251
Attention: [—]
Fax: [—]

With a copy to each of the EXCO Partner, the Harbinger Partner and persons listed for copies above.

Exhibit 10.2

EXCO/HGI GP, LLC

A Delaware Limited Liability Company

FORM OF AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

Dated as of [ ] [—], 2013

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EXHIBITS

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 [ ] [—], 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 [ ] [—], 2012 (the "**Delaware Certificate**");

WHEREAS, prior to the Closing Date, the Company was governed by the Limited Liability Company Agreement of the Company, dated [ ] [—], 2012 (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 [ ] [—], 2012 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)(iii). 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 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 Partnership 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 Partnership 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 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 [ ], 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 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. On 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. On 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, Sections 11.1(a) and (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 (a) any proposed Outstanding Acquisition Opportunities and Completed Acquisition Opportunities being pursued by the EXCO Group and (b) 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 EXCO, the Operating Company, the General Partner and the Partnership.

"**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).

"**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 Operating Agreement, dated as of the Closing Date, by and between EXCO and the Operating Company, and the 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 as of [ ], 2013, 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 the Shared Assets/Use Agreement, dated as of the date hereof, by and among EXCO, EOC and the Operating Company.

"**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.

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

"**Unrelated Financing**" has the meaning set forth in Section 5.16.

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: _____
Name:
Title:

HGI ENERGY HOLDINGS, LLC

By: _____
Name:
Title:

Exhibit A

Members, Capital Contributions and Units Held

Member:	Capital Contribution	Capital Account Balance	Units	Percentage Interest
EXCO Member	$ [—]	$ [—]	[—]	50%
Harbinger Member	$ [—]	$ [—]	[—]	50%
Total for Members	$ [—]	$ [—]	[—]	100%

Members' Address for Notices

EXCO Member

EXCO Resources, Inc.
12377 Merit Drive, Suite 1700, LB 82
Dallas, Texas 75251
Attention: Douglas H. Miller
Stephen F. Smith
Fax: 214-706-3409

With a copy to:

Latham & Watkins LLP
811 Main Street, Suite 3700
Houston, Texas 77002
Attention: William N. Finnegan IV
Fax: 713-546-5401

Harbinger Member

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

With a copy to:

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
Attention: David C. Buck
Jon W. Daly
Fax: 713-238-7126

And, with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Steven J. Williams
Fax: 212-757-3990

The Company

EXCO/HGI GP, LLC
12377 Merit Drive, Suite 1700, LB 82
Dallas, Texas 75251
Attention: [—]
Fax: [—]

With a copy to each of the EXCO Member, the Harbinger Member and persons listed for copies above.

Exhibit 10.3

Execution Version

November 5, 2012

Harbinger Group Inc.
HGI Energy Holdings, LLC
450 Park Ave., 27th Floor
New York, New York 10022
Attention: Philip A. Falcone
Omar Asali
Legal Department

Ladies and Gentlemen:

Reference is made to (i) the Unit Purchase and Contribution Agreement, dated as of the date hereof (as may be amended from time to time, the "Purchase Agreement"), by and among HGI Energy Holdings, LLC, a Delaware limited liability company ("Investor"), EXCO Resources, Inc., a Texas corporation ("EXCO Parent"), and EXCO Operating Company, LP, a Delaware limited partnership ("EOC") and to (ii) the GP LLC Agreement (as defined in the Purchase Agreement) to be entered into between Investor and EXCO Holding MLP, Inc., a Texas corporation ("EXCO Holding"). Capitalized terms used herein and not defined have the meanings set forth in the GP LLC Agreement.

1. Definition. For purposes of this letter agreement, the following terms will have the meanings given to them below:

"Antero Sale" means the sale of certain Oil and Gas Properties contemplated by that certain Purchase and Sale Agreement, among EXCO Production Company (WV), LLC, BG Production Company (WV), LLC and EXCO Resources (PA), LLC, collectively as sellers, and Antero Resources Appalachia Corporation, as buyer, dated October 26, 2012, as the same may be amended or modified.

"Appalachia Shallow Rights" means Oil and Gas Properties in New York, Ohio, Pennsylvania and West Virginia, limited to depths from the surface of the earth to (a) with respect to the Commonwealth of Pennsylvania, the stratigraphic equivalent of the base of the Haskill Sandstone Formation (Base of Elk Sequence formation) at a measured depth of 2,758', as identified by the Litho Density Compensated Neutron Array Induction Temperature Log dated June 7, 2005 of the Seneca Resources operated Fee PGS SGL No. 44 (API 37-047-23649) located in Elk County, Pennsylvania, (b) with respect to the State of West Virginia, the stratigraphic equivalent of the base of the Elk Group formation (as marked, where present, by the Benson Sandstone formation) at a measured depth of 6,612 feet, as identified by the Litho Density Compensated Neutron Array Induction Temperature Log dated October 8, 2008 of the EXCO – North Coast Energy, Inc.

operated Wentz 4HS (API 47-001-02982) located in Barbour County, West Virginia, (c) with respect to the State of New York, the stratigraphic equivalent of the base of the Genesee Formation at a measured depth of 2,548', as identified by the Density/Neutron, Gamma/Temperature Log dated May 6, 2005 of the Fortuna Energy, Inc. operated Cotton-Hanlon #1 well (API 31-107-23185) located in Tioga County, New York, and (d) with respect to the State of Ohio, 4,000' true vertical depth; recognizing that, except with respect to the depths described in subsection (d) above, actual depths will vary.

"EXCO" means EXCO Parent, EOC, EXCO Holding, EXCO Holding (PA), Inc., a Delaware corporation, EXCO Production Company (PA), LLC, a Delaware limited liability company, and EXCO Production Company (WV), LLC, a Delaware limited liability company.

"Operating Partners" means Persons whose principal business, taken as a whole, is owning and operating Oil and Gas Properties.

"Appalachia Permitted Sale" means a sale of Appalachia Shallow Rights by EXCO or its Affiliates in a transaction or series of transactions reasonably expected to generate net proceeds less than $2.0 million individually or $5.0 million in the aggregate in any calendar year.

"Permitted Transfer" means any Transfer of Appalachia Shallow Rights by EXCO (i) to a 100% Affiliate of EXCO and (ii) arising from, or otherwise related to, a bona fide pledge, mortgage or other collateral-based debt arrangement with a Third Party.

2. Permitted Dispositions. From and after the Closing, notwithstanding the provisions of Article XI of the GP LLC Agreement:

a. EXCO may contribute all or any portion of its Appalachia Shallow Rights to any Person other than the Partnership, without EXCO Holding or its Affiliates complying with the provisions of Section 11.1(b) of the GP LLC Agreement, but only so long as (i) the equity ownership of such Person is, or following such contribution will be, predominantly held (considered from an economic perspective), by Operating Partners and (ii) each such Operating Partner received, or will be entitled to receive, a significant portion of its interests in such Person in exchange for the contribution thereto of assets of such Operating Partner (such Person, an "Operating Partnership"). In the event that any such Operating Partnership includes, or proposes to include, any equity owner(s) other than Operating Partners ("Non-Operating Partners"), EXCO Parent shall offer the Partnership the right to invest in such Operating Partnership as a Non-Operating Partner, subject to the consent of the other Operating Partners participating in such Operating Partnership, and EXCO Parent shall use its best efforts to cause such Operating Partnership to permit the Partnership to invest in such Operating Partnership, concurrent with the contribution by EXCO of all or a portion of its Appalachia Shallow Rights to such Operating Partnership

(or, in the case of a subsequent investment by any Non-Operating Partner, at the time the Operating Partnership offers the investment opportunity to such Non-Operating Partner). In the event that the Partnership invests in such Operating Partnership, the foregoing sentence shall no longer apply to EXCO or any of its Affiliates with respect to future investments in such Operating Partnership.

b. EXCO may, without EXCO Holding or its Affiliates complying with the provisions of Section 11.1(b) of the GP LLC Agreement, sell or otherwise Transfer any Appalachia Shallow Rights to any Person that is not an Affiliate of EXCO, in a transaction or series of transactions in which neither EXCO nor any of its Affiliates (i) remains the operator of such Appalachia Shallow Rights being sold or otherwise Transferred or (ii) receives any general partnership or other promoted equity interest (including, for the avoidance of doubt, profits, incentive or other contingent interests) or any significant Control rights in a Person in exchange for such Appalachia Shallow Rights being sold (such transaction, a "ROFO Sale"); *provided* that, except with respect to (X) the Antero Sale, (Y) an Appalachia Permitted Sale or (Z) a Permitted Transfer, Harbinger Group Inc. and its Affiliates (excluding the Partnership and its Affiliates unless EXCO agrees otherwise) (collectively, "Harbinger") shall have a right of first offer with respect to such Appalachia Shallow Rights being sold in a ROFO Sale as provided below. If EXCO desires to effect a ROFO Sale, then, except with respect to the Antero Sale, an Appalachia Permitted Sale or a Permitted Transfer, EXCO Parent shall provide written notice (a "ROFO Notice") thereof to Harbinger, setting forth with reasonable specificity the Appalachia Shallow Rights proposed to be sold. From time to time, EXCO Parent will provide to Harbinger such additional information with respect to such Appalachia Shallow Rights proposed to be sold or otherwise Transferred as is reasonably requested by Harbinger, unless such additional information is subject to confidentiality restrictions that would prohibit such disclosure or would, based on the advice of outside counsel to EXCO Parent, reasonably be expected to result in the waiver of attorney-client privilege ("Designated Information"); *provided*, EXCO Parent shall not enter into confidentiality agreements in anticipation or connection with such transaction that would restrict such disclosure; and *provided, further*, to the extent that the sharing of any information reasonably requested by Harbinger is subject to confidentiality or would reasonably be expected to result in the waiver of attorney-client privilege, EXCO Parent shall make commercially reasonable requests for the waiver or consent, or take other reasonable actions, to permit such disclosure. Upon receipt of a ROFO Notice, Harbinger Group Inc. (or its designated Affiliate) may, by delivery of written notice (an "Offer") to EXCO Parent not later than the later of (x) 30 days following Harbinger's receipt of a ROFO Notice or (y) 10

days following Harbinger's receipt of the Designated Information (provided Harbinger has requested such Designated Information within five Business Days after receipt of a ROFO Notice), offer to acquire such Appalachia Shallow Rights proposed to be so sold or otherwise Transferred, by indicating in such Offer the economic and other material terms (including the allocation of liabilities) on which Harbinger proposes to effect such acquisition. Upon receipt of an Offer, EXCO may not sell or otherwise Transfer such Appalachia Shallow Rights that are the subject of such ROFO Notice to any Third Party (as defined in the Purchase Agreement) at a price and upon material terms that are less favorable in the aggregate to EXCO than the price and material terms set forth in the Offer, for the 90-day period following EXCO Parent's receipt of such Offer. If, following such 90 day period, EXCO again desires to effect a ROFO Sale, EXCO Parent shall again deliver a ROFO Notice in respect thereof to Harbinger, and the aforementioned provisions shall again apply.

c. Except as provided for in Sections 2.a. and 2.b. above, EXCO may not contribute or Transfer its Appalachia Shallow Rights to any Person in which EXCO retains a financial interest, unless such contribution or Transfer is consummated by EXCO Parent or its Affiliates in compliance with Article XI of the GP LLC Agreement.

3. Permitted Acquisitions. Notwithstanding the provisions of Article XI of the GP LLC Agreement, from and after the Closing and until the earlier of either (i) the acquisition by the Partnership of any Appalachia Shallow Rights or (ii) the sale by EXCO of substantially all of its Appalachia Shallow Rights (in each case, after which time this Section 3 shall no longer have any effect), EXCO and its Affiliates shall be permitted to acquire Appalachia Shallow Rights, without complying with the provisions of Section 11.1(a) of the GP LLC Agreement, but only if (A) such acquisition is primarily for the purpose of complementing its existing portfolio of Appalachia Shallow Rights in New York, Ohio, West Virginia and Pennsylvania, (B) such Appalachia Shallow Rights are acquired by EXCO solely for its own account, (C) such Appalachia Shallow Rights are operated by EXCO for its own account (or is operated for EXCO's account by EXCO Resources (PA), LLC or the oil and gas operator that operated such assets immediately prior to their acquisition by EXCO) and (D) except as provided in the immediately preceding sub-clause (C) and Section 2(a) and (c) above, EXCO does not provide any Third Party with any equity or equity-linked rights to such Appalachia Shallow Rights.

4. Relationship to BG. Any right of first refusal, right of first offer (including a ROFO Sale) or other purported Transfer, or resulting ownership thereof, of EXCO's Appalachia Shallow Rights are subject to, and governed by, the terms and conditions of the agreements listed on Annex A hereto as in effect on the date hereof (the "BG Agreements"), which are, by their terms, applicable to such matters (and subject to any applicable waivers thereof). Notwithstanding

anything herein or in Article XI in the GP LLC Agreement to the contrary, EXCO and its Affiliates shall have the right to comply with their existing obligations under the BG Agreements and such compliance shall not constitute any breach of this letter agreement or the GP LLC Agreement.

5. Miscellaneous. The EXCO Group shall not take any action that is intended to circumvent the rights of the Harbinger Group Inc. and Investor under this letter agreement or Article XI of the GP LLC Agreement. Section headings herein are for convenience of reference only, and shall not constitute part of this letter agreement. The terms and provisions of Article XIII (Miscellaneous) (other than Sections 14.3 (Tax, Recording Fees, Similar Taxes & Fees), 14.5(b) (Limitations on Specific Performance) and 14.13 (Conspicuous)) of the Purchase Agreement are incorporated herein by reference, *mutatis mutandis*. To the extent that the terms of this letter agreement conflict with any of the terms of the GP LLC Agreement, the terms of this letter agreement shall control. This letter agreement shall be binding upon each of Harbinger Group Inc., Investor and EXCO Parent, EOC, EXCO Holding, and any successor to, or permitted assign of, the ownership of any Units held by such Person. The Partnership shall be a third party beneficiary of the rights under this letter to the extent not exercised by Harbinger Group Inc. or Investor. In the event of the termination of the Purchase Agreement, this letter agreement shall also terminate automatically.

* * * * *

Very truly yours,

EXCO RESOURCES INC.

By: /s/ Douglas H. Miller
Name: Douglas H. Miller
Title: Chief Executive Officer

EXCO OPERATING COMPANY, LP

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

By: /s/ Douglas H. Miller
Name: Douglas H. Miller
Title: Chief Executive Officer

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

HARBINGER GROUP INC.

By: /s/ Omar Asali
Name: Omar Asali
Title: President

HGI ENERGY HOLDINGS, LLC

By: /s/ Omar Asali
Name: Omar Asali
Title: President

ANNEX A: BG AGREEMENTS

1. Joint Development Agreement, dated as of June 1, 2010, by and among EXCO Production Company (PA), LLC, EXCO Production Company (WV), LLC, BG Production Company, (PA), LLC, BG Production Company, (WV), LLC and EXCO Resources (PA), LLC, as amended.

2. Second Amended and Restated Limited Liability Company Agreement of EXCO Resources (PA), LLC, dated June 1, 2010, by and among EXCO Holding (PA), Inc., BG US Production Company, LLC and EXCO Resources (PA), LLC, as amended.