

**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): **May 9, 2013**

CROSSTEX ENERGY, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

000-50067
(Commission File
Number)

16-1616605
(I.R.S. Employer Identification No.)

**2501 CEDAR SPRINGS
DALLAS, TEXAS**
(Address of Principal Executive Offices)

75201
(Zip Code)

Registrant's telephone number, including area code: **(214) 953-9500**

(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 *see* General Instruction A.2. below:

- 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

At a special meeting of unitholders of Crosstex Energy, L.P. (the "Partnership") held on May 9, 2013, the Partnership's unitholders approved the amended and restated Crosstex Energy GP, LLC Long-Term Incentive Plan (the "Plan"). The Board of Directors of Crosstex Energy GP, LLC, the Partnership's general partner (the "General Partner"), approved the Plan on February 28, 2013, subject to unitholder approval. Employees, consultants, independent contractors and outside directors of the General Partner and its affiliates who perform services for the Partnership are eligible to participate in the Plan. The Plan is administered by the Compensation Committee of the General Partner and permits the grant of awards in the form of unit options and restricted incentive unit awards (referred to as "restricted units" prior to the amendment and restatement described herein).

Amendments to the Plan include an increase in the number of common units representing limited partner interests in the Partnership ("common units") authorized for issuance under the Plan by 3,470,000 common units to an aggregate of 9,070,000 common units, which will increase the number of common units that remain available for awards under the Plan to 3,808,189 common units. In addition, the Plan includes technical amendments to certain other provisions of the Plan (i) to describe awards of restricted units as restricted incentive units, (ii) to revise the change in control definition to (among other things) eliminate and clarify certain change in control events, (iii) to make minor changes to better conform certain provisions to applicable law and (iv) to include minor updates to clarify the meaning of, and consistently describe, certain terms thereunder.

The description of the Plan above does not purport to be complete and is qualified in its entirety by reference to the complete text of the Plan, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K (this "Current Report") and is incorporated herein by reference. A copy of the form of Restricted Incentive Unit Agreement to be used in connection with restricted incentive unit awards under the Plan is filed as Exhibit 10.2 to this Current Report and is incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

On May 9, 2013, the Partnership held a special meeting of its unitholders. At such special meeting, the Partnership's unitholders approved the Plan. The final voting results of such special meeting are set forth below.

Proposal One:

The amended and restated Crosstex Energy GP, LLC Long-Term Incentive Plan (including an increase in the number of common units available for issuance thereunder) was approved:

For	Against	Abstain	Broker Non-Votes
60,467,510	867,171	96,665	0

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>EXHIBIT NUMBER</u>		<u>DESCRIPTION</u>
10.1	—	Crosstex Energy GP, LLC Long-Term Incentive Plan, as amended and restated on May 9, 2013.
10.2	—	Form of Restricted Incentive Unit Agreement.

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SIGNATURES

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

CROSSTEX ENERGY, L.P.

By: Crosstex Energy GP, LLC, its General Partner

Date: May 13, 2013

By: /s/ Michael J. Garberding
Michael J. Garberding
Executive Vice President and
Chief Financial Officer

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INDEX TO EXHIBITS

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CROSSTEX ENERGY GP, LLC
LONG-TERM INCENTIVE PLAN
(As Amended and Restated on May 9, 2013)

Section 1. Purpose of the Plan.

The Crosstex Energy GP, LLC Long-Term Incentive Plan (the "Plan") is intended to promote the interests of Crosstex Energy, L.P., a Delaware limited partnership (the "Partnership"), by providing to employees, consultants and independent contractors of Crosstex Energy GP, LLC (the "Company") and its Affiliates and non-employee directors of the Company, who perform services for the Partnership, incentive compensation awards for superior performance that are based on Units. The Plan is also contemplated to enhance the ability of the Company and its Affiliates to attract and retain the services of individuals who are essential for the growth and profitability of the Partnership and to encourage them to devote their best efforts to the business of the Partnership, thereby advancing the interests of the Partnership and its partners.

Section 2. Definitions.

As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, 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.

"Award" means an Option or Restricted Incentive Unit granted under the Plan, and shall include any tandem DERs granted with respect to an Award of Restricted Incentive Units, it being understood that tandem DERs shall not be granted with respect to an Award of Options.

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

"Cause" means, except as otherwise provided in an Award agreement, (i) Participant has failed to perform the duties assigned to him and such failure has continued for thirty (30) days following delivery by the Company of written notice to Participant of such failure, (ii) Participant has been convicted of a felony or misdemeanor involving moral turpitude, (iii) Participant has engaged in acts or omissions against the Company constituting dishonesty, breach of fiduciary obligation, or intentional wrongdoing or misfeasance, (iv) Participant has acted intentionally or in bad faith in a manner that results in a material detriment to the assets, business or prospects of the Company, or (v) Participant has breached any obligation under the Plan or Award agreement.

"Change in Control" means: (a) the consummation of a merger or consolidation of the Company with or into another entity or any other transaction the result of which is that any Person (other than Crosstex Energy, Inc., the Partnership or any of their subsidiaries) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly,

of 50% or more of the voting power of the outstanding equity interests of the continuing or surviving entity; (b) the sale, transfer or other disposition of all or substantially all of the Company's or the Partnership's assets; or (c) a change in the composition of the Board as a result of which fewer than 50% of the incumbent directors are directors who either (i) had been directors of the Company on the date 12 months prior to the date of the event that may constitute a Change in Control (the "original directors") or (ii) were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or nomination was previously so approved.

"Committee" means the Compensation Committee of the Board or such other committee of the Board appointed to administer the Plan.

"DER" means a contingent right, granted in tandem with a specific Restricted Incentive Unit, to receive an amount in cash equal to the cash distributions made by the Partnership with respect to a Unit during the period such Restricted Incentive Unit is outstanding.

"Director" means a "non-employee director" of the Company, as defined in Rule 16b-3.

"Employee" means any employee of the Company or an Affiliate, as well as any individual providing direct consulting or other contracting services to the Company or any Affiliate, in each case as determined by the Committee. Any reference to employment or termination of employment shall include engagement as a consultant or independent contractor or termination of such engagement, as applicable.

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

"Fair Market Value" means the closing sales price of a Unit on the applicable date (or if there is no trading in the Units on such date, on the next preceding date on which there was trading) as reported in *The Wall Street Journal* (or other reporting service approved by the Committee). In the event Units are not publicly traded at the time a determination of fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Committee.

"Option" means an option to purchase Units granted under the Plan.

"Participant" means any Employee or Director granted an Award under the Plan.

"Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"Restricted Period" means the period established by the Committee with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by or payable to the Participant.

"Restricted Incentive Unit" means an Award that is valued by reference to a Unit, which

value may be paid to the Participant by delivery, as the Committee shall determine, of cash, Units, or any combination thereof, and that has such restrictions as the Committee, in its sole discretion, may impose.

"Rule 16b-3" means Rule 16b-3 promulgated by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

“SEC” means the Securities and Exchange Commission, or any successor thereto.

“Section 409A” means Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance promulgated thereunder.

“Unit” means a Common Unit of the Partnership or any other securities or other consideration into which a Common Unit of the Partnership is converted pursuant to any capital reorganization, recapitalization, merger or other similar transaction.

Section 3. Administration.

The Plan shall be administered by the Committee. A majority of the Committee shall constitute a quorum, and the acts of the members of the Committee who are present at any meeting thereof at which a quorum is present, or acts unanimously approved by the members of the Committee in writing, shall be the acts of the Committee. Subject to the following, and any applicable law, the Committee, in its sole discretion, may delegate any or all of its powers and duties under the Plan, including the power to grant Awards under the Plan, to the Chief Executive Officer of the Company (provided the Chief Executive Officer is a member of the Board), subject to such limitations on such delegated powers and duties as the Committee may impose, if any. Upon any such delegation all references in the Plan to the “Committee,” other than in Section 7, shall be deemed to include the Chief Executive Officer; provided, however, that such delegation shall not limit the Chief Executive Officer’s right to receive Awards under the Plan. Notwithstanding the foregoing, the Chief Executive Officer may not grant Awards to, or take any action with respect to any Award previously granted to himself, a person who is an officer subject to Rule 16b-3 or a member of the Board. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of Units to be covered by Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled, exercised, canceled, or forfeited; (vi) interpret and administer the Plan and any instrument or agreement relating to an Award made under the Plan (including any Award agreement); (vii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (viii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, the Partnership, any Affiliate, any Participant, and any beneficiary of any Award.

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Section 4. Units.

(a) Units Available. Subject to adjustment as provided in Section 4(c), the number of Units with respect to which Restricted Incentive Units and Options may be granted under the Plan is 9,070,000. If any Option or Restricted Incentive Unit is forfeited or otherwise terminates or is canceled without the delivery of Units, then the Units covered by such Award, to the extent of such forfeiture, termination or cancellation, shall again be Units with respect to which Options or Restricted Incentive Units may be granted, as the case may be.

(b) Sources of Units Deliverable Under Awards. Any Units delivered pursuant to an Award shall consist, in whole or in part, of Units acquired in the open market, from any Affiliate, the Partnership or any other Person, or any combination of the foregoing, as determined by the Committee in its discretion.

(c) Adjustments. In the event that the Committee determines that any distribution (whether in the form of cash, Units, other securities, or other property), recapitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Units or other securities of the Partnership, issuance of warrants or other rights to purchase Units or other securities of the Partnership, or other similar transaction or event affects the Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Units (or other securities or property) with respect to which Awards may be granted under the Plan, (ii) the number and type of Units (or other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any outstanding Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; provided, that the number of Units subject to any Award shall always be a whole number.

Section 5. Eligibility.

Any Employee who performs services for the benefit of the Partnership or Director shall be eligible to be designated a Participant and receive an Award under the Plan.

Section 6. Awards.

(a) Options. The Committee shall have the authority to determine the Employees and Directors to whom Options shall be granted, the number of Units to be covered by each Option, the purchase price therefor and the conditions and limitations applicable to the exercise of the Option, including the following terms and conditions and such additional terms and conditions, as the Committee shall determine, that are not inconsistent with the provisions of the Plan.

(i) Exercise Price. The purchase price per Unit purchasable under an Option shall be determined by the Committee at the time the Option is granted and shall be no less than the Fair Market Value of a Unit as of the date of grant.

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(ii) Time and Method of Exercise. The Committee shall determine the Restricted Period, i.e., the time or times at which an Option may be exercised in whole or in part, which may include, without limitation, accelerated vesting upon the achievement of specified performance goals, and the method or methods by which payment of the exercise price with respect thereto may be made or deemed to have been made, which unless otherwise prohibited by applicable law, may include, without limitation, cash, check acceptable to the Company, a “cashless-broker” exercise through procedures approved by the Company, by withholding from the issuance under the Option Units otherwise deliverable thereunder, other securities or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price. The Committee may adopt additional rules and procedures regarding the exercise of Options from time to time, provided that such rules and procedures are not inconsistent with the Plan or applicable law.

(iii) Term. Subject to earlier termination as provided in the Award agreement or the Plan, each Option shall expire on the tenth anniversary of its date of grant.

(iv) Forfeiture. Each Award agreement embodying the Award of an Option shall set forth the extent to which Participant shall have the right to exercise the Option following termination of the Participant’s employment or service with the Company. Such provisions shall be determined by the Committee in its absolute discretion, need not be uniform among all Options granted under the Plan and may reflect distinctions based on the reasons for termination of employment or service. In the event a Participant’s Award agreement embodying the award of an Option does not set forth such termination provisions, the following termination provisions shall apply with respect to such Award.

(x) **Death, Disability or Retirement.** If the employment or service of a Participant shall terminate by reason of death, becoming disabled and qualified to receive benefits under the Company's long-term disability plan, or retirement with the approval of the Committee on or after the Participant's attainment of age 60, each outstanding Option held by the Participant shall become vested and may be exercised until the expiration of the term of such Option.

(y) **Other Termination.** If the employment or service of a Participant shall terminate for any reason other than a reason set forth in paragraph (x) above or paragraph (z) below, whether on a voluntary or involuntary basis, each outstanding Option held by the Participant may be exercised, to the extent then vested, until the earlier of thirty (30) days after the date of such termination or the expiration of the term of such Option.

(z) **Termination for Cause.** Notwithstanding paragraphs (x) and (y) above, if the employment or service of a Participant is terminated for Cause, all outstanding Options held by the Participant shall immediately be forfeited to the Company and no additional exercise period shall be allowed, regardless of the vested status of the Option.

The Committee may, in its discretion, waive in whole or in part such forfeiture with

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respect to a Participant's Options.

(v) **Option Exchanges.** Subject to Section 409A and notwithstanding anything herein to the contrary, except in connection with a corporate transaction involving the Company as provided in Section 4(c) of the Plan (including, without limitation, any distribution, Unit split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of Units), the terms of outstanding awards may not be amended to reduce the exercise price of outstanding Options or cancel, exchange, substitute, buyout or surrender outstanding Options in exchange for cash, other awards or Options with an exercise price that is less than the exercise price of the original Options without unitholder approval.

(b) **Restricted Incentive Units.** The Committee shall have the authority to determine the Employees and Directors to whom Restricted Incentive Units shall be granted, the number of Restricted Incentive Units to be granted to each such Participant, the Restricted Period, the conditions under which the Restricted Incentive Units may become vested or forfeited, which may include, without limitation, the accelerated vesting upon the achievement of specified performance goals, and such other terms and conditions as the Committee may establish with respect to such Awards, including whether DERs are granted with respect to such Restricted Incentive Units.

(i) **DERs.** To the extent provided by the Committee, in its discretion, a grant of Restricted Incentive Units may include a tandem DER grant, which may provide that such DERs shall be paid directly to the Participant, be credited to a bookkeeping account (with or without interest in the discretion of the Committee) subject to the same vesting restrictions as the tandem Award, or be subject to such other provisions or restrictions as determined by the Committee in its discretion. Notwithstanding the foregoing, in no event shall a grant of Restricted Incentive Units include any right to receive DER payments during the Restricted Period where the vesting of such Restricted Incentive Unit is subject to the achievement of specified performance goals.

(ii) **Forfeiture.** Except as otherwise provided in the terms of the Restricted Incentive Units grant, upon termination of a Participant's employment with the Company and its Affiliates or membership on the Board, whichever is applicable, for any reason during the applicable Restricted Period, all Restricted Incentive Units shall be forfeited by the Participant. The Committee may, in its discretion, waive in whole or in part such forfeiture with respect to a Participant's Restricted Incentive Units.

(iii) **Lapse of Restrictions.** Upon or following the vesting of each Restricted Incentive Unit, the Participant shall be entitled to receive from the Company one Unit, subject to the provisions of Section 8(b).

(c) **General.**

(i) **Awards May Be Granted Separately or Together.** Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for any other Award granted under the Plan or any award granted under

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any other plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or awards granted under any other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(ii) **Limits on Transfer of Awards.**

(A) Except as provided in (C) below, each Option shall be exercisable only by the Participant during the Participant's lifetime, or by the person to whom the Participant's rights shall pass by will or the laws of descent and distribution.

(B) Except as provided in (C) below, no Award and no right under any such Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

(C) To the extent specifically provided by the Committee with respect to an Award grant, an Award may be transferred by a Participant without consideration to immediate family members or related family trusts, limited partnerships or similar entities or on such terms and conditions as the Committee may from time to time establish. In addition, Awards may be transferred by will and the laws of descent and distribution.

(iii) **Term of Awards.** The term of each Award shall be for such period as may be determined by the Committee.

(iv) **Unit Certificates.** All certificates for Units or other securities of the Partnership delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Units or other securities are then listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(v) **Consideration for Grants.** Awards may be granted for no cash consideration or for such consideration as the Committee determines.

(vi) **Delivery of Units or other Securities and Payment by Participant of Consideration** Notwithstanding anything in the Plan or any Award agreement to the contrary, delivery of Units pursuant to the exercise or vesting of an Award may be deferred for any period during which, in the good faith determination of the Committee, the Company is not reasonably able to obtain Units to deliver pursuant to such Award without violating the rules or regulations of any applicable law or securities exchange. No Units or other securities shall be delivered pursuant to any Award until payment in full of any amount required to be paid pursuant to the Plan

Company. Unless otherwise prohibited by applicable law, such payment may be made by such method or methods and in such form or forms as the Committee shall determine, including, without limitation, cash, other Awards, withholding of Units, cashless- broker exercises with simultaneous sale, or any combination thereof; provided that the combined value, as determined by the Committee, of all cash and cash equivalents and the Fair Market Value of any such Units or other property so tendered to the Company, as of the date of such tender, is at least equal to the full amount required to be paid to the Company pursuant to the Plan or the applicable Award agreement.

(vii) *Change in Control.* Upon a Change in Control, or such period prior thereto as may be established by the Committee, all Awards shall automatically vest and become payable or exercisable, as the case may be, in full. In this regard, all Restricted Periods shall terminate and all performance criteria, if any, shall be deemed to have been achieved at the maximum level. Notwithstanding the foregoing, payment of any Award subject to Section 409A shall not be accelerated upon a Change of Control unless such Change of Control qualifies as a “change in control event” within the meaning of Treas. Reg. Section 1.409A-3(i)(5). To the extent that an Option is not exercised upon a Change in Control, the Committee may, in its discretion, cancel such Award without payment or provide for a replacement grant with respect to such property and on such terms as it deems appropriate.

Section 7. Amendment and Termination.

Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award agreement or in the Plan:

(a) *Amendments to the Plan.* Except as required the rules of the principal securities exchange on which the Units are traded and subject to Section 7(b) below, the Board or the Committee may amend, alter, suspend, discontinue, or terminate the Plan in any manner, including increasing the number of Units available for Awards under the Plan, without the consent of any partner, Participant, other holder or beneficiary of an Award, or other Person.

(b) *Amendments to Awards.* Subject to Section 7(a), the Committee may waive any conditions or rights under, amend any terms of, or alter any Award theretofore granted, provided no change, other than pursuant to Section 7(c), in any Award shall materially reduce the benefit to a Participant without the consent of such Participant.

(c) *Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events.* The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(c) of the Plan) affecting the Partnership or the financial statements of the Partnership, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

Section 8. General Provisions.

(a) *No Rights to Award.* No Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of Awards need not be the same with respect to each recipient.

(b) *Withholding.* The Company or any Affiliate is authorized to withhold from any Award, from any payment due or transfer made under any Award or from any compensation or other amount owing to a Participant the amount (in cash, Units, other securities, Units that would otherwise be issued pursuant to such Award or other property) of any applicable taxes payable in respect of the grant of an Award, its exercise, the lapse of restrictions thereon, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company or Affiliate to satisfy its withholding obligations for the payment of such taxes.

(c) *No Right to Employment.* The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate or to remain on the Board, as applicable. Further, the Company or an Affiliate may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award agreement.

(d) *Governing Law.* The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware without regard to its conflict of laws principles.

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

(f) *Other Laws.* The Committee may refuse to issue or transfer any Units or other consideration under an Award if, in its sole discretion, it determines that the issuance or transfer or such Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Units are then traded, or entitle the Partnership or an Affiliate to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

(g) *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any participating Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any participating Affiliate

pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of the Company or any participating Affiliate.

(h) *No Fractional Units.* No fractional Units shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Units or whether such fractional Units or any rights thereto shall be canceled, terminated, or otherwise eliminated.

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

(j) Facility Payment. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Committee may select, and the Company shall be relieved of any further liability for payment of such amounts.

(k) Gender and Number. Words in the masculine gender shall include the feminine gender, the plural shall include the singular and the singular shall include the plural.

(l) Section 409A. All Awards under this Plan are intended either to be exempt from, or to comply with the requirements of Section 409A, and this Plan and all Awards shall be interpreted and operated in a manner consistent with that intention. Notwithstanding anything in this Plan to the contrary, if any Plan provision or Award under this Plan would result in the imposition of an applicable tax under Section 409A, that Plan provision or Award shall be reformed to avoid imposition of the applicable tax and no such action shall be deemed to adversely affect the Participant's rights to an Award.

Section 9. Term of the Plan.

This amendment and restatement of the Plan shall be effective on the date of its approval by the unitholders of the Partnership and shall continue until the date 10 years following such approval, the date terminated by the Board or the date Units are no longer available for grants of Awards under the Plan, whichever occurs first. However, unless otherwise expressly provided in the Plan or in an applicable Award agreement, any Award granted prior to such termination, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under such Award, shall extend beyond such termination date.

RESTRICTED INCENTIVE UNIT AGREEMENT

THIS RESTRICTED INCENTIVE UNIT AGREEMENT (this "**Agreement**") is entered into by and between Crosstex Energy GP, LLC, a Delaware limited liability company (the "**Company**"), and (**Participant**) as of the Grant Date.

WITNESSETH:

WHEREAS, the Crosstex Energy GP, LLC Amended and Restated Long-Term Incentive Plan (As Amended and Restated on May 9, 2013) (the "**Plan**") was adopted by the Company for the benefit of certain employees of the Company or its Affiliates (as defined in the Plan) and non-employee directors of the Company;

WHEREAS, the Committee (as defined in the Plan) is responsible for granting Awards (as defined in the Plan) pursuant to the Plan; and

WHEREAS, Participant is eligible to participate in the Plan and the Committee has authorized the grant to Participant of the Subject Award (as defined in Section 2 of this Agreement) in respect of common units representing limited partner interests ("**Units**") of Crosstex Energy, L.P., a Delaware limited partnership (the "**Partnership**");

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Company and Participant hereby agree as follows:

1. **Definitions.** Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to them in the Plan.

"**Cause**" means (i) Participant has failed to perform the duties assigned to him and such failure has continued for 30 days following delivery by the Company of written notice to Participant of such failure, (ii) Participant has been convicted of a felony or misdemeanor involving moral turpitude, (iii) Participant has engaged in acts or omissions against the Company constituting dishonesty, breach of fiduciary obligation, or intentional wrongdoing or misfeasance, (iv) Participant has acted intentionally or in bad faith in a manner that results in a material detriment to the assets, business or prospects of the Company, or (v) Participant has breached any obligation under this Agreement.

"**Good Reason**" means any of the following: (i) a reduction in Participant's base annual salary; (ii) a material adverse change in Participant's authority, duties or responsibilities; or (iii) the Company requires Participant to move his or her principal place of employment to a location that is 30 or more miles from his or her current place of employment and the new location is farther from his or her primary residence. For purposes of this definition, no act or failure to act on the Company's part shall be considered a "Good Reason" unless (x) Participant has given the Company written notice of such act or failure to act within 30 days thereof, (y) the Company fails to remedy such act or failure to act within 30 days of its receipt of such notice, and (z) Participant terminates his or her employment with the Company within 60 days following the Company's receipt of written notice.

"**Grant Date**" means .

"**Prorated Amount**" means a number equal to the total number of outstanding Restricted Incentive Units granted hereunder multiplied by a fraction (i) the numerator of which is the number of days that elapse from the Vesting Commencement Date to the date of the Qualifying Termination and (ii)

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the denominator of which is the full number of days beginning on the Vesting Commencement Date and ending at the conclusion of the Restricted Period (as defined below).

"**Qualifying Termination**" means Participant's employment or service with the Company or its Affiliates is terminated due to (i) Participant's retirement with the approval of the Committee on or after reaching age 60, (ii) an involuntary termination of Participant by the Company for reasons other than Cause, or (iii) a termination by Participant for Good Reason.

"**Restricted Incentive Unit**" means a unit granted hereunder as part of the Subject Award described in Section 2 of this Agreement, which, subject to the restrictions and forfeiture conditions described herein, evidences the right to receive one Unit.

"**Vested Units**" means the Units which shall be delivered to Participant upon the vesting of the Restricted Incentive Units pursuant to Section 3 of this Agreement.

"**Vesting Commencement Date**" means .

2. **Restricted Incentive Unit Award.** On the terms and conditions and subject to the restrictions, including forfeiture, hereinafter set forth, the Company hereby grants to Participant, and Participant hereby accepts, an award of Restricted Incentive Units (the "**Subject Award**"). The Restricted Incentive Units granted hereunder shall be evidenced by the Committee in a book entry or in such other manner as the Committee may determine.

3. **Vesting/Forfeiture.** At the time of vesting of any Restricted Incentive Units, as described in this Section 3, such Restricted Incentive Units shall be converted into Participant's right to receive delivery of such number of Vested Units that shall be equal to the number of Restricted Incentive Units that became vested at such time.

(a) The Restricted Incentive Units shall be subject to a restricted period that shall commence on the Grant Date and terminate on the third anniversary of the Vesting Commencement Date, if Participant is in the continuous service of the Company or its Affiliates until such vesting date (such period herein called the "**Restricted Period**").

(b) The Restricted Incentive Units shall be forfeited to the Company at no cost to the Company if Participant's employment or service with the Company or its Affiliates terminates prior to the termination of the Restricted Period applicable to such Restricted Incentive Units; provided, however, (i) in the event a Qualifying Termination occurs during the Restricted Period, a Prorated Amount of the Restricted Incentive Units shall become fully vested and the Restricted Period shall terminate, and (ii) in the event Participant dies, Participant becomes disabled and qualified to receive benefits under the Company's long-term disability plan, or a Change in Control occurs during the Restricted Period, the Restricted Incentive Units shall become fully vested and the Restricted Period shall terminate. Notwithstanding the foregoing, to the extent the Subject Award is subject to Section 409A, Vested Units shall not be delivered when Participant becomes disabled and qualified to receive benefits under the Company's long-term disability plan unless Participant incurs a "disability" within the meaning of Treas. Reg. Section 1.409A-3(i)(4).

(c) Upon the termination of the Restricted Period applicable to the Restricted Incentive Units, the restrictions applicable to the Restricted Incentive Units that have not theretofore been forfeited shall terminate and such unforfeited Restricted Incentive Units shall be vested for purposes of this Agreement. As soon as practicable thereafter, the certificate(s) representing the number of Vested Units that are issuable with respect to the vested Restricted Incentive Units, together with any

distributions with respect to such Restricted Incentive Units then being held by the Company pursuant to the provisions of this Agreement, if any, shall be delivered, free of all such restrictions, to Participant or Participant's beneficiary or estate, as the case may be, it being understood that the delivery of such certificate(s) shall constitute delivery of such Vested Units for purposes of this Agreement. Notwithstanding anything contained herein to the contrary, in no event shall such Vested Units be delivered to Participant later than (i) the end of the calendar year in which vesting occurs, or, if later, (ii) the 15th day of the third calendar month following the date on which vesting occurs.

(d) Notwithstanding anything contained herein to the contrary, the Committee shall have the right to cancel all or any portion of any outstanding restrictions prior to the termination of such restrictions with respect to any or all of the Restricted Incentive Units on such terms and conditions as the Committee may, in writing, deem appropriate.

(e) Notwithstanding anything contained herein to the contrary, in no event shall Participant have any right to vote any Restricted Incentive Units or to exercise any other rights, powers and privileges of a holder of the Units with respect to such Restricted Incentive Units until such time that (i) the Restriction Period applicable to such Restricted Incentive Units or a portion thereof shall have expired (and all other vesting requirements with respect thereto have been fulfilled), (ii) such Restricted Incentive Units are converted into the right to receive Vested Units and (iii) such Vested Units are delivered to Participant.

4. **DER Grant.** Subject to the following, the Subject Award granted hereunder includes a tandem award of a number of DERs equal to the number of Restricted Incentive Units subject to such Subject Award. Each DER shall entitle Participant to receive cash payments equal to the cash distributions made by the Partnership (on a per Unit basis) with respect to its outstanding Units generally ("**General Distribution**"); provided that, no such cash payments shall be payable to or on behalf of Participant with respect to record dates before the Grant Date, or with respect to any record date (or date of a General Distribution) occurring after the Grant Date on which Participant has forfeited the Restricted Incentive Units pursuant to the terms of this Agreement or the Plan; provided further that, in no event shall such cash payments be paid to Participant later than (i) the end of the calendar year in which a General Distribution occurs, or, if later, (ii) the 15th day of the third calendar month following the date on which such General Distribution occurs. The DERs shall lapse on the earlier of (x) the date on which the Restricted Incentive Units are forfeited or (y) the termination of the Restricted Period.

5. **Taxes.**

(a) **PARTICIPANT REPRESENTS THAT PARTICIPANT IS NOT RELYING ON THE COMPANY OR ITS AFFILIATES FOR ANY TAX ADVICE IN CONNECTION WITH THE RESTRICTED INCENTIVE UNITS.**

(b) (i) Participant shall pay to the Company or its Affiliates, or make arrangements satisfactory to the Committee regarding payment of, any federal, state or local taxes of any kind required by law to be withheld with respect to (x) payments received due to the grant of DERs, and (y) the termination of restrictions with respect to the Restricted Incentive Units (in which case arrangements will be made no later than the date of the termination of the restrictions).

(ii) Participant shall, to the extent permitted by law, have the right to deliver to the Company or its Affiliates Vested Units to which Participant shall be entitled upon the vesting of the Restricted Incentive Units (or other unrestricted Units owned by Participant), valued at the fair market value of such Vested Units at the time of such delivery to the Company or its Affiliates, to satisfy the obligation of Participant under Section 5(b)(i) of this Agreement.

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(iii) Any provision of this Agreement to the contrary notwithstanding, if Participant does not otherwise satisfy the obligation of Participant under Section 5(b)(i) of this Agreement, then the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due from the Company or its Affiliates to or with respect to Participant, whether or not pursuant to this Agreement or the Plan and regardless of the form of payment, any federal, state or local taxes of any kind required by law to be withheld with respect to the grant of DERs or the Restricted Incentive Units (with respect to which the restrictions set forth herein have terminated).

6. **Non-Assignability.** The Subject Award is not assignable or transferable by Participant and unless and until the Vested Units are delivered to Participant upon vesting, the Restricted Incentive Units (and any right to receive Vested Units) shall not be assigned, alienated, pledged, attached sold or otherwise transferred or encumbered by Participant in any manner.

7. **Legend.** In the event Vested Units are delivered to Participant in connection with the vesting any of the Restricted Incentive Units granted hereunder, the Committee, in its discretion, may cause the certificate(s) representing such Vested Units to bear an appropriate legend referring any conditions and/or restrictions with respect to such Vested Units.

8. **Entirety and Modification.** This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements, whether written or oral, between such parties relating to such subject matter. Subject to Section 7(b) of the Plan, no modification, alteration, amendment or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by the party against whom it is sought to be enforced.

9. **Severability.** If any provision of this Agreement is held to be unenforceable, this Agreement shall be considered divisible, and such provision shall be deemed inoperative to the extent it is unenforceable, and in all other respects this Agreement shall remain in full force and effect; provided, however, that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.

10. **Gender.** Words used in this Agreement which refer to Participant and denote the male gender shall also be deemed to include the female gender or the neuter gender when appropriate.

11. **Employment or Service.** Nothing in this Agreement shall confer upon Participant any right to continue in the employ or service of the Company or its Affiliates, nor shall this Agreement interfere in any manner with the right of the Company or its Affiliates to terminate the employment or service of Participant with or without Cause at any time.

12. **Incorporation of Plan Provisions.** This Agreement is made pursuant to the Plan and is subject to all of the terms and provisions of the Plan as if the same were fully set forth herein. In the event that any provision of this Agreement conflicts with the Plan, the provisions of the Plan shall control. Participant acknowledges receipt of a copy of the Plan and agrees that all decisions under and interpretations of the Plan by the Committee shall be final, binding and conclusive upon Participant.

13. **Headings.** The headings of the various sections and subsections of this Agreement have been inserted for convenient reference only and shall not be construed to enlarge, diminish or otherwise change the express provisions hereof.

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14. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware (regardless of the laws that

might otherwise govern under applicable Delaware principles of conflicts of law).

15. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Grant Date.

CROSSTEX ENERGY GP, LLC

Barry E. Davis
President and Chief Executive Officer

PARTICIPANT:

Name:

YOU MUST ACCEPT THIS GRANT AND THE TERMS OF THIS AGREEMENT IN ORDER TO RECEIVE IT. TO ACCEPT THIS GRANT, COMPLETE THE GRANT ACCEPTANCE FORM AT THE WEBSITE OF UBS: (www.ubs.com/onesource/XTEX)