



International Swaps and Derivatives Association, Inc.

## **2012 ISDA U.S. MUNICIPAL REFERENCE ENTITY CDS PROTOCOL**

published on March 5, 2012

by the International Swaps and Derivatives Association, Inc.

The International Swaps and Derivatives Association, Inc. (**ISDA**) has published this 2012 ISDA U.S. Municipal Reference Entity CDS Protocol (this **March 2012 Protocol**) to enable parties to Protocol Covered Transactions (as defined in paragraph 4 below) to amend the terms of such Protocol Covered Transactions.

Accordingly, a party that has entered and/or anticipates entering into a Protocol Covered Transaction may adhere to this March 2012 Protocol and be bound by its terms by completing and delivering a letter substantially in the form of Exhibit 1 to this March 2012 Protocol (an **Adherence Letter**) to ISDA, as agent, as described below.

### **1. Adherence to and Effectiveness of the March 2012 Protocol**

- (a) By adhering to this March 2012 Protocol in the manner set forth in this paragraph 1, each March 2012 Adhering Party agrees that the terms of each Protocol Covered Transaction (as defined in this March 2012 Protocol) between it and each other March 2012 Adhering Party (whether entered into before, on or after the Cut-off Date) will be amended with effect from the Amendment Effective Date in accordance with the terms of Schedule 1 hereto.
- (b) Adherence to this March 2012 Protocol will be evidenced by the execution and delivery, in accordance with paragraph 3(e) below, to ISDA, as agent, of an Adherence Letter (in accordance with subparagraphs 1(b)(i) and 1(b)(ii) below) on or after March 5, 2012 and on or before April 2, 2012 or such later date designated by ISDA (in either case, the **Cut-off Date**) (such period, the **Initial Adherence Period**) or on any day during a Subsequent Adherence Period (if any), in each case determined in accordance with paragraph 1(e) below. ISDA may designate a date later than April 2, 2012 as the Cut-off Date by notice published no later than noon, New York time, on April 2, 2012 on its website at [www.isda.org](http://www.isda.org) (or by any other suitable means) if it determines in its absolute discretion that market interest justifies such an extension to the Initial Adherence Period. ISDA will not accept any Adherence Letters to this March 2012 Protocol received after the Cut-off Date, subject to the designation of a Subsequent Adherence Period pursuant to paragraph 2(e) below.
  - (i) Each March 2012 Adhering Party will deliver two copies of the Adherence Letter, one a manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory.
  - (ii) Each March 2012 Adhering Party agrees that, for evidentiary purposes, a conformed copy of an Adherence Letter certified by the General Counsel (or other appropriate officer) of ISDA will be deemed to be an original.

- (c) As between any two March 2012 Adhering Parties, the agreement to make the amendments contemplated by this March 2012 Protocol, on the terms and conditions set forth in this March 2012 Protocol, will be effective on the date of delivery (determined in accordance with paragraph 3(e) below) to ISDA, as agent, of an Adherence Letter (in accordance with paragraphs 1(a)(i) and 1(a)(ii) above) from the later of such two March 2012 Adhering Parties to adhere.
- (d) This March 2012 Protocol is intended for use without negotiation, but without prejudice to any amendment, modification or waiver in respect of a Protocol Covered Transaction that the parties may otherwise effect in accordance with the terms of that Protocol Covered Transaction and the Governing Master Agreement.
  - (i) In adhering to this March 2012 Protocol, a March 2012 Adhering Party may not specify additional provisions, conditions or limitations in its Adherence Letter or otherwise.
  - (ii) Any purported adherence that ISDA, as agent, determines in good faith is not in compliance with this March 2012 Protocol will be void and ISDA will inform the relevant party of such fact as soon as reasonably possible after making such determination.
- (e) If ISDA determines in its absolute discretion that market interest justifies reopening adherence to this March 2012 Protocol, ISDA may designate the first and final day of a subsequent adherence period for purposes of this March 2012 Protocol (a **Subsequent Adherence Period**) by giving no less than two Business Days notice on its website at [www.isda.org](http://www.isda.org) (or by any other suitable means), provided that in no event shall the final day of any Subsequent Adherence Period be later than October 3, 2012. For the avoidance of doubt, ISDA may designate more than one Subsequent Adherence Period. In the event that adherence is reopened:
  - (i) each Adherence Letter effectively delivered on any day during the Subsequent Adherence Period in accordance with the terms of this March 2012 Protocol shall be deemed to have been effectively delivered; and
  - (ii) if ISDA designates a new Implementation Date to apply in respect of any Credit Derivative Transaction that becomes a Protocol Covered Transaction by virtue of adherence by one or more of the parties thereto during a Subsequent Adherence Period (with respect to such Subsequent Adherence Period, the **Subsequent Implementation Date**), all references herein to the Implementation Date shall be deemed to be references to the relevant Subsequent Implementation Date in relation to any such Protocol Covered Transaction only.
- (f) Each March 2012 Adhering Party acknowledges and agrees that adherence to this March 2012 Protocol is irrevocable, irrespective of whether such adherence occurs on or prior to the Cut-off Date or during any Subsequent Adherence Period. For the avoidance of doubt, each March 2012 Adhering Party whose adherence to this March 2012 Protocol occurs on or prior to the Cut-off Date shall also be a March 2012 Adhering Party for purposes of any Subsequent Adherence Period without such March 2012 Adhering Party being required to deliver any additional Adherence Letter during any such Subsequent Adherence Period.

## 2. Representations and Agreements

- (a) Each March 2012 Adhering Party represents to each other March 2012 Adhering Party with which it has entered into a Protocol Covered Transaction, and is deemed to represent to each

other March 2012 Adhering Party with which it subsequently enters into a Protocol Covered Transaction, in either case, on the date on which the later of them adheres to this March 2012 Protocol in accordance with paragraph 1 above (including during any Subsequent Adherence Period) each of the following matters:

- (i) **Status.** It is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing or, if it otherwise represents its status in or pursuant to the Governing Master Agreement, has such status.
  - (ii) **Powers.** It has the power to execute and deliver the Adherence Letter and to perform its obligations under the Adherence Letter and the Governing Master Agreement, in each case as amended by the Adherence Letter and this March 2012 Protocol, and has taken all necessary action to authorize such execution, delivery and performance.
  - (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
  - (iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to the Adherence Letter and the Governing Master Agreement, in each case as amended by the Adherence Letter and this March 2012 Protocol, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
  - (v) **Obligations Binding.** Its obligations under the Adherence Letter and the Governing Master Agreement, in each case as amended by the Adherence Letter and this March 2012 Protocol, constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
  - (vi) **Credit Support.** Its adherence to this March 2012 Protocol, and any amendment contemplated by this March 2012 Protocol, will not, in and of itself, adversely affect any obligations owed, whether by it or by any third party, under any Credit Support Document relating to the Governing Master Agreement.
- (b) Each March 2012 Adhering Party agrees with each other March 2012 Adhering Party with which it has entered into a Protocol Covered Transaction, and is deemed to agree with each other March 2012 Adhering Party with which it subsequently enters into a Protocol Covered Transaction, in either case, on the date on which the later of them adheres to this March 2012 Protocol in accordance with paragraph 1 above (including during any Subsequent Adherence Period) each of the following matters:
- (i) each of the foregoing representations will be deemed to be a representation for purposes of Section 5(a)(iv) of the Governing Master Agreement that is an ISDA Master Agreement (or, in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement) entered into on or prior to the Amendment Effective Date between them; and

- (ii) any Credit Support Document between two such March 2012 Adhering Parties that relates to a Protocol Covered Transaction will be deemed to be amended to the extent necessary such that the operation thereof is not affected by the adherence by such March 2012 Adhering Parties to this March 2012 Protocol or any amendments contemplated by this March 2012 Protocol.

### 3. Miscellaneous

(a) *Entire Agreement; Restatement; Survival.*

- (i) This March 2012 Protocol constitutes the entire agreement and understanding of the March 2012 Adhering Parties with respect to its subject matter. Each March 2012 Adhering Party acknowledges that in adhering to this March 2012 Protocol it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to elsewhere in this March 2012 Protocol or in Schedule 1) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this March 2012 Protocol will limit or exclude any liability of a March 2012 Adhering Party for fraud.

- (ii) Except for any amendment deemed to be made pursuant to this March 2012 Protocol in respect of any Protocol Covered Transaction, all terms and conditions of each Protocol Covered Transaction will continue in full force and effect in accordance with the provisions of the Documentation as in effect immediately prior to the Amendment Effective Date and nothing herein shall constitute a waiver or release of any rights of any March 2012 Adhering Party under the Documentation for the Protocol Covered Transaction. This March 2012 Protocol will, with respect to its subject matter, survive, and any amendments deemed to be made pursuant to the March 2012 Protocol will form a part of, each Protocol Covered Transaction between the March 2012 Adhering Parties, notwithstanding Section 9(a) (or in the case of an ISDA Master Agreement that is a 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction), Section 8(a)) of the Governing Master Agreement (or in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement).

- (b) ***Amendments.*** An amendment, modification or waiver in respect of the matters contemplated by this March 2012 Protocol will, as between two March 2012 Adhering Parties, only be effective if made in accordance with the terms of the relevant Governing Master Agreement and then only with effect between the parties to the Governing Master Agreement (and in the case of a Protocol Covered Transaction falling within sub-paragraph (a) of the definition thereof, will only be effective to amend or override the provisions set forth in this March 2012 Protocol (including Schedule 1 to this March 2012 Protocol) if it expressly refers in writing to this paragraph 3(b) of this March 2012 Protocol and would otherwise be effective in accordance with Section 9(b) (or in the case of an ISDA Master Agreement that is a 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction), Section 8(b)) of the Governing Master Agreement (or in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement)).

- (c) ***Headings.*** The headings used in this March 2012 Protocol and any Adherence Letter are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this March 2012 Protocol or any Adherence Letter.

- (d) **Governing Law.** This March 2012 Protocol and each Adherence Letter will, as between two March 2012 Adhering Parties, be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine, provided that the amendments to each Protocol Covered Transaction shall be governed by and construed in accordance with the law specified to govern that Protocol Covered Transaction and otherwise in accordance with the applicable choice of law doctrine.
- (e) **Notices.** Any Adherence Letter must be in writing and delivered as a locked PDF (portable document format) attachment to an email to ISDA at [MuniCDSProtocol@isda.org](mailto:MuniCDSProtocol@isda.org) and will be deemed effectively delivered on the date it is delivered unless on the date of that delivery ISDA's New York office is closed or that communication is delivered after 5:00 p.m., New York time, in which case that communication will be deemed effectively delivered on the next day ISDA's New York office is open. Each March 2012 Adhering Party agrees that the determination of the date and time of delivery of any Adherence Letter shall be determined by ISDA in its absolute discretion.
- (f) **Party Agreed Excluded Transactions.** March 2012 Adhering Parties may agree by separate bilateral agreement(s) (including, for the avoidance of doubt, in the relevant Confirmation(s)) that one or more specified Credit Derivative Transactions entered into between them shall not be Protocol Covered Transactions for purposes of this March 2012 Protocol (each such Credit Derivative Transaction, a **Party Agreed Excluded Transaction**).
- (g) **Waiver.** In respect of each Protocol Covered Transaction falling within sub-paragraph (a) of the definition thereof, each March 2012 Adhering Party agrees:
- (i) that no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules and/or the relevant Credit Derivatives Auction Settlement Terms, as applicable, shall be liable, whether for negligence or otherwise, to such March 2012 Adhering Party for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with such DC Party's performance of its duties, or any advice given by legal counsel or any other third-party professional hired by such DC Party in connection with such DC Party's performance of its respective duties, under the Rules and/or the relevant Credit Derivatives Auction Settlement Terms, as applicable, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the Rules and/or the relevant Credit Derivatives Auction Settlement Terms, as applicable, may be still be liable to such DC Party; and
  - (ii) to waive any claim, whether for negligence or otherwise, that may arise against a DC Party and any legal counsel or other third-party professional hired by such DC Party in connection with such DC Party's performance of its duties under the Rules, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the Rules and/or the relevant Credit Derivatives Auction Settlement Terms, as applicable, may be still be liable to such DC Party.

(h) ***Ability of the Relevant Credit Derivatives Determinations Committee to Interpret or Amend Protocol Terms.*** Each March 2012 Adhering Party agrees and acknowledges that if the relevant Credit Derivatives Determinations Committee Resolves pursuant to the Rules:

- (i) a question of interpretation regarding the provisions of this March 2012 Protocol (including, without limitation, the definition of Protocol Covered Transaction and any of the amendments contemplated by Schedule 1 hereto), such Resolution shall be binding on each March 2012 Adhering Party; and
- (ii) to amend the provisions of Schedule 1 to this March 2012 Protocol in order to correct errors or otherwise give effect to the purpose of the July 2009 Supplement or the March 2012 Supplement and this March 2012 Protocol in respect of any Protocol Covered Transaction, each such amendment shall be deemed to take effect in the manner prescribed by the relevant Credit Derivatives Determinations Committee.

(i) ***Ability of an Agent to Adhere to the March 2012 Protocol on Behalf of a Client.***

(i) An Agent may adhere to this March 2012 Protocol:

- (A) on behalf of all Clients represented by such Agent (in which case such Agent need not identify each Client in its Adherence Letter);
- (B) on behalf of Clients represented by such Agent that are specifically named or identified in the Adherence Letter or an attachment thereto; or
- (C) on behalf of all Clients represented by such Agent, except any Client that the Agent and an Adhering Party that has entered into a Protocol Covered Transaction with such Client agree will not be covered by this March 2012 Protocol;

provided, in each case, that such adherence shall only be effective with respect to Protocol Covered Transactions entered into by such Agent on behalf of such Clients.

- (ii) Where an Agent adheres to this March 2012 Protocol on behalf of a Client by executing and delivering an Adherence Letter on behalf of such Client in accordance with paragraph 1 and this paragraph 3(i), references to the March 2012 Adhering Party for purposes of this March 2012 Protocol (including Schedule 1 hereto) and the Adherence Letter shall be interpreted to refer to such Client.

#### **4. Definitions**

As used in this March 2012 Protocol, **Confirmation, Credit Support Document and Transaction** each has the meaning given to such term in the related Governing Master Agreement. Each capitalized term used in this March 2012 Protocol or Schedule 1 hereto but not defined herein has the meaning given to such term in the 2003 ISDA Credit Derivatives Definitions, as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (the “**July 2009 Supplement**”) and the 2012 ISDA U.S. Municipal Reference Entity Supplement to the 2003 ISDA Credit Derivatives Definitions (the **March 2012 Supplement**), each published by ISDA (together, the **Credit Derivatives Definitions**).

References in this March 2012 Protocol and Schedule 1 to the following terms have the meaning indicated below:

**Affected Portion** means, for purposes of this March 2012 Protocol and in respect of a Credit Derivative Transaction, the portion, if any, of such Credit Derivative Transaction attributable to an Affected Reference Entity or an Excluded Obligation.

**Affected Reference Entity** means, for purposes of this March 2012 Protocol and in respect of a Credit Derivative Transaction, a Reference Entity, if any, in respect of which an Event Determination Date has occurred prior to the Amendment Effective Date.

**Agent** means an entity that enters into a Governing Master Agreement and executes and delivers an Adherence Letter with respect to this March 2012 Protocol on behalf of, and as agent for, one or more clients, investors, funds, accounts and/or other principals.

**Amendment Effective Date** means:

- (a) in the case of a Protocol Covered Transaction falling within sub-paragraph (a) of the definition thereof, the Implementation Date;
- (b) in the case of a Protocol Covered Transaction falling within sub-paragraph (b) of the definition thereof, the Trade Date, or Swaption Trade Date, as applicable, of such Protocol Covered Transaction; and
- (c) in the case of a Protocol Covered Transaction falling within sub-paragraph (c) of the definition thereof, the Novation Trade Date.

**Bespoke Portfolio Transaction** means a Bespoke Tranched Portfolio Transaction or a Bespoke Untranched Portfolio Transaction.

**Bespoke Tranched Portfolio Transaction** means a tranched Credit Derivative Transaction that references more than one Reference Entity and is not governed by MCDX Documentation.

**Bespoke Untranched Portfolio Transaction** means an untranched Credit Derivative Transaction that references more than one Reference Entity and is not governed by MCDX Documentation.

**Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in both London and New York.

**Client** means a client, investor, fund, account and/or other principal on whose behalf an Agent acts (on or after the Implementation Date and on or prior to July 3, 2012).

**Confirmation** means, in relation to a Protocol Covered Transaction between two Adhering Parties, each document or other confirming evidence (including but not limited to, a transaction supplement) exchanged between the parties or otherwise effective for the purpose of confirming or evidencing the Protocol Covered Transaction.

**Constant Maturity Swap Transaction** means any Portfolio Constant Maturity Swap Transaction or any Single Name Constant Maturity Swap Transaction.

**Covered Index Transaction** means a Credit Derivative Transaction that references the Markit MCDX index and is governed by MCDX Documentation.

**Covered Non-Auction Transaction** means any Credit Derivative Transaction that is a Reference Obligation Only Transaction, a Fixed Recovery Transaction or a Party Agreed Non-Auction Transaction.

**Covered Non-Swaption Transaction** means any Credit Derivative Transaction that is a Single Name CDS Transaction, a Constant Maturity Swap Transaction, a Principal Only Transaction, an Interest Only Transaction, a First to Default Transaction, an Nth to Default Transaction, a Recovery Lock Transaction or a Bespoke Portfolio Transaction.

**Covered Swaption Transaction** means any Credit Derivative Transaction that is either a Single Name Swaption or a Portfolio Swaption.

**Credit Derivative Transaction** means any credit derivative transaction that incorporates the 2003 ISDA Credit Derivatives Definitions published by ISDA.

**Documentation** means the Governing Master Agreement, Standard Terms Supplement (or master confirmation, general terms confirmation, or any document analogous thereto) and Confirmation (or transaction supplement or any document analogous thereto) relating to a Protocol Covered Transaction as amended, supplemented, varied or modified as at the Amendment Effective Date.

**Excluded Obligation** means any Obligation other than an Obligation in respect of which the Obligation Characteristics include either Full Faith and Credit Obligation Liability, General Fund Obligation Liability, or Revenue Obligation Liability.

**Excluded Transaction** means a Party Agreed Excluded Transaction.

**First to Default Transaction** means a Credit Derivative Transaction that references more than one Reference Entity pursuant to which Cash Settlement Amounts or Physical Settlement Amounts, as applicable, will only be paid to Buyer after the Conditions to Settlement have been satisfied for the first time in respect of any of the relevant Reference Entities.

**Fixed Recovery Transaction** means a Credit Derivative Transaction in respect of which the Final Price is predetermined and specified in the relevant Documentation.

**Governing Master Agreement** means, in respect of a Protocol Covered Transaction, the ISDA Master Agreement or other form of master agreement governing such Protocol Covered Transaction and of which such Protocol Covered Transaction forms part, whether executed by the parties thereto or incorporated by reference in the Confirmation relating to such Protocol Covered Transaction.

**Implementation Date** means April 3, 2012.

**Interest Only Transaction** means a Credit Derivative Transaction that references more than one Reference Entity under which (a) Seller pays to Buyer either (i) an upfront amount or (ii) a floating interest rate, (b) neither party pays Cash Settlement Amounts during the term of the Transaction and (c) Buyer pays Fixed Amounts to Seller during the term of the Transaction (which Fixed Amounts are reduced due to Credit Events).

**ISDA Master Agreement** means any of (a) the 2002 ISDA Master Agreement, (b) the 1992 ISDA Master Agreement (Multicurrency – Cross Border), (c) the 1992 ISDA Master Agreement (Local



Currency – Single Jurisdiction), (d) the 1987 ISDA Interest Rate and Currency Exchange Agreement, and (e) the 1987 ISDA Interest Rate Swap Agreement.

**MCDX Documentation** means Documentation referencing an MCDX index, published by Markit North America, Inc., or any predecessor or successor thereto, with such modifications to which the parties thereto have agreed.

**New Novation Transaction** means any new Credit Derivative Transaction between a Transferee and a Remaining Party entered into pursuant to a novation transaction (or other agreement) for which the Old Novation Transaction relating thereto would have been a Protocol Covered Transaction set out in subparagraphs (a) or (b) of the definition of Protocol Covered Transaction if the Transferor and Remaining Party had each been Adhering Parties.

**Novation Trade Date** means the date on which a Transferor, Transferee and Remaining Party enter into a novation transaction (or other analogous agreement).

**Nth to Default Transaction** means a Credit Derivative Transaction that references more than one Reference Entity pursuant to which Cash Settlement Amounts or Physical Settlement Amounts, as applicable, will only be paid to Buyer after the Conditions to Settlement have been satisfied in respect of any of the relevant Reference Entities that is the nth Reference Entity in respect of which an Event Determination Date has occurred, where “n” is the number specified for such purpose in the Documentation in respect of such Credit Derivative Transaction.

**Old Novation Transaction** means any Credit Derivative Transaction originally entered into between a Transferor and a Remaining Party which is the subject of a novation transaction (or other analogous agreement).

**Party Agreed Excluded Transaction** has the meaning specified in paragraph 3(f) of this March 2012 Protocol.

**Party Agreed Non-Auction Transaction** means any Credit Derivative Transaction that (a) by its terms expressly states that the provisions relating to settlement therein shall not be amended or modified by any Auction Settlement Terms or any documentation in respect of an auction published by ISDA and (b) would, but for such express terms, otherwise be a Protocol Covered Transaction.

**Portfolio Constant Maturity Swap Transaction** means a Credit Derivative Transaction that references more than one Reference Entity in respect of which the Fixed Rate is reset at the end of each Fixed Rate Payer Calculation Period to the then-current market rate for the relevant Credit Derivative Transaction.

**Portfolio Swaption** means any unexercised option to enter into an Underlying CDS (other than another Swaption) that is not an Excluded Transaction and that references more than one Reference Entity.

**Principal Only Transaction** means a Credit Derivative Transaction that references more than one Reference Entity under which Seller pays an upfront amount to Buyer, neither party pays any Fixed Amounts or Cash Settlement Amounts during the term of the Credit Derivative Transaction and, upon termination of the Credit Derivative Transaction, Buyer pays to Seller the notional amount of the Credit Derivative Transaction, minus aggregate Cash Settlement Amounts.

**Protocol Covered Transaction** means:

- (a) any Credit Derivative Transaction that is a Covered Index Transaction, a Covered Swaption Transaction, a Covered Non-Swaption Transaction, or a Covered Non-Auction Transaction and that is a U.S. Muni Transaction in respect of which:
- (i) each of the parties is a March 2012 Adhering Party;
  - (ii) the Trade Date or, in respect of a Covered Swaption Transaction, the Swaption Trade Date, is prior to the Implementation Date;
  - (iii) the Scheduled Termination Date or, in respect of a Covered Swaption Transaction, the Expiration Date (as defined in such Covered Swaption Transaction), is on or after the Implementation Date;
  - (iv) no Event Determination Date (as defined in the Documentation relating to such Credit Derivative Transaction) has occurred prior to the Implementation Date; and
  - (v) no Early Termination Date (as defined in the Governing Master Agreement relating to such Credit Derivative Transaction, or in the case of a Governing Master Agreement which is not an ISDA Master Agreement, any event analogous thereto) in respect of the relevant Credit Derivative Transaction has occurred under the Governing Master Agreement prior to the Implementation Date;
- (b) any Credit Derivative Transaction that is a Covered Index Transaction, a Covered Swaption Transaction, a Covered Non-Swaption Transaction, or a Covered Non-Auction Transaction and that is a U.S. Muni Transaction in respect of which:
- (i) the related Documentation (without reference to any amendments applicable pursuant to this March 2012 Protocol) does not incorporate the March 2012 Supplement;
  - (ii) each of the parties is a March 2012 Adhering Party; and
  - (iii) the Trade Date or, in respect of a Covered Swaption Transaction, the Swaption Trade Date, is on or after the Implementation Date but on or before July 3, 2012; or
- (c) a New Novation Transaction which does not otherwise fall within (a) or (b) above that is a U.S. Muni Transaction in respect of which:
- (i) the related Documentation (without reference to any amendments applicable pursuant to this March 2012 Protocol) does not incorporate the March 2012 Supplement;
  - (ii) each of the Remaining Party and the Transferee is a March 2012 Adhering Party; and
  - (iii) the Novation Trade Date is on or after the Implementation Date and on or prior to July 3, 2012,

provided that (A) subject to clause (B) below, any Transaction that is an Excluded Transaction shall not be a Protocol Covered Transaction and (B) in respect of any Credit Derivative Transaction that relates to more than one Reference Entity and that would otherwise be a Protocol Covered Transaction but for the inclusion of any Affected Portion therein, such Affected Portion shall be excluded for purposes of this March 2012 Protocol and the remaining portion of such Credit Derivative Transaction shall be deemed to be a Protocol Covered Transaction.

**Recovery Lock Transaction** means a Credit Derivative Transaction in respect of which the Reference Price is specified in the relevant Documentation as a price less than 100 per cent. and for which either Buyer or Seller can deliver a Notice of Physical Settlement.

**Reference Obligation Only Transaction** means:

- (a) a Credit Derivative Transaction in respect of which the applicable Settlement Method is Physical Settlement and “Reference Obligations Only” is specified as the Deliverable Obligation Category; or
- (b) a Credit Derivative Transaction in respect of which the applicable Settlement Method is Cash Settlement and the relevant Confirmation specifies only one or more specifically identified Reference Obligations.

**Remaining Party** means a party which consents to a Transferor’s transfer by novation and the acceptance thereof by a Transferee of all of such Transferor’s rights, liabilities, duties and obligations under and in respect of the novated amount of a Credit Derivative Transaction that is originally between it and such Transferor.

**Single Name CDS Transaction** means a Credit Derivative Transaction that references not more than one Reference Entity that is not a Single Name Constant Maturity Swap Transaction.

**Single Name Constant Maturity Swap Transaction** means a Credit Derivative Transaction that references not more than one Reference Entity for which the Fixed Rate is reset at the end of each Fixed Rate Payer Calculation Period to the then-current market rate for the relevant Credit Derivative Transaction.

**Single Name Swaption** means any unexercised option to enter into an Underlying CDS (other than another Swaption) that is not an Excluded Transaction and that references not more than one Reference Entity.

**Standard Terms Supplement** means, in relation to a Protocol Covered Transaction between two Adhering Parties, the standard terms supplement published by ISDA, Markit Group Limited, International Index Company Limited, any analogous institution or any successor or predecessor thereto and incorporated by reference into the relevant Confirmation.

**Subsequent Adherence Period** has the meaning specified in paragraph 1(e) of this March 2012 Protocol.

**Subsequent Implementation Date** has the meaning specified in paragraph 1(e) of this March 2012 Protocol.

**Swaption** means an option to enter into an Underlying CDS that references one, or more than one Reference Entity.

**Transferee** means a party which accepts by way of novation from a Transferor all of such Transferor’s rights, liabilities, duties and obligations under and in respect of the novated amount of a Credit Derivative Transaction that is originally between such Transferor and a Remaining Party.

**Transferor** means a party which transfers by way of novation to a Transferee all of such party’s rights, liabilities, duties and obligations under and in respect of the novated amount of a Credit Derivative Transaction that is originally between such party and a Remaining Party.

**Underlying CDS** means, in respect of a Single Name Swaption or Portfolio Swaption, the underlying Credit Derivative Transaction to which the relevant unexercised option relates.

**U.S. Muni Transaction** means any Credit Derivative Transaction in respect of which the Obligation Characteristics include either Full Faith and Credit Obligation Liability, General Fund Obligation Liability, or Revenue Obligation Liability (including, for the avoidance of doubt, any Credit Derivative Transaction that references the Markit MCDX index).

**EXHIBIT 1**  
**to 2012 ISDA U.S. Municipal Reference Entity CDS Protocol**  
**Form of Adherence Letter**

---

**[Letterhead of March 2012 Adhering Party]**

**[Date]**

**International Swaps and Derivatives Association, Inc.**

**Send to: MuniCDSProtocol@isda.org**

Dear Sirs,

**2012 ISDA U.S. Municipal Reference Entity CDS Protocol - Adherence**

The purpose of this letter is to confirm our adherence to the 2012 ISDA U.S. Municipal Reference Entity CDS Protocol as published by the International Swaps and Derivatives Association, Inc. on March 5, 2012 (the **March 2012 Protocol**). This letter constitutes, as between each other March 2012 Adhering Party and us, an Adherence Letter as referred to in the March 2012 Protocol. The definitions and provisions contained in the March 2012 Protocol are incorporated into this Adherence Letter, which will supplement and form part of each Protocol Covered Transaction (now or in the future) entered into between us and each other March 2012 Adhering Party.

**1. Specified Terms**

As between each other March 2012 Adhering Party and us, the amendments in Schedule 1 of the March 2012 Protocol shall apply to Protocol Covered Transactions to which we are a party in accordance with the terms of the March 2012 Protocol.

**2. Appointment as Agent and Release**

We hereby appoint ISDA as our agent for the limited purposes of the March 2012 Protocol and accordingly we waive any rights and hereby release ISDA from any claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the March 2012 Protocol or any actions contemplated as being required by ISDA.

**3. DTCC Account Number**

For purposes of electronic matching and counterparty recognition, our DTCC Account Number is as follows, but you understand and agree that our failure to provide any such details pursuant to this Adherence Letter will not affect the legal validity and binding nature of the March 2012 Protocol with respect to us:

DTCC Account Number: [ ● ]

#### **4. Contact Details**

Our contact details for purposes of this Adherence Letter are:

Name:

Address:

Telephone: Fax:

E-mail:

We consent to the publication of a conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[ADHERING PARTY]<sup>1</sup>

By:

Name:
Title:
Signature:

---

<sup>11</sup> Specify legal name of Adhering Party.

If you are an Agent and act on behalf of multiple Clients, you may sign the Adherence Letter using one of three options.

First, if you have the authority to adhere to this March 2012 Protocol as Agent on behalf of all Clients, you may indicate the following in the signature block: “[Investment/Asset Manager], acting on behalf of the clients, investors, funds, accounts and/or other principals listed in the relevant Governing Master Agreement (or other agreement which deems a Governing Master Agreement to have been created) entered into between it (as Agent) and another March 2012 Adhering Party on or prior to May 22, 2012” or such other language that indicates the Clients to which this letter is applicable. If such a signature block is used, a separate Adherence Letter for each Client does *not* need to be submitted to ISDA and no specific names of Clients will be publicly disclosed on the ISDA website in connection with this March 2012 Protocol.

Second, if you have the authority to adhere to this March 2012 Protocol as Agent on behalf of certain Clients only, you may include with the Adherence Letter an attachment that names each Client. If you cannot or do not wish to name such Clients, then provided that you can identify the adhering Clients by way of specific identifiers which will be known and recognized by all other March 2012 Adhering Parties with which the relevant Clients have entered into Protocol Covered Transactions, you may identify such Clients using specific identifiers and without including any names. In such case, the specific identifiers will be listed on the ISDA website with the Adherence Letter.

Third, if you do not have the authority to adhere to this March 2012 Protocol as Agent on behalf of certain Clients but wish to adhere to this March 2012 Protocol on behalf of all other Clients, you may indicate the following in the signature block: “[Investment/Asset Manager], acting on behalf of the clients, investors, funds, accounts and/or other principals listed in the relevant Governing Master Agreement (or other agreement which deems a Governing Master Agreement to have been created) entered into between it (as Agent) and another March 2012 Adhering Party on or prior to May 22, 2012, unless the relevant March 2012 Adhering Parties agree prior to the Implementation Date that a particular client, investor, fund, account or other principal is not a March 2012 Adhering Party for purposes of this March 2012 Protocol”. It is the Agent’s responsibility to record properly any bilateral agreement to exclude a Client from the scope of this March 2012 Protocol.

## SCHEDULE 1

### AMENDMENTS TO PROTOCOL COVERED TRANSACTIONS

With effect from the relevant Amendment Effective Date, the Documentation relating to each Protocol Covered Transaction shall be modified as set forth in this Schedule 1 (*Amendments to Protocol Covered Transactions*). To the extent any provision of the Documentation relating to a Protocol Covered Transaction is inconsistent with the terms of this Schedule 1 (*Amendments to Protocol Covered Transactions*), the terms of this Schedule 1 (*Amendments to Protocol Covered Transactions*) shall govern.

Other than as specified herein, the amendments set forth in Part 1 of this Schedule 1 (*Amendments to Protocol Covered Transactions*) apply to all Protocol Covered Transactions. The amendments set forth in each of Part 2 to Part 6 of this Schedule 1 (*Amendments to Protocol Covered Transactions*) apply, as applicable, to any Protocol Covered Transaction, the Documentation in respect of which includes documents in the form of (or substantially in the form of) certain specified template documents, specified in Part 2 to Part 6 of this Schedule 1 (*Amendments to Protocol Covered Transactions*) and published by ISDA or other credit derivative industry organizations (“**Template Documents**”), in each case together with any modifications to the published form to which the parties have agreed. If a Protocol Covered Transaction has been entered into using a version of a template which has been superseded by one or more of the Template Documents then the amendments set forth in Part 2 to Part 6 of this Schedule 1 (*Amendments to Protocol Covered Transactions*) shall apply *mutatis mutandis* to such Protocol Covered Transaction, as determined by the Calculation Agent in respect of the relevant Protocol Covered Transaction.

If a Protocol Covered Transaction has been entered into and is not documented in the form of (or substantially in the form of) a Template Document (or any previous version thereof), the relevant ISDA Credit Derivatives Determinations Committee, or if such ISDA Credit Derivatives Determinations Committee does not make a relevant determination, the Calculation Agent in respect of the relevant Protocol Covered Transaction, acting in a commercially reasonable manner, shall make such amendments or modifications as it deems reasonably necessary in order to effect the incorporation of the March 2012 Supplement, having regard in doing so to the amendments to the Template Documents set forth in this Schedule 1 (*Amendments to Protocol Covered Transactions*).



## SCHEDULE 1

### TABLE OF CONTENTS

<b>Part</b>	<b>Page</b>
PART 1 GLOBAL AMENDMENTS .....	19
PART 2 CONFIRMATION FOR USE WITH THE CREDIT DERIVATIVES PHYSICAL SETTLEMENT MATRIX (VERSION 17 – MARCH 16, 2011) .....	22
PART 3 EXHIBIT F TO 2003 ISDA CREDIT DERIVATIVES DEFINITIONS .....	23
PART 4 CONFIRMATION FOR CREDIT DERIVATIVE TRANSACTIONS – U.S. MUNICIPAL ENTITY AS REFERENCE ENTITY (2004).....	24
PART 5 SINGLE NAME SWAPTION CREDIT DERIVATIVE TRANSACTIONS.....	26
PART 6 CONFIRMATION (FOR USE WITH MCDX UNTRANCHED TERMS).....	27

**PART 1**  
**GLOBAL AMENDMENTS**

**1. References to the Credit Derivatives Definitions**

Any reference in a Protocol Covered Transaction to the 2003 ISDA Credit Derivatives Definitions (including any reference in a Protocol Covered Transaction to the 2003 ISDA Credit Derivatives Definitions as supplemented or otherwise modified, including by incorporation of any additional provisions thereto (howsoever described) (“**Existing Supplements**”)) shall be deemed to be a reference to the 2003 ISDA Credit Derivatives Definitions as so supplemented and as further supplemented by the July 2009 Supplement and the March 2012 Supplement thereto.

**2. References to the Additional Provisions for Credit Derivative Transactions – U.S. Municipal Entity as Reference Entity**

Any reference in a Protocol Covered Transaction to the Additional Provisions for Credit Derivative Transactions – U.S. Municipal Entity as Reference Entity, published by ISDA on September 17, 2004), shall be deemed to be deleted.

**3. Paramountcy**

In the event of any inconsistency between (a) the terms of the March 2012 Supplement and (b) either (i) the terms of the 2003 ISDA Credit Derivatives Definitions (including any Existing Supplements) or (ii) the terms of the Confirmation of a Protocol Covered Transaction existing prior to the Amendment Effective Date, the terms of the March 2012 Supplement shall prevail for the purposes of such Protocol Covered Transaction. In the event of any inconsistency between (A) the terms of the March 2012 Supplement and (B) the amendments set forth in the remainder of this Schedule 1 (*Amendments to Protocol Covered Transactions*), the amendments set forth in the remainder of this Schedule 1 (*Amendments to Protocol Covered Transactions*) shall prevail.

**4. Credit Event Backstop Date and Succession Event Backstop Date**

**(a) Certain Protocol Covered Transactions**

The following provision shall be deemed to be incorporated in each Protocol Covered Transaction (other than any Covered Index Transaction, any Covered Swaption Transaction, any New Novation Transaction or any Credit Derivative Transaction falling within sub-paragraph (b) of the definition of Protocol Covered Transaction):

“(a) For the purposes of any determination as to whether a Credit Event has occurred in respect of a Reference Entity or an Obligation thereof:

(i) at any time up to but excluding June 20, 2012; or

(ii) if (A) a Credit Event Resolution Request Date occurs or (B) a Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, a Notice of Publicly Available Information are, or have been, effectively delivered by a Notifying Party, in either case before June 20, 2012,

the Credit Event Backstop Date with respect to such determination shall be deemed to be the Effective Date.

- (b) For the purposes of any determination as to whether a Succession Event has occurred in respect of a Reference Entity:
  - (i) at any time up to but excluding June 20, 2012; or
  - (ii) if (A) a Succession Event Resolution Request Date occurs or (B) a Succession Event Notice is, or has been, effectively delivered, in either case before June 20, 2012,

the Succession Event Backstop Date with respect to such Reference Entity shall be deemed to be the Effective Date.”

**(b) Covered Index Transactions**

The following provision shall be deemed to be incorporated in each Protocol Covered Transaction (other than any Covered Swaption Transaction or any New Novation Transaction) that is a Covered Index Transaction:

- “(a) For the purposes of any determination as to whether a Credit Event has occurred in respect of a Reference Entity or an Obligation thereof:
  - (i) at any time up to but excluding June 20, 2012; or
  - (ii) if (A) a Credit Event Resolution Request Date occurs or (B) a Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, a Notice of Publicly Available Information are, or have been, effectively delivered by a Notifying Party, in either case before June 20, 2012,

the Credit Event Backstop Date with respect to such determination shall be deemed to be the Effective Date.

- (b) For the purposes of any determination as to whether a Succession Event has occurred in respect of a Reference Entity:
  - (i) at any time up to but excluding June 20, 2012; or
  - (ii) if (A) a Succession Event Resolution Request Date occurs or (B) a Succession Event Notice is, or has been, effectively delivered, in either case before June 20, 2012,

the Succession Event Backstop Date with respect to such Reference Entity shall be deemed to be the Effective Date.”

**(c) New Novation Transactions**

- (i) In respect of each Protocol Covered Transaction which is a New Novation Transaction (other than a Covered Index Transaction), the provisions deemed incorporated by Section 4(a) (*Certain Protocol Covered Transactions*) above shall also be deemed to be



**PART 2**  
**CONFIRMATION FOR USE WITH THE CREDIT DERIVATIVES PHYSICAL SETTLEMENT**  
**MATRIX**  
**(VERSION 17 – MARCH 16, 2011)**

Each Protocol Covered Transaction which is a Transaction evidenced by a confirmation (for the purposes of this Part 2, a “**Confirmation**”) substantially in the form of the Confirmation for use with the Credit Derivatives Physical Settlement Matrix (version 17 – March 16, 2011) published by ISDA on March 16, 2011 (for the purposes of this Part 2, the “**Template**”) shall be amended as set forth below. If, and to the extent that, the terms or the format of a Confirmation deviates from the Template, these amendments shall apply *mutatis mutandis*, as determined by the Calculation Agent in respect of the relevant Transaction.

From and including the relevant Amendment Effective Date, the Confirmation shall be amended by, in the second paragraph thereof, deleting the word “and” immediately after the words “May 2003 Supplement” and replacing it with a “,” deleting the words “to the 2003 ISDA Credit Derivative Definitions” after “2005 Matrix Supplement”, and adding the following immediately before the words “(as so supplemented, the “2003 Definitions”)”: “, the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009) and the 2012 ISDA U.S. Municipal Reference Entity Supplement to the 2003 ISDA Credit Derivatives Definitions (published on March 5, 2012)”

**PART 3**  
**EXHIBIT F TO 2003 ISDA CREDIT DERIVATIVES DEFINITIONS**

The Documentation for each Protocol Covered Transaction which is a New Novation Transaction, the Novation Transaction in respect of which is evidenced by a confirmation (for the purposes of this Part 3, a “**Confirmation**”) substantially in the form of Exhibit F to 2003 ISDA Credit Derivatives Definitions (for the purposes of this Part 3, the “**Template**”), shall be amended as set forth below. If, and to the extent that, the terms or the format of a Confirmation deviates from the Template, these amendments shall apply *mutatis mutandis*, as determined by the Calculation Agent in respect of the relevant Transaction.

From and including the relevant Amendment Effective Date, the Confirmation shall be amended by including the following immediately prior to the last paragraph of the Template:

“For purposes of this Novation Confirmation, paragraph 2(b) of the Novation Agreement attached as Exhibit E to the 2003 ISDA Credit Derivatives Definitions is amended by inserting the following immediately prior to the semi-colon:

“, provided that in respect of any Novation Transaction in respect of which the New Transaction is a Protocol Covered Transaction (as defined in the 2012 ISDA U.S. Municipal Reference Entity CDS Protocol (the “**March 2012 Protocol**”), such New Transaction shall be deemed to incorporate any relevant amendments contained in Schedule 1 to the March 2012 Protocol”).”

## PART 4

### CONFIRMATION FOR CREDIT DERIVATIVE TRANSACTIONS – U.S. MUNICIPAL ENTITY AS REFERENCE ENTITY (2004)

Each Protocol Covered Transaction which is a Transaction evidenced by a confirmation (for the purposes of this Part 4, a “**Confirmation**”) substantially in the form of the Confirmation for Credit Derivative Transactions – U.S. Municipal Entity as Reference Entity published by ISDA in 2004 (for the purposes of this Part 4, the “**Template**”) shall be amended as set forth below. If, and to the extent that, the terms or the format of a Confirmation deviates from the Template, these amendments shall apply *mutatis mutandis*, as determined by the Calculation Agent in respect of the relevant Transaction.

From and including the relevant Amendment Effective Date, the Confirmation shall be amended by:

- (a) in the second paragraph thereof: deleting the words “and the “Additional Provisions for Credit Derivative Transaction – U.S. Municipal Entity as Reference Entity”” and replacing it with a “,” and adding the following immediately before the words “(each, as published by the International Swaps and Derivatives Association, Inc.)”: “the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009) and the 2012 ISDA U.S. Municipal Reference Entity Supplement to the 2003 ISDA Credit Derivatives Definitions (published on March 5, 2012)”;
- (b) deleting the provision “Business Day” in its entirety and replacing it with the following:
  - “Business Day: For all purposes (other than for the purpose of determining Fixed Rate Payer Payment Dates), New York.
  - For the purpose of determining Fixed Rate Payer Payment Dates, (a) if the Floating Rate Payer Calculation Amount is denominated in USD, New York and London, and (b) if the Floating Rate Payer Calculation Amount is denominated in EUR, New York, London and TARGET Settlement Day.”;
- (c) inserting the following in paragraph 3 thereof immediately after the words “Grace Period Extension:” and immediately before the word “Applicable”: “Not”
- (d) deleting the provision “Physical Settlement Period” in its entirety and replacing it with the following:
  - “Physical Settlement Period: As defined in Section 8.6 of the Credit Derivative Definitions, provided that such period shall not exceed 30 Business Days.”;
  - and
- (e) deleting the section entitled “Other Provisions” in its entirety.

**PART 5**  
**SINGLE NAME SWAPTION CREDIT DERIVATIVE TRANSACTIONS**

Each Protocol Covered Transaction which is a “Single Name Swaption” and which is evidenced by a confirmation (for the purposes of this Part 5, a “**Confirmation**”) substantially in the form of the template for documenting Single Name Swaption Credit Derivative Transactions, published by ISDA on January 20, 2011 and incorporating the Single Name CDS Swaption Standard Terms Supplement, published by ISDA on January 20, 2011 (for the purposes of this Part 5, the “**Template**”) shall be amended as set forth below. If, and to the extent that, the format or the terms of a Confirmation deviate from the Template, these amendments shall apply *mutatis mutandis*, as determined by the Calculation Agent in respect of the relevant Transaction.

From and including the relevant Amendment Effective Date, the Confirmation shall be amended by:

- (a) in the second paragraph thereof: deleting the word “and” immediately after the words “(published on March 7, 2005)” in the sixth line thereof and replacing it with a “,” and adding the following immediately before “, each as published by ISDA” on the ninth line thereof: “and the 2012 ISDA U.S. Municipal Reference Entity Supplement (the “**March 2012 Supplement**”) to the 2003 ISDA Credit Derivatives Definitions (published on March 5, 2012)”; and
- (b) adding the following sentence at the end of the second paragraph thereof: “For the purposes of this Confirmation, the Underlying Swap Transaction shall be deemed to be a July 2009 Supplement Transaction.”.



**PART 6**  
**CONFIRMATION (FOR USE WITH MCDX UNTRANCHED TERMS)**

Each Covered Index Transaction which is a Transaction evidenced by a confirmation (for the purposes of this Part 6, a “**Confirmation**”) substantially in the form of the Untranching Confirmation (for use with MCDX Untranching Terms) published by Markit North America, Inc. (formerly known as CDS IndexCo LLC) on May 6, 2008 and incorporating the MCDX Untranching Transactions Standard Terms Supplement, published by Markit North America, Inc. (formerly known as CDS IndexCo LLC) on May 6, 2008 (for the purposes of this Part 6, the “**Template**”) shall be amended as set forth below. If, and to the extent that, the terms or the format of a Confirmation deviates from the Template, these amendments shall apply *mutatis mutandis*, as determined by the Calculation Agent in respect of the relevant Transaction.

From and including the relevant Amendment Effective Date, the Confirmation shall be amended by:

- (a) deleting the words “May 2003” and replacing them with the following on the second line of the second paragraph thereof: “2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring”;
- (b) deleting ““Additional Provisions for Credit Derivative Transactions – U.S. Municipal Entity as Reference Entity” published September 17, 2004” and replacing it with the following in the second line of the second paragraph thereof: “2012 ISDA U.S. Municipal Reference Entity Supplement to the 2003 ISDA Credit Derivatives Definitions,”; and
- (c) adding the following text as a new paragraph thereof immediately before the section entitled “Notice and Account Details”:

**“AMENDMENTS TO THE TERMS OF THE MCDX UNTRANCHED TERMS**

The terms of the MCDX Untranching Terms as they apply to this Confirmation shall be amended as follows:

- (i) deleting the words “May 2003” and replacing them with the following on the third line of the first paragraph thereof: “2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring”;
- (ii) deleting ““Additional Provisions for Credit Derivative Transactions – U.S. Municipal Entity as Reference Entity” published September 17, 2004” and replacing it with the following in the fourth line of the first paragraph thereof: “2012 ISDA U.S. Municipal Reference Entity Supplement to the 2003 ISDA Credit Derivatives Definitions,”;
- (iii) deleting the last sentence of the definition of “Reference Entity” beginning “For the avoidance of doubt” and the period at the end of the immediately preceding sentence and adding the following after “and any Successor” in the third line thereof: “to a Reference Entity determined in accordance with Section 2.1 of the Credit Derivatives Definitions as modified by the “Successors” provision below.”;
- (iv) in the definition of “Reference Obligation(s)”: deleting the “,” from the fourth line of the first paragraph thereof and replacing it with “and”; deleting the words “and the following

paragraph.” from the end of the first paragraph thereof and replacing them with a period; and deleting the second paragraph thereof in its entirety;

- (v) in the definition of “Business Day Convention”, deleting the words “and 1.6” in the first line thereof and replacing it with the following: “, 1.6, 1.23 and 2.2(i)”;
- (vi) adding the following text as a new paragraph thereof immediately after the definition of “Relevant Annex”:

Successors: Section 2.1 of the Credit Derivatives Definitions is amended by deleting the words “in respect of which ISDA publicly announces on or following the Trade Date” and replacing them with the words “unless the Relevant Annex already reflects the applicable Succession Event, in respect of which ISDA publicly announces on or following the Effective Date of the Index, as set forth in the Relevant Annex,”.

- (vii) in the definition of “Initial Payment”: deleting the words “date that is three Business Days following the Trade” in the third and fourth line thereof and replacing them with “Initial Payment”;
- (viii) in the definition of “Fixed Rate Payer Calculation Period”, adding the following after the words “and the Fixed Rate Payer Payment Date” in the sixth and seventh lines thereof “(determined taking into account the Business Day Convention)”;
- (ix) deleting the definition of “Conditions to Settlement” from Paragraph 4 thereof;
- (x) adding the following after the words “Notice of Publicly Available Information” in Paragraph 4 thereof: “Condition to Settlement”;
- (xi) deleting the words “members of the Index Sponsor (the Index Sponsor, together with its members, the “Index Parties”)” in the fourth and fifth line of paragraph 6.1(b) thereof and replacing them with “participants under the Index Sponsor’s rules governing the Index (the Index Sponsor, together with such participants, the “Index Parties”)”;
- (xii) in the second paragraph of Paragraph 6.5, deleting the words “Notwithstanding that the Settlement Method is Physical Settlement, if” in the first line thereof and replacing them with the following: “If the Fallback Settlement Method applies in respect of a Component Transaction in accordance with Section 12.1 of the Credit Derivatives Definitions and”; deleting the word “the” in the fourth line thereof, inserting a “,” after the word “then” and adding the following after the “,”: “notwithstanding that the Fallback Settlement Method is Physical Settlement, the Fallback”; and deleting the word “the” in the fifth line thereof and replacing it with “such”;
- (xiii) in the third paragraph of Paragraph 6.5, adding the following after the word “to” in the first line thereof: “the Fallback Settlement Method when the Fallback Settlement Method is deemed to be”; and
- (xiv) adding the following as new sub-paragraphs 6.6 and 6.7 at the end thereof:

#### **“6.6 SUCCESSION EVENT BACKSTOP DATE**

If the Master Transaction relates to an Index with an Effective Date prior to June 20, 2012, then for the purposes of any determination as to whether a Succession Event has

occurred in respect of a Reference Entity, if a Succession Event Resolution Request Date occurred before June 20, 2012, the Succession Event Backstop Date with respect to such Reference Entity shall be deemed to be the Effective Date of the Index, as set forth in the Relevant Annex.”

**“6.7 RESTRICTION ON DELIVERY OF CREDIT EVENT NOTICE AND SUCCESSION EVENT NOTICE**

Notwithstanding anything to the contrary in the Credit Derivatives Definitions or these MCDX Untranching Terms, neither Buyer nor Seller may deliver a Credit Event Notice or a Succession Event Notice unless a notice has previously been delivered to ISDA in accordance with the Rules requesting that the relevant Credit Derivatives Determinations Committee be convened to Resolve the matters described in Section 1.24(a) and (b) of the Credit Derivatives Definitions or Section 2.2(j)(i) and (ii) of the Credit Derivatives Definitions, as applicable, with respect to the facts described in such Credit Event Notice or Succession Event Notice, as applicable, and ISDA has publicly announced that either (a) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters or (b) the conditions to convening the relevant Credit Derivatives Determinations Committee to Resolve such matters have not been satisfied in accordance with the Rules. Any Credit Event Notice or Succession Event Notice delivered in breach of the requirements in this Paragraph shall be deemed not to have been delivered.”