
ANNEX 4

to the

2006 CALPINE CDS PROTOCOL

ISDA[®]

INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

Form of Master Confirmation

JPMorgan HYDI Transaction

The purpose of this letter agreement (this “Confirmation”) is to confirm the terms and conditions of the JPMorgan HYDI Transaction entered into between [Dealer] (“[Dealer]”) and [Counterparty] (“Counterparty”) on the Trade Date specified below (the “Transaction”). This Confirmation constitutes a “Confirmation” as referred to in the Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions (the “Credit Derivatives Definitions”), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement as of [●] as amended and supplemented from time to time (the “Agreement”), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The terms of the Transaction to which this Confirmation relates are as follows:

1. Confirmation Process:

The parties intend that this Transaction may be amended from time to time to increase or decrease the Floating Rate Payer Calculation Amount. The initial Floating Rate Payer Calculation Amount shall be identified in a Transaction Supplement executed in connection with the entering into of this JPMorgan HYDI Transaction (the “Transaction Supplement”), a copy of which is attached as Appendix III hereof. All subsequent amendments to the Floating Rate Payer Calculation Amount shall be in the form of such Transaction Supplement. All other agreed terms with respect to this JPMorgan HYDI Transaction shall be as set forth herein.

Each of the parties agree that for purposes of any Credit Event with respect to a Reference Entity which has not been removed from Appendix I as of the date of an amendment, such amendment shall be effective as of the Effective Date defined herein. For purposes of calculating all Fixed Amounts payable subsequent to an amendment, the Fixed Rate Payer Calculation Amount shall be equal to the Current Floating Rate Payer Calculation Amount (as defined in a Transaction Supplement) after giving effect to all amendments with an Amendment Settlement Date occurring during such Fixed Rate Payer Calculation Period. Amendment Settlement Date shall mean, with respect to an Amendment Date, the calendar day following such Amendment Date. The Amendment Settlement Date shall not be subject to any Business Day Convention.

2. Exchange of Transaction Supplements:

The parties shall exchange and execute the initial Transaction Supplement simultaneously with this Confirmation and future Transaction Supplements shall be exchanged upon the occurrence of each amendment to this Transaction. Responsibility for preparation of Transaction Supplements shall be allocated to [Dealer].

3. General Terms of JPMorgan HYDI Transaction:

Trade Date: As identified in the Transaction Supplement

Effective Date: [●]

Accrual Date: The first March 20, June 20 September 20 or December 20 to occur on or prior to the Trade Date; provided, however, that for Transactions (and Amendments) with a Trade Date (or Amendment Date) on or prior to June 20, 2003, the Accrual Date shall be April 1, 2003.

Scheduled Termination Date: September 20, 2008

Termination Date: The later of the Scheduled Termination Date and the Settlement Date (if any) that occurs after the Scheduled Termination Date with respect to an Event Determination Date occurring on or prior to the Scheduled Termination Date.

For purposes of this Transaction, “the date that is fourteen calendar days after” shall be deleted from Section 1.9 of the Credit Derivatives Definitions.

Floating Rate Payer (“Seller”): [Dealer]

Fixed Rate Payer (“Buyer”): Counterparty

Calculation Agent: [Dealer]

Calculation Agent City: New York

Business Day: New York and London

Business Day Convention: Following (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day)

Reference Entity: Except as set forth in (a) below, each of the entities listed in Appendix I to this Confirmation and any respective Successor thereto.

(a) At such time as (i) a Reference Entity is removed in accordance with Section 8 hereof or (ii) an Event Determination Date occurs with respect to such Reference Entity, such Reference Entity shall no longer be a Reference Entity for purposes hereof (other than in connection with all settlement obligations related to such Event Determination Date) and shall be removed from Appendix I.

(b) For purposes of determining a Successor or Successors,

Section 2.2 of the Credit Derivatives Definitions is deemed to be amended as follows:

- (i) The words “each be a Successor for a New Credit Derivative Transaction determined” in Section 2.2(a)(iii) and (iv) are deemed to be replaced by the words “be Successors and each of the Successors will be treated as a separate Reference Entity” and the words “and the Credit Derivative Transaction” in Section 2.2 (a)(v) are deemed to be deleted.
- (ii) Section 2.2(d) of the Credit Derivatives Definitions is amended by including the following at the end thereof: “If a Succession Event occurs with respect to a Reference Entity after an Event Determination Date with respect to such Reference Entity, such Succession Event shall be deemed not to have occurred for the purposes of the Credit Event to which such Event Determination Date relates.”
- (iii) Section 2.2(e) of the Credit Derivatives Definitions is replaced in its entirety with the following:

“Where, pursuant to Section 2.2 (a)(iii) or (iv) above, more than one Successor to a Reference Entity has been identified:

 - (i) Each Successor to such Reference Entity shall be treated as a Reference Entity, and the number of Reference Entities will be increased by the number of Successors to such Reference Entity in excess of one; and
 - (ii) The Applicable Notional Amount for each Successor shall be an amount equal to the original Applicable Notional Amount divided by the number of Successors.

Reference Obligation:	As specified in Appendix I
4. Fixed Payments:	
Fixed Rate Payer Calculation Amount:	An amount equal to the Floating Rate Payer Calculation Amount.
Fixed Rate:	1.00%
Fixed Rate Day Count Fraction:	Actual/360
Fixed Amount:	The amount calculated in accordance with Section 5.1(b) of the Credit Derivatives Definitions; provided, however, that upon the occurrence of an Event Determination Date with respect to any Reference Entity, the Fixed Amount payable with respect to such Reference Entity shall equal

the Applicable Notional Amount for such Reference Entity multiplied by the Fixed Rate multiplied by the Fixed Rate Day Count Fraction. The Fixed Amount relating to such Reference Entity shall be payable by Buyer to Seller on the Physical Settlement Date relating to such Event Determination Date and the Fixed Amount payable on the subsequent Fixed Rate Payer Payment Date shall be adjusted accordingly.

Fixed Rate Payer Payment Dates: Each March 20th, June 20th, September 20th and December 20th

For purposes of determining Fixed Rate Payer Payment Dates, Section 2.10 of the Credit Derivatives Definitions shall be amended as follows:

The words “provided that if an Event Determination Date occurs, the earlier of the Termination Date and the first Settlement Date with respect to the Credit Event to which such Event Determination Date relates, shall be the final Fixed Rate Payer Payment Date” shall be deleted and the following shall be included at the end thereof: “The final Fixed Rate Payer Payment Date shall be the final Settlement Date, if any, occurring after the Scheduled Termination Date.”

Initial Fixed Rate Payer Calculation Period:

The initial Fixed Rate Payer Calculation Period shall commence on and include the Accrual Date.

5. Floating Payment:

Floating Rate Payer
Calculation Amount:

The amount specified in the initial Transaction Supplement, as amended from time to time in accordance with the terms of each subsequent Transaction Supplement.

Applicable Notional Amount:

With respect to any Reference Entity and as of any date of determination:

(i) From and including the Effective Date until and including an Event Determination Date with respect to such Reference Entity, the Floating Rate Payer Calculation Amount divided by the number of Reference Entities identified in Appendix I (as amended in accordance with Sections 3 and 8 hereof), and

(ii) From but excluding the occurrence of an Event Determination Date (other than in connection with all settlement obligations related to such Event Determination Date), zero;

except that, with respect to clauses (i) and (ii), if two or more entities become Successors to any such Reference Entity, the Applicable Notional Amount with respect to such Reference Entity will be allocated to each Successor pursuant to Section 2.2 of the Credit Derivatives Definitions, as amended by this Confirmation.

Conditions to Settlement:

Credit Event Notice

Notifying Party: Buyer or Seller

Notice of Physical Settlement

Notice of Publicly Available Information: Applicable

Credit Events:

The following Credit Events shall apply to this Transaction:

Bankruptcy

Failure to Pay

Grace Period Extension: Not Applicable

Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Obligation(s): *Obligation Category:* *Obligation Characteristics:*
 Borrowed Money None specified

6. Settlement Terms:

Settlement Method: Physical Settlement

Terms Relating to Physical Settlement

Physical Settlement Period: As per Section 8.6 of the Credit Derivatives Definitions, provided that such period shall not exceed 30 Business Days.

Physical Settlement Amount: With respect to each Reference Entity, the Applicable Notional Amount applicable to such Reference Entity.

Deliverable Obligations: Exclude Accrued Interest

Deliverable Obligations:

<i>Deliverable Obligation Category:</i>	<i>Deliverable Obligation Characteristics:</i>
Bond or Loan	Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Maximum Maturity 30 years Transferable Not Bearer Assignable Loan Consent Required Loan

Partial Cash Settlement of Loans: Not Applicable

Escrow: Applicable

7. Early Exchange Option:

Early Exchange Option: Counterparty may, in its sole and absolute discretion, on any Business Day, exchange this Transaction in whole or in part (each such date, the “Early Exchange Date”) by providing written notice to [Dealer] at least three Business Days prior to the Early Exchange Date.

In the event Counterparty exchanges this Transaction:

- (a) The Floating Rate Payer Calculation Amount shall be reduced by an amount equal to the Early Exchange Amount. In the event a designated Early Exchange Date is not a Fixed Rate Payer Period End Date, such reduced Floating Rate Payer Calculation Amount shall apply to the entire Fixed Rate Payer Calculation Period in which the Early Exchange Date occurs;
- (b) Except as provided in (c) below, [Dealer] and Counterparty will enter into the Early Exchange Replacement Transactions; and
- (c) Upon the mutual consent of each of [Dealer] and Counterparty (which consent may be withheld in either party's sole and absolute discretion), [Dealer] and Counterparty may elect Early Exchange Cash Settlement.

Early Exchange Amount: The amount of the Transaction which Counterparty elects to exchange in accordance with the terms hereof (such amount not to be less than USD 2,000,000 for each Reference Entity unless Counterparty is exchanging the entire Transaction).

Early Exchange Cash Settlement: If the parties elect Early Exchange Cash Settlement, the Calculation Agent shall determine the Early Exchange Cash Settlement Amount payable by [Dealer] or Counterparty. The Early Exchange Cash Settlement Amount shall be paid by [Dealer] or Counterparty (as applicable) no later than three Business Days after the Early Exchange Date.

If the parties elect Early Exchange Cash Settlement, the parties will not enter into the Early Exchange Replacement Transactions.

Early Exchange Cash Settlement Amount: The amount that would be payable by a party in accordance with the terms of Section 6(e) of the Agreement with respect to the termination of this Transaction, assuming (i) the Floating Rate Payer Calculation Amount and the Fixed Rate Payer Calculation Amount were equal to the Early Exchange Amount; (ii) Counterparty is the sole Affected Party; and (iii) Market Quotation and Second Method are applicable.

Early Exchange Replacement Transactions:

[Dealer] and Counterparty will enter into a credit default swap transaction in the form of Appendix II with respect to each Reference Entity with the following terms:

The Floating Rate Payer Calculation Amount and the Fixed Rate Payer Calculation Amount will be equal to the Early Exchange Amount divided by the number of Reference Entities as of such date; provided, however, that if any Reference Entity is a Successor, the Floating Rate Payer Calculation Amount and the Fixed Rate Payer Calculation Amount shall be adjusted accordingly.

8. Reference Entity Removal:

Reference Entity Removal:

If Morgan Stanley Capital Services Inc. notifies [Dealer] that it has determined (in its sole and absolute discretion) that the credit default swap market with respect to a Reference Entity is less liquid than such market as of April 1, 2003, [Dealer] will promptly notify Counterparty of such determination and [Dealer] shall, upon three Business Day's prior written notice to Counterparty, remove such Reference Entity from Appendix I (such entity a "Removed Reference Entity") as of the date designated in the notice (the "Reference Entity Removal Date").

In the event [Dealer] removes a Reference Entity:

- (a) For purposes of calculating the Fixed Amount, the Removed Reference Entity shall be deemed removed as of the Fixed Rate Payer Period End Date immediately prior to the corresponding Reference Entity Removal Date, provided, however, if such Reference Entity Removal Date occurs on a Fixed Rate Payer Period End Date, such Reference Entity shall be removed as of such Fixed Rate Payer Period End Date.
- (b) Except as provided in (c) below, [Dealer] and Counterparty will enter into the Removed Reference Entity Replacement Transaction; and
- (c) Upon the mutual consent of each of [Dealer] and Counterparty (which consent may be withheld in either party's sole and absolute discretion), [Dealer] and Counterparty may elect Removed Reference Entity Cash Settlement.

Removed Reference Entity Replacement Transaction:

[Dealer] and Counterparty will enter into a credit default

swap transaction in the form of Appendix II with the following terms:

The Floating Rate Payer Calculation Amount and the Fixed Rate Payer Calculation Amount will be equal to the Applicable Notional Amount attributable to the Reference Entity which is the Removed Reference Entity; and

The Reference Entity will be the Removed Reference Entity.

Removed Reference Entity
Cash Settlement:

If the parties elect Removed Reference Entity Cash Settlement, the Calculation Agent shall determine the Removed Reference Entity Cash Settlement Amount payable by Counterparty or [Dealer]. The Removed Reference Entity Cash Settlement Amount shall be paid by Counterparty or [Dealer] (as applicable) no later than three Business Days after the Reference Entity Removal Date. If the parties elect Removed Reference Entity Cash Settlement, the parties will not enter into the Removed Reference Entity Replacement Transaction.

Removed Reference Entity
Cash Settlement Amount:

The amount that would be payable by a party in accordance with the terms of Section 6(e) of the Agreement with respect to the termination of a transaction (with Counterparty as the sole Affected Party and Market Quotation and Second Method applicable) with terms identical to this Transaction with the following modifications: (i) a Floating Rate Payer Calculation Amount and Fixed Rate Payer Calculation Amount equal to the Applicable Notional Amount attributable to the Removed Reference Entity and (ii) Reference Entity is the Removed Reference Entity.

9. Additional Provisions:

- (i) This Transaction allows the Conditions to Settlement to be satisfied on multiple occasions with respect to the Reference Entities (but on one occasion only with respect to each Reference Entity) and the Credit Derivatives Definitions shall be construed accordingly and, in particular:

Section 3.1 (Settlement) shall be amended to read as follows:

“Upon the occurrence of a Credit Event with respect to a Reference Entity or with respect to any Obligation(s) of a Reference Entity and satisfaction of all the Conditions to Settlement with respect to that Credit Event, the parties shall perform their respective obligations with respect to

that Credit Event in accordance with the applicable Settlement Method.”

- (ii) For purposes of this Transaction, Section 2.31 of the Credit Derivatives Definitions shall be deleted in its entirety.

10. Notice and Account Details:

Contact Details for Notices:

[Dealer]:

Counterparty:

Account Details:

Account Details of [Dealer]:

Account Details of Counterparty:

11. [Dealer] Documentation and Operations Officers:

Documentation:

Swap Operations:

12. Governing Law:

This Transaction will 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 this provision will be superseded by any choice of law provision contained in the Agreement.

13. Confirmation:

Please confirm that the foregoing correctly sets forth the terms of our agreement for [Dealer] Reference Number [●] by executing this Confirmation in the space provided below and returning a copy via fax to the contact set forth above.

Please contact the undersigned immediately if the terms and conditions of this Confirmation are not in accordance with your understanding of this agreement.

We are delighted to have entered into this Transaction with you, and we look forward to working with you again.

[DEALER]

By: _____
Name:
Title:

Acknowledged and Agreed: [Counterparty]

By: _____
Name:
Title:

Appendix I

JPMorgan HYDI Transaction
Schedule of Reference Entities and Reference Obligations

Reference Entity	Reference Obligation		
	Coupon	Maturity	CUSIP
[●]	[●]	[●]	[●]