
ANNEX 1

to the

2006 CALPINE CDS PROTOCOL

ISDA[®]

INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

Confirmation of OTC
Credit Swap Transaction
Physical Settlement
Dealer sells protection

[DATE]

[Counterparty Name]

RE: Credit Swap Transaction Relating to [_____]

Dear Sirs,

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 1999 ISDA Credit Derivatives Definitions, as supplemented by the Restructuring Supplement dated May 11, 2001, as supplemented by the Supplement Relating to Convertible, Exchangeable or Accreting Obligations dated November 9, 2001, [and as supplemented by the Supplement Relating to Successor and Credit Events dated November 28, 2001](#) (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 dated as of \[DATE\], 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. General Terms:

Trade Date: []

Effective Date: []

Scheduled Termination Date: []

Floating Rate Payer: (the "Seller")

Fixed Rate Payer: []
(the "Buyer")

Calculation Agent: []
(the "Dealer")

Calculation Agent City: [New York](#)

Business Days: New York and solely for the purposes of Physical Settlement, if

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applicable, a day in any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligation(s) being Delivered in the Portfolio.

Business Day Convention: Modified Following (which shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entity: []

Reference Price: 100%

2. Fixed Payments:

Fixed Amount: USD []

Fixed Rate Payer Payment Date: []

3. Floating Payment:

Floating Rate Payer Calculation Amount: []

Conditions to Payment: Credit Event Notice

Notifying Parties: Buyer or Seller

Notice of Intended Physical Settlement

Notice of Publicly Available Information: Applicable

Public Sources: Standard Public Sources

Specified Number: Two

Credit Event: 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): For the purposes of the table below:

“Yes” shall mean that the relevant selection is applicable; and
 “No” shall mean that the relevant selection is not applicable.

Obligation Categories: <i>(Select only one)</i>	Obligation Characteristics: <i>(Select all that apply)</i>
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No	Payment	No	Pari Passu Ranking
Yes	Borrowed Money	No	Specified Currency – Standard Specified Currencies
No	Reference Obligation(s) Only	No	Not Sovereign Lender
No	Bond	No	Not Domestic Currency
No	Loan	No	Not Domestic Law
No	Bond or Loan	No	Listed
		No	Not Contingent
		No	Not Domestic Issuance

4. Settlement Terms:

Settlement Method: Physical Settlement

Settlement Currency: USD

Terms Relating to Physical Settlement:

Physical Settlement Period: As per Section 8.6 of the Credit Derivative Definitions not to exceed 30 Business Days

Portfolio: Exclude Accrued Interest

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Deliverable Obligations:

For the purposes of the table below:

“Yes” shall mean that the relevant selection is applicable; and

“No” shall mean that the relevant selection is not applicable.

Deliverable Obligation Categories: <i>(Select only one)</i>		Deliverable Obligation Characteristics: <i>(Select all that apply)</i>	
No	Payment	Yes	Pari Passu Ranking
No	Borrowed Money	Yes	Specified Currency – Standard Specified Currencies
No	Reference Obligation(s) Only	No	Not Sovereign Lender
No	Bond	No	Not Domestic Currency
No	Loan	No	Not Domestic Law
Yes	Bond or Loan	No	Listed
		Yes	Not Contingent
		No	Not Domestic Issuance
		Yes	Assignable Loan
		Yes	Consent Required Loan
		No	Direct Loan Participation
		No	Indirect Loan Participation
		Yes	Transferable
		30 years	Maximum Maturity
		No	Accelerated or Matured
		Yes	Not Bearer

Partial Cash Settlement of Loans: Not applicable

Partial Cash Settlement of Assignable Loans: Not applicable

Partial Cash Settlement of Participations: Not applicable

Escrow: Applicable

5. **Dispute Resolution:** Applicable

6. Notice and Account Details:

Notice and Account Details for **Inquiries regarding payments and/or rate resettlings only:**
[Dealer]:

All other inquiries and notices should be sent to:

All inquiries regarding confirmations should be sent to:

Account for Payments:

Notice and Account Details in
respect of the relevant
counterparty hereof:

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it to us.

Yours sincerely,

By: _____

Confirmed as of the date first above written:

By: _____
Name:
Title: