
ANNEX 2

to the

2006 CALPINE CDS PROTOCOL

ISDA[®]

INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

**Dow Jones TRAC-X NA High Yield Series 2 March 2009
CREDIT DERIVATIVE TRANSACTION
Master Confirmation**

Parties should note that this Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction and each Transaction (as hereinafter defined) relates to the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Index as launched on December 4, 2003, and does not relate to any other previous or future TRAC-X NA index. Accordingly, parties should not rely on any previous communications relating to any other TRAC-X transactions.

This Dow Jones TRAC-X NA High Yield Series 2 March 2009 Master Credit Derivative Transaction Master Confirmation ("Master Confirmation") is dated as of [], 2003 between [] ("Party A") and [] ("Party B").

The parties wish to facilitate the process of entering into and confirming the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction (the "Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction") and accordingly agree as follows:

1. Credit Derivatives Definitions. This Master Confirmation hereby incorporates by reference the 2003 ISDA Credit Derivatives Definitions, as amended and supplemented by the May 2003 Supplement to such Definitions, each as published by the International Swaps and Derivatives Association (as so supplemented, the "2003 Definitions"). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the 2003 Definitions. In the event of any inconsistency between the 2003 Definitions and this Master Confirmation, this Master Confirmation will govern.
2. Transaction Type: Pursuant to the terms of this Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction Master Confirmation, the parties agree to enter into a separate and independent credit derivative transaction (each a "**Transaction**") with respect to each Reference Entity specified in Annex 1.

Each such Transaction shall have the terms specified in the **Form of Confirmation** below as supplemented by the terms specified in Annex 1 and Annex 2 with respect to such Transaction. All rights and obligations of the parties with respect to each such Transaction shall be determined by reference to such Form of Confirmation as so supplemented.

3. Relationship of Transactions: Except as expressly set forth herein, each of the Transactions constitute a separate and independent transaction between

the parties with respect to each Reference Entity specified on Annex 1 and shall not be affected by the terms or existence of any other Credit Derivative Transaction between the parties and shall operate independently of each other Transaction in all respects including the occurrence of a Termination Date and the application of Provisions for Determining a Successor pursuant to the 2003 Definitions. The termination for whatever reason of any single Transaction shall have no effect on any other Transaction hereunder (other than the occurrence or designation of an Early Termination Date following the occurrence of an Event of Default, Termination Event, Additional Termination Event or similar event under the Agreement).

4. Unwinding or Assigning Transactions: Each Transaction has been entered into on the condition that all other Transactions evidenced by this Master Confirmation shall be entered into simultaneously. In accordance with the foregoing, no portion of any Transaction may be assigned or terminated prior to its scheduled maturity without assigning or terminating each other Transaction.
5. Notional Amount of each Transaction:
 - (a) The parties agree that the Fixed Rate Payer Calculation Amount and the Floating Rate Payer Calculation Amount for each Transaction shall be equal to the Notional Amount at any time multiplied by the Credit Position (as set forth in Annex 1) of the relevant Reference Entity, subject to the occurrence of a Succession Event.
 - (b) In the event that a Succession Event occurs with respect to any Reference Entity, the Calculation Agent shall determine the Successors, if any, with respect thereto. As a result of such Succession Event, it is possible that (a) the Fixed Rate Payer Calculation Amount and Floating Rate Payer Calculation Amount relating to that Reference Entity may be reduced (as low as zero) or may be apportioned among one or more other entities in respect of which the parties will then be deemed to have entered into a Transaction. Such reduction or apportionment may occur as the result of a Succession Event occurring before, on or after the Effective Date of a Transaction. For purposes of this Master Confirmation, the phrase “the relevant Credit Derivative Transaction will be divided in the name number of new Credit Derivative Transactions (the New Credit Derivative Transactions)” shall be deleted and replaced with the phrase “the Credit Position of such Reference Entity will be divided by the number of Successors” and the provisions of Section 2.2(e) of the 2003 Definitions shall be construed accordingly.
6. Confirmation Process. The parties intend that this Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction may be amended from time to time to increase or decrease the Notional Amount (as defined below). The initial Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction Notional Amount shall be indicated in the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction

Supplement executed in connection with the entering into of this Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction, a copy of which is attached as Annex 2 hereof. All subsequent amendments to the Notional Amount shall be in the form of such Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement.

Each of the parties agrees that for purposes of determining the occurrence of a Credit Event with respect to a Reference Entity, any amendment to increase or decrease the Notional Amount shall be effective as of the Effective Date of this Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction. For purposes of calculating all Fixed Amounts, amendments with an Amendment Settlement Date during a Calculation Period shall be effective for the entire Calculation Period. As used herein, "Amendment Settlement Date" shall mean, with respect to an Amendment Date (as set forth in the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement), the calendar day following such Amendment Date. The Amendment Settlement Date shall not be subject to any Business Day Convention.

[if master is signed use this paragraph - If the parties are parties to an ISDA Master Agreement or an Interest Rate and Currency Exchange Agreement (each an "Agreement"), this Master Confirmation supplements, forms a part of, and is subject to such Agreement. In the event that we are parties to multiple Agreements, this Master Confirmation supplements, forms a part of, and is subject to the Agreement most recently executed between the parties.]

[if no master is signed use this paragraph - This Master Confirmation evidences a complete and binding agreement between the parties as to the terms of each Transaction to which this Master Confirmation relates. If the parties are not yet parties to an Agreement, the parties agree to use all reasonable efforts promptly to negotiate, execute and deliver an agreement in the form of the ISDA Master Agreement (Multicurrency-Cross Border) (the "ISDA Form"), with such modifications as the parties will in good faith agree. Upon the execution by the parties of such an agreement, this Master Confirmation will supplement, form a part of, and be subject to that agreement, which will be deemed to be the "Agreement" for purposes hereof. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this Master Confirmation except as expressly modified below. Until we execute and deliver that Agreement, this Master Confirmation, together with all other documents referring to the ISDA Form (each a "Confirmation") confirming transactions (each a "Transaction") entered into between us (notwithstanding anything to the contrary in a Confirmation), shall supplement, form a part of, and be subject to, an agreement in the form of the ISDA Form as if we had executed an agreement in such form (but without any Schedule except for the election of [New York] [English] law as the governing law and U.S. Dollars as the Termination Currency) on the Trade Date of the first such Transaction between us, which will be deemed to be the "Agreement" for purposes hereof. In the event of any

inconsistency between the provisions of that agreement and this Master Confirmation, this Master Confirmation will prevail for the purpose of this Transaction.]

The parties shall exchange and execute the initial Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement simultaneously with this Master Confirmation and future Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplements shall be exchanged upon the occurrence of each amendment to this Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction. Responsibility for preparation of the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplements shall be allocated to [DEALER].

7. Miscellaneous

- (a) Entire Agreement. This Master Confirmation constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect specifically thereto. For the avoidance of doubt, this Master Confirmation shall be deemed to include the Exhibit and Annexes attached hereto.
- (b) Amendments. No amendment, modification or waiver in respect of this Master Confirmation will be effective unless in writing and executed by each of the parties, confirmed by an exchange of telexes or matched through the Depository Trust Corporation Credit Derivatives Clearing System. For the avoidance of doubt, this section shall not apply to amendments made by means of a Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement to the Notional Amount which shall be effective in the manner detailed herein.
- (c) Counterparts. This Master Confirmation and each Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement documented hereunder may be executed in counterparts, each of which will be deemed an original.
- (d) Headings. The headings used in this Master Confirmation are for convenience of reference only and shall not affect the construction of or be taken into consideration in interpreting this Master Confirmation.

8. Form of Confirmation (applicable with respect to each Transaction):

Trade Date: As shown on the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement

Effective Date: [●]

FORM OF MASTER CONFIRMATION FOR COVERED TRAC-X NA HY SERIES 2 UNTRANCHED TRANSACTIONS

Scheduled Termination Date:	March 20, 2009
Accrual Date:	If the Trade Date occurs prior to December 19, 2003, the Accrual Date shall be the Effective Date and thereafter the Accrual Date shall be the Scheduled Accrual Date occurring immediately prior to or on the Trade Date: provided, however that if the Trade Date occurs one day prior to a Scheduled Accrual Date then the Accrual Date shall be the Scheduled Accrual Date immediately following the Trade Date.
Scheduled Accrual Date:	Each September 20, December 20, March 20, June 20 occurring during the Term.
Upfront Amount:	As shown on the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement
Floating Rate Payer:	The "Seller" as shown on the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement
Fixed Rate Payer:	The "Buyer" as shown on the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement
Calculation Agent:	[DEALER]
Calculation Agent City:	New York
Business Day:	New York
Business Day Convention:	Following (which, subject to Sections 1.4 and 1.6 of the 2003 Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).
Reference Entity:	As shown in Annex 1
Reference Obligation(s) for Physical Settlement:	The Benchmark Obligation shown in Annex 1
Reference Price:	100%

9. Fixed Payments:

Fixed Rate Payer Calculation Amount: The Floating Rate Payer Calculation Amount

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

Fixed Rate Payer Payment Dates: Each March 20, June 20, September 20 and December 20 in each year.

Fixed Rate: []%

Fixed Rate Day Count Fraction: Actual/360

10. Floating Payment:

Floating Rate Payer Calculation Amount: The Notional Amount specified in the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Transaction Supplement multiplied by the Credit Position of the Reference Entity specified in Annex 1.

- Conditions to Settlement:
- Credit Event Notice
 - Notifying Party: Buyer or Seller
 - Notice of Physical Settlement: Applicable
 - Notice of Publicly Available Information: Applicable

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>	
No	Payment	No	Not Subordinated
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 Domestic Issuance

11. Settlement Terms:

Physical Settlement shall apply in all cases unless:

- (1) the relevant Floating Rate Payer Calculation Amount is less than USD 50,000 in which case the Cash Settlement Fallback shall apply to that Transaction, or*
- (2) a Loan with an outstanding principal balance of less than USD 1,000,000 is specified in the Notice of Physical Settlement with respect to a Transaction, in which case the Cash Settlement Fallback shall apply to such Loan only (with the balance of the Transaction settled in accordance with the Physical Settlement procedures set forth herein).*

For the avoidance of doubt, neither party to the Transactions shall have the right to select which Settlement Method will apply.

Physical Settlement Terms:

Settlement Method: Physical Settlement

Settlement Currency: The currency of denomination of the Floating Rate Payer Calculation Amount.

Terms Relating to Physical Settlement:

Physical Settlement Period: As Specified in Section 8.6 of the 2003 Definitions but in no event longer than thirty (30) Business Days.

Deliverable Obligations: Exclude Accrued Interest

Deliverable Obligation Category and Characteristics: 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	Not Subordinated
No	Borrowed Money	Yes	Specified Currency – Standard

FORM OF MASTER CONFIRMATION FOR COVERED TRAC-X NA HY SERIES 2 UNTRANCED TRANSACTIONS

			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
		Yes	Transferable
		Yes – 30 years	Maximum Maturity
		No	Accelerated or Matured
		Yes	Not Bearer

Partial Cash Settlement of
Consent Required Loans: Not Applicable

Partial Cash Settlement
of Assignable Loans: Not Applicable

Partial Cash Settlement of
Participations: Not Applicable

Escrow: Applicable

Cash Settlement Fallback:

The following provisions shall only apply if:

- (1) the relevant Floating Rate Payer Calculation Amount is less than USD 50,000, or*
- (2) a Loan with an outstanding principal balance of less than USD1,000,000 is specified in the Notice of Physical Settlement with respect to a Transaction, in which case the Cash Settlement Fallback shall apply to such Loan only (with the balance of the Transaction settled in accordance with the Physical Settlement procedures set forth herein).*

Cash Settlement Date: 5 Business Days

Valuation Date: Single Valuation Date

Notwithstanding any provision of the 2003 Definitions, the Valuation Date shall be any date selected in the sole discretion of [Dealer] from and including the 5th to and including the 112th Business Day after the Event Determination Date.

Quotation Method: Bid

Quotation Amount: Any amount determined in the sole discretion of [Dealer] that is not greater than USD **20,000,000**.

Dealers: As selected by the Calculation Agent in its sole discretion, at least five dealers in obligations of the type of obligations for which Quotations are to be obtained (which may include any such dealer which is an Affiliate of the Calculation Agent).

Quotations: Exclude Accrued Interest

Valuation Method: Market

Reference Obligation for Cash Settlement: In the event that the Cash Settlement Fallback applies to a Loan specified in the Notice of Physical Settlement, that Loan shall be the Reference Obligation.

In any other case, the Reference Obligation shall be an obligation that is selected in the sole discretion of the Calculation Agent that is either:

- (1) the Benchmark Obligation, if any, specified for the Reference Entity or
- (2) an obligation of the Reference Entity that would qualify as a Deliverable Obligation for the purposes of the Physical Settlement Terms, as determined in the sole discretion of the Calculation Agent.

Solely for the purpose of determining whether an obligation would qualify as a Deliverable Obligation, all references in the 2003 Definitions to Physical Settlement Date shall be deemed to be references to the Valuation Date and Physical Settlement shall be deemed to be applicable.

In selecting a Reference Obligation, the Calculation Agent shall not be liable to account for any profit made by [Dealer] or for any loss suffered by any other person as a result of such selection. In selecting such a Reference Obligation, the Calculation Agent may act in the economic interests of [Dealer] and shall not be required to consider the economic interests of any other party.

12. Section 2.31: Section 2.31 of the 2003 Definitions shall not apply to this Transaction.

13. Notice and Account Details:

Notice and Account
Details for Party A:

Notice and Account
Details for Party B:

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Transaction by signing in the space provided below and sending the executed Confirmation by facsimile to [DEALER].

Very truly yours,
[DEALER]

Acknowledged and Agreed:
[COUNTERPARTY]

By: _____ By: _____
Name: Name:
Title: Title:

Annex 1

**Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit
Derivative Transaction
Schedule of Reference Entities and Benchmark Obligations**

REFERENCE ENTITY	COUPON	MATURITY	CUSIP	CREDIT POSITION
[•]	[•]	[•]	[•]	[•]

Annex 2

Dow Jones TRAC-X NA High Yield Series 2 March 2009 TRANSACTION
SUPPLEMENT

Date:	
To:	From: [DEALER]
Attn.:	Contact:
Fax:	Fax:
Tel.:	Tel.:

Re: [DEALER] Transaction Reference Number [NUMBER]

**Dow Jones TRAC-X NA High Yield Series 2 March 2009
TRANSACTION SUPPLEMENT**

Transaction Supplement to Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction between [DEALER] [(the “Buyer”)] [(the “Seller”)] and [COUNTERPARTY] [(the “Buyer”)] [(the “Seller”)] .

The purpose of this Transaction Supplement is to set forth certain terms with respect to the above referenced Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction and, if specified, to amend the Notional Amount from time to time.

This communication supplements, forms part of, and is subject to the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction Master Confirmation Agreement dated [DATE] (the “Confirmation”) which confirms the terms of the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction. All provisions contained in or incorporated by reference in such Confirmation shall continue to govern the Dow Jones TRAC-X NA High Yield Series 2 March 2009 Credit Derivative Transaction, except as expressly modified below.

Trade Date/ Amendment Date	[Initial Notional Amount (USD)] [Adjustment to Notional Amount (USD)]	Upfront Amount [() [amount][]] () = [DEALER] pays (otherwise, [DEALER] receives)

Upfront Amounts are payable on the third Business Day following the Trade Date or Amendment Date (as applicable).

All other terms set forth in the Confirmation and not expressly modified herein shall remain unchanged.

FORM OF MASTER CONFIRMATION FOR COVERED TRAC-X NA HY SERIES 2 UNTRANCHED TRANSACTIONS

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Transaction by signing in the space provided below and sending the executed Confirmation by facsimile to [DEALER].

Very truly yours,
[DEALER]

Acknowledged and Agreed:
[COUNTERPARTY]

By: _____ By: _____
Name: Name:
Title: Title: