

Master Securities Forward Transaction Agreement

Dated as of _____

Between: _____

and _____

1. Applicability

From time to time the parties hereto may enter into transactions for the purchase or sale of mortgage-backed and other asset-backed securities and such other securities as may be set forth in Annex I hereto (“Securities”), including pursuant to when-issued, TBA, dollar roll and other transactions that result or may result in the delayed delivery of Securities. Each such transaction shall be referred to herein as a “Transaction” and, unless otherwise agreed in writing, shall be governed by this agreement, including any supplemental terms or conditions contained in Annex I hereto, and in any other annexes identified herein or therein as applicable hereunder (this “Agreement”). In the event of any inconsistency or conflict between the body of this Agreement and any Annex to this Agreement, the terms of such Annex shall govern.

2. Definitions

- (a) “Act of Insolvency”, with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party seeking the appointment or election of a receiver, conservator, trustee, custodian, administrator or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election; (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment or election, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days; (iii) the making by such party of a general assignment for the

benefit of creditors; or (iv) the admission in writing by such party of such party's inability to pay such party's debts as they become due;

- (b) "Additional Margin Amount", with respect each party, such amount (or aggregate of amounts) as the parties may agree in Annex I hereto or otherwise; or, in the absence of such an agreement, zero;
- (c) "Business Day", any day on which the Federal Reserve Bank of New York and the government securities markets are open for business, or such other day as may be specified by the parties in Annex I hereto;
- (d) "Buyer", the party purchasing the Securities;
- (e) "Close of Business", the close of the Fedwire Funds Service operated by the U.S. Federal Reserve Banks, or any successor service or services;
- (f) "Collateral", the meaning specified in Paragraph 4(d) hereof;
- (g) "Confirmation", the meaning specified in Paragraph 3(b) hereof;
- (h) "Current Margin Amount", with respect to a party, an amount equal to the excess, if any, of (i) the sum of such party's Net Forward Exposure and the other party's Additional Margin Amount over (ii) the sum of such party's Additional Margin Amount and the other party's Threshold;
- (i) "Eligible Forward Collateral", U.S. dollar cash, U.S. Treasury securities, such other securities as the parties may agree in an annex hereto or otherwise, or any other securities acceptable to the In-the-Money Party in its sole discretion;
- (j) "Event of Default", any of the following events:
 - (i) Buyer fails to make on the Settlement Date of any Transaction any payment of funds required pursuant to such Transaction and, if a cure period is specified in Annex I for this clause (i), such failure continues longer than such cure period;
 - (ii) Seller fails to make when due any payment required by Paragraph 8(i) and, if a cure period is specified in Annex I for this clause (ii), such failure continues longer than such cure period;
 - (iii) if the parties have indicated in Annex I hereto that this clause (iii) shall apply, Seller fails to make on the Settlement Date of any Transaction any delivery of Securities required pursuant to such Transaction and, if a cure period is specified in Annex I for this clause (iii), such failure continues longer than such cure period;
 - (iv) either party fails to perform any covenant or obligation required to be performed by it under Paragraph 4 of this Agreement and, if a cure period is specified in Annex I for this clause (iv), such failure continues longer than such cure period;

(v) either party fails to transfer Eligible Forward Collateral when required pursuant to Paragraph 8(ii) and, if a cure period is specified in Annex I for this clause (v), such failure continues longer than such cure period;

(vi) either party fails to make when due any payment required by Paragraph 8(iii) and, if a cure period is specified in Annex I for this clause (vi), such failure continues longer than such cure period;

(vii) an Act of Insolvency occurs with respect to either party;

(viii) any representation made by either party shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated; or

(ix) an officer (or person reasonably believed to be an officer) of either party shall admit to the other party its inability to, or its intention not to, perform its obligations hereunder;

- (k) “Excess Forward Collateral Amount”, with respect to either party, the excess, if any, of (i) the Margin Value of any Forward Collateral transferred to such party (and not returned) over (ii) such party’s Current Margin Amount;
- (l) “Forward Collateral”, the meaning specified in Paragraph 4(a) hereof;
- (m) “Forward Exposure”, with respect to any party and a Transaction on any date, the amount of loss, if any, such party would incur upon canceling such Transaction and entering into a replacement transaction by reference to the price for such replacement transaction on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source;
- (n) “In-the-Money Party”, the meaning specified in Paragraph 4(a) hereof;
- (o) “Margin Percentage”, with respect to U.S. dollar cash, 100%; and, with respect to any other Forward Collateral, the percentage agreed between the parties in Annex I hereto or otherwise, or, in the absence of such an agreement, determined by the In-the-Money Party;
- (p) “Margin Value”, with respect to any Forward Collateral, the Market Value of such Forward Collateral divided by the applicable Margin Percentage;
- (q) “Market Value”, with respect to any Forward Collateral consisting of securities as of any date, the price for such securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued principal and/or interest to the extent not included therein (other than any such income transferred to the Pledgor thereof) as of such date (unless contrary to market practice for such securities), and with respect to any Forward Collateral consisting of U.S. dollar cash, the amount thereof;

- (r) “Minimum Transfer Amount”, with respect to each party, such amount as the parties may agree in Annex I hereto or otherwise; or, in the absence of such an agreement, zero;
- (s) “Net Forward Exposure”, with respect to either party on any date, the aggregate amount of such party’s Forward Exposure on such date under all Transactions hereunder, reduced by the aggregate amount of the other party’s Forward Exposure on such date under all Transactions hereunder, determined in each case without taking into account Forward Exposure with respect to Transactions with a Settlement Date on or before such date;
- (t) “Net Unsecured Forward Exposure”, with respect to either party, the excess, if any, of (i) such party’s Current Margin Amount over (ii) the Margin Value of any Forward Collateral transferred to such party (and not returned);
- (u) “Out-of-the-Money Party”, the meaning specified in Paragraph 4(a) hereof;
- (v) “Pledgee”, the meaning specified in Paragraph 4(d) hereof;
- (w) “Pledgor”, the meaning specified in Paragraph 4(d) hereof;
- (x) “Prime Rate”, the prime rate of U.S. commercial banks as published in The Wall Street Journal (or, if more than one such rate is published, the average of such rates);
- (y) “Secured Obligation”, the meaning specified in Paragraph 4(d) hereof;
- (z) “Seller”, the party selling the Securities;
- (aa) “Settlement Date”, the date agreed upon by the parties for the payment of funds and the delivery of the Securities;
- (bb) “Threshold Amount”, with respect to each party, such amounts (or aggregate of amounts) as the parties may agree in Annex I hereto or otherwise; or, in the absence of such an agreement, zero; and
- (cc) “Trade Date”, the date on which the parties enter into a Transaction.

3. Initiation and Confirmation

- (a) An agreement to enter into a Transaction may be made orally or in writing at the initiation of either party and shall be legally binding from the moment such agreement is made.
- (b) Upon agreeing to enter into a Transaction hereunder, one or both parties, as shall be agreed, shall promptly deliver to the other party a confirmation, in writing or as otherwise agreed and in accordance with market practice, of each Transaction (a “Confirmation”). The Confirmation, together with this Agreement, shall constitute prima facie evidence of the terms agreed between the parties with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this

Agreement, this Agreement shall prevail unless such Confirmation has been executed by both parties.

4. Margin Maintenance

- (a) If at any time a party (the “In-the-Money Party”) shall have a Net Unsecured Forward Exposure that exceeds the Minimum Transfer Amount of the other party (the “Out-of-the-Money Party”), the In-the-Money Party may by notice to the Out-of-the-Money Party require the Out-of-the-Money Party to transfer to the In-the-Money Party Eligible Forward Collateral (together with any interest, dividends or other distributions thereon and proceeds thereof, “Forward Collateral”) having a Margin Value sufficient to eliminate such Net Unsecured Forward Exposure.
- (b) If at any time a party shall have an Excess Forward Collateral Amount that exceeds such party’s Minimum Transfer Amount, the other party may by notice require such party to transfer to the other party Forward Collateral with a Margin Value at least equal to such Excess Forward Collateral Amount.
- (c) If any notice is given by a party to the other party under subparagraph (a) or (b) of this Paragraph 4 by 10:00 a.m. New York time on any Business Day, the party receiving such notice shall transfer Forward Collateral as provided in such subparagraph no later than the Close of Business on such Business Day; if such notice is received after 10:00 a.m. New York time on any Business Day or on a day that is not a Business Day, the party receiving such notice shall transfer such Forward Collateral no later than the Close of Business on the next Business Day.
- (d) Any party obligated to provide Forward Collateral pursuant to subparagraph (a) of this Paragraph (“Pledgor”) hereby grants to the other party (“Pledgee”) a continuing first priority security interest in and right of setoff against all Forward Collateral and all securities, money and other property, now or hereafter delivered by or on behalf of Pledgor to or for the benefit of Pledgee in connection with this Agreement or any Transaction, or now or hereafter held or carried by or on behalf of Pledgee in connection with this Agreement or any Transaction, and all proceeds of any of the foregoing (collectively, the “Collateral”), as security for the payment and performance by Pledgor of all obligations of Pledgor to Pledgee under this Agreement (the “Secured Obligations”). Pledgee shall be entitled to repledge (including to secure loans or other extensions of credit to Pledgee or other of its obligations, which obligations may be in amounts greater than , and may extend for periods of time longer than, the periods during which Pledgee is entitled to the Collateral as security for the obligations of Pledgor) or otherwise use, rehypothecate, sell, transfer, assign or enter into repurchase transactions with respect to any and all Collateral; provided, however, that no such transaction shall relieve Pledgee of any of its obligations under this Agreement, including without limitation the obligation to transfer Collateral to Pledgor pursuant to the terms of this Agreement.
- (e) The Pledgor of Forward Collateral may, subject to agreement with and acceptance by the Pledgee thereof, substitute other Eligible Forward Collateral for any Forward Collateral. Such substitution shall be made by transfer to the Pledgee of such other Eligible Forward Collateral and transfer to the Pledgor of

such Forward Collateral. After substitution, the substituted Eligible Forward Collateral shall constitute Forward Collateral.

- (f) Transfers of cash and securities Forward Collateral shall be made in the same manner as the transfer of cash and Securities under Paragraph 5 of the Agreement.

5. Payment and Transfer; Market Practice

- (a) Unless otherwise agreed, each Transaction shall be settled on a delivery-versus-payment basis and payment shall be made in immediately available funds to Seller or upon Seller's order. None of Seller's property interest in the Securities shall pass to Buyer until such delivery and payment are made. Transfers of funds and Securities shall be made to such accounts as the parties shall agree with respect to a Transaction. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, (ii) shall be transferred on the book-entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer.
- (b) Each party will comply with, and this Agreement and each Transaction is subject to, including with regard to settlement, the market practice for the type of Transaction involved, including provisions of the *Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities* applicable to transactions in certain securities between dealer members of Securities Industry and Financial Markets Association (the "Association"), as currently in effect, or successor provisions thereto (the "Uniform Practices"), regardless of whether both parties are dealers or members of the Association, to the extent that such market practice (including the *Uniform Practices*) does not conflict with the terms of this Agreement or any Confirmation for any Transaction.

6. Representations

Each party represents and warrants to the other party that (i) it is duly authorized to execute and deliver this Agreement, to enter into Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance; (ii) it will engage in such Transactions as principal (or, if agreed in writing, in the form of an annex hereto or otherwise, in advance of any Transaction by the other party hereto, as agent for a disclosed principal); (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal); (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect; and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Trade Date for any Transaction each party shall be deemed to repeat all of the foregoing representations made by it.

7. Events of Default

If an Event of Default occurs with respect to a party:

- (a) The nondefaulting party may, at its option, declare an Event of Default to have occurred hereunder and without prior notice to the defaulting party: (i) cancel and otherwise liquidate and close out all (but not fewer than all) Transactions and determine its losses, costs and/or gains in accordance with Paragraph 7(c); and (ii) (A) sell on or promptly following the date of such declaration, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, any or all noncash Collateral and apply the proceeds thereof and the amount of any cash Collateral to the Secured Obligations or (B) in its sole discretion elect, in lieu of selling all or a portion of such noncash Collateral, to give the defaulting party credit for such noncash Collateral in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source. The nondefaulting party shall (except upon the occurrence of an Act of Insolvency) give notice to the defaulting party of the exercise of its option to declare an Event of Default as promptly as practicable.
- (b) Any Collateral held by the defaulting party shall be immediately transferred by the defaulting party to the nondefaulting party. The nondefaulting party may, at its option, and without prior notice to the defaulting party: (i) purchase on or promptly following the date on which the related Event of Default is declared, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, securities ("Replacement Securities") of the same class and amount as any securities Collateral that is not delivered by the defaulting party to the nondefaulting party as required hereunder; or (ii) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing offer quotation from such a source; whereupon in each case the price of such Replacement Securities, together with the amount of any cash Collateral not delivered by the defaulting party to the nondefaulting party as required hereunder, shall be included in the losses and costs of the nondefaulting party as a result of the related Event of Default.
- (c) On or promptly following the date of a nondefaulting party's declaration of an Event of Default, the nondefaulting party shall determine the losses, costs (including all fees, expenses and commissions) and/or gains that are or would be realized or incurred by the nondefaulting party in replacing (and/or, without duplication, terminating hedges for) all Transactions under then prevailing circumstances in connection with or as a result of such Event of Default.
- (d) The defaulting party shall be liable to the nondefaulting party for (i) the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a result of an Event of Default; (ii) damages in an amount equal to losses and costs determined under Paragraph 7(b) and 7(c) and (iii) any other loss, damage, cost or expense directly arising or resulting from the occurrence of an Event of Default in respect of a Transaction. The nondefaulting

party may set off any obligation, including any obligation with respect to securities, money or other property, of the nondefaulting party to the defaulting party hereunder against any of the defaulting party's obligations to the nondefaulting party hereunder. Any gains to the nondefaulting party determined by the nondefaulting party under Paragraph 7(c), the proceeds of any noncash collateral and the amount of any cash collateral recognized under Paragraph 7(a)(ii)(A), and the credits given under Paragraph 7(a)(ii)(B) shall reduce the amounts otherwise payable by the defaulting party pursuant to this Paragraph 7. If the aggregate amount of such gains, proceeds of such noncash collateral, amount of cash collateral and such credits exceed the aggregate of all amounts payable by the defaulting party pursuant to this Paragraph 7, then the nondefaulting party shall pay the amount of such excess to the defaulting party (reduced by any setoff pursuant to Paragraph 9) on the second Business Day after the defaulting party provides to nondefaulting party a full release (reasonably acceptable to the nondefaulting party and conditional only on the foregoing payment) of all liability of the nondefaulting party under or relating to this Agreement. The nondefaulting party shall, following its determinations of the amounts contemplated by this Paragraph 7(d), provide a statement to the defaulting party setting forth the amounts payable hereunder.

- (e) To the extent permitted by applicable law, the defaulting party shall be liable to the nondefaulting party for interest on any amounts owing by the defaulting party hereunder, from the date the defaulting party becomes liable for such amounts hereunder until such amounts are (i) paid in full by the defaulting party; or (ii) satisfied in full by the exercise of the nondefaulting party's rights hereunder. Interest on any sum payable by the defaulting party to the nondefaulting party under this Paragraph 7(e) shall be at a rate equal to the Prime Rate.
- (f) Unless otherwise provided in Annex I hereto, the parties acknowledge and agree that (i) securities included in the Collateral are instruments traded in a recognized market; (ii) in the absence of a generally recognized source for prices or bid or offer quotations for any such securities Collateral or any Securities, the nondefaulting party may establish the source therefor in its sole discretion, subject to Paragraph 7(h); and (iii) all prices, bids and offers shall be determined together with accrued principal and/or interest thereon (except to the extent contrary to market practice with respect to the relevant securities).
- (g) The nondefaulting party shall have all of the rights and remedies provided to a secured party under the New York Uniform Commercial Code and, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.
- (h) In making determinations under Paragraphs 7(c) and 7(f)(ii), the nondefaulting party shall act in good faith and use commercially reasonable procedures in order to produce a commercially reasonable result. Commercially reasonable procedures may include, without limitation, reference to (i) generally recognized pricing sources and market practices; (ii) firm or indicative bid and/or offer quotations from third-parties active in the relevant market for relevant securities or transactions (either in respect of a single transaction or security or a group of transactions or securities); and/or (iii) pricing or valuation methodologies from

internal sources (including any of the nondefaulting party's affiliates) if that information is of the same type used by the nondefaulting party in the regular course of its business in pricing or valuing relevant securities or transactions.

8. Mini Close-out

If Seller fails to make on the Settlement Date of any Transaction any delivery of Securities required pursuant to such Transaction then Buyer (in its sole discretion) may take any of the following actions: (i) if it has made any payment to Seller in connection with such Transaction, require Seller to repay the sum so paid; (ii) if Buyer has Forward Exposure to Seller in respect of the Transaction, require Seller to transfer Eligible Forward Collateral with a Margin Value at least equal to such Forward Exposure; and (iii) at any time while such delivery failure continues (provided that if a cure period is specified in Annex I for this Paragraph 8(iii), such failure has continued longer than such cure period), terminate such Transaction by giving notice to Seller and electing to have the provisions of Paragraph 7 of this Agreement apply as if an Event of Default had occurred with respect to Seller and such Transaction were the sole Transaction under the Agreement.

9. Setoff

- (a) If, on any day, each party is required to make a payment of an amount in the same currency, or a delivery of a quantity of the same Security (or a delivery of "to be announced" Securities with the same specifications), then these payment or delivery obligations may be set off against another so that only payment of a net amount of such currency, or delivery of a net quantity of such Security (or delivery of a net quantity of "to be announced" Securities with such specifications) is due between the parties on such day.
- (b) In addition to the remedies of the nondefaulting party under Paragraph 7, the nondefaulting party may set off any obligation, including any obligation with respect to Securities, money or other property, of the nondefaulting party to the defaulting party under Paragraph 7, against any of the defaulting party's obligations to the nondefaulting party (whether or not arising under this Agreement and whether or not such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations). In the event that any obligation of a defaulting party is denominated in a currency different from the obligation of the nondefaulting party, for the purpose of applying its right of setoff under this Paragraph 9(b), the nondefaulting party may convert one obligation into the currency in which the other is denominated at the rate of exchange at which the nondefaulting party would be able, in good faith and using commercially reasonable procedures, to purchase the relevant amount of such currency. Furthermore, if an obligation is unliquidated, contingent or otherwise unascertained, the nondefaulting party may in good faith estimate that obligation for the purposes of applying its right of set off under this Paragraph 9(b); provided that the nondefaulting party shall provide an accounting to the defaulting party when the obligation is ascertained.

10. Single Agreement

The parties acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of the parties agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder; (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder; and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any such Transaction hereunder, and the obligations to make such payments, deliveries and other transfers may be applied against each other and netted.

11. Risk of Loss

The risk of loss of engaging in when-issued, TBA, dollar roll and other transactions that result or may result in the delayed delivery of securities can be substantial. Each party should carefully consider when such transactions are suitable for its financial condition, its investment objectives and any legal or regulatory restrictions placed upon it and whether the party has the operational resources in place to monitor the associated risks and contractual obligations over the term of the Transaction. A primary risk of such transactions is that the market value of the securities on the Settlement Date or at any time during the term of the Transaction could vary substantially from the price at which such securities are purchased or sold due to such factors as market-price fluctuations and interest-rate movements occurring between the Trade Date and the Settlement Date. A second risk is that on the Settlement Date one party to such a transaction may be unable to perform, resulting in substantial loss, including the possible loss of any Collateral held by the defaulting party. A third risk is that a party may from time to time take proprietary positions and/or make a market in securities identical or economically related to Transactions entered into with the other party. A party may also undertake proprietary activities, including hedging transactions related to the initiation or termination of a Transaction, that may adversely affect the market price, rate, index or other market factors underlying a Transaction and consequently the value of the Transaction. Finally, another risk relates to the requirements that Forward Collateral under certain circumstances must be deposited at the Trade Date or periodically thereafter as the markets move against a party's position. A party's inability to meet a demand for such Forward Collateral, at times on short notice, may result in closing out of Transactions and losses to that party. This brief statement does not disclose all of the risks and other material considerations of such transactions. Accordingly, before engaging in Transactions, each party should consult its own business, legal, tax and accounting advisers with respect to the proposed Transaction and examine the contractual arrangements contained herein carefully to determine all risks and whether the Transaction is appropriate for that party. Each party agrees that the other party is not acting as a fiduciary or an advisor for it in respect of this Agreement or any Transaction.

12. Notices and Other Communications

- (a) Any and all notices, statements, demands or other communications hereunder may be given by a party to the other party by mail, facsimile, messenger or otherwise to the address or in the manner specified in Annex II hereto, or so sent to such party at any other place or manner specified in a notice of change of address or notice details hereafter received by the other party. All notices, demands and requests hereunder may be made orally (and shall be effective when so made), to be confirmed promptly in writing, or by other communication as specified in the preceding sentence.
- (b) The parties agree that each may electronically record any telephone conversations between them.

13. Entire Agreement; Severability

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for when-issued, TBA, dollar roll and other transactions that result or may result in the delayed delivery of Securities. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement. This Agreement may be signed in counterparts, which together shall constitute the Agreement.

14. Nonassignability; Termination

- (a) The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without the prior written consent of the other party, and any such assignment without the prior written consent of the other party shall be null and void. Subject to the foregoing, this Agreement and any Transaction shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. This Agreement may be terminated by either party upon giving written notice to the other party, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.
- (b) Subparagraph (a) of this Paragraph 14 shall not preclude a party from assigning, charging or otherwise dealing with all or any part of its interest in any sum payable to it under Paragraph 7 hereof.

15. Governing Law; Submission to Jurisdiction; Waiver of Immunity; Jury Trial Waiver

- (a) This Agreement shall be governed by the laws of the State of New York without giving effect to the conflicts of law principles thereof that would require application of the law of a different jurisdiction.
- (b) Each party irrevocably and unconditionally (i) submits to the exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under the

Agreement or relating in any way to the Agreement or any Transaction under the Agreement, (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile and (iii) agrees to bring any suit, action or proceeding solely in any such court (except any suit, action or proceeding to enforce a judgment from such court).

- (c) To the extent that either party has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such party hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under the Agreement or relating in any way to the Agreement or any Transaction under the Agreement.
- (d) EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH, THIS AGREEMENT.

16.No Waivers, Etc.

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto.

17.Use of Employee Plan Assets

If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 (“ERISA”) are intended to be used by either party hereto (the “Plan Party”) in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall make the appropriate ERISA representations in writing reasonably acceptable to the other party so that the other party may proceed (but shall not be obligated to proceed) in reliance thereon.

18.Intent

- (a) The parties recognize that (i) each Transaction and this Agreement is a “forward contract” as that term is defined in Section 101(25) of Title 11 of the United States Code, as amended (the “Bankruptcy Code”) and a “securities contract” as that term is defined in Section 741 of the Bankruptcy Code, (ii) this Agreement is a “master netting agreement” as that term is defined in Section 101(38A) of the Bankruptcy Code, and (iii) this Agreement and each Transaction is of a type set forth in Section 5390(c)(8)(D) of Title 12 of the United States Code, as amended.

- (b) It is understood that either party's right to cancel Transactions hereunder or to exercise any other remedies pursuant to Paragraph 7 hereof is a contractual right to liquidate, terminate or accelerate such Transaction as described in Sections 555 and 556 of the Bankruptcy Code, and a right to terminate, liquidate or accelerate as described in Sections 5390(c)(8)(A) and (C) of Title 12 of the United States Code, as amended.
- (c) The parties agree and acknowledge that if a party hereto is an "insured depository institution," as that term is defined in the Federal Deposit Insurance Act, as amended ("FDIA"), then each Transaction hereunder is a "qualified financial contract," as that term is defined in the FDIA and any rules, orders or policy statements thereunder.
- (d) It is understood that this Agreement constitutes a "netting contract" as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") and each payment entitlement and payment obligation under any Transaction hereunder shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation," respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA and regulations thereunder).

[Name of Party]

[Name of Party]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Annex I

Supplemental Terms and Conditions

This Annex I forms a part of the Master Securities Forward Transaction Agreement dated as of _____, ____ (the “Agreement”) between _____ and _____. Capitalized terms used but not defined in this Annex I shall have the meaning ascribed to them in the Agreement.

1. **Other Applicable Annexes.** In addition to this Annex I and Annex II, the following Annexes and any Schedules thereto shall form part of the Agreement and shall be applicable thereunder:

[List applicable Annexes]

2. **Events of Default; Mini Close-out.**

- (a) Cure Periods

- (i) Clause (i) of the definition of “Event of Default”: __ Business Day[s] [following notice of the applicable failure].
- (ii) Clause (ii) of the definition of “Event of Default”: __ Business Day[s] [following notice of the applicable failure].
- (iii) Clause (iii) of the definition of “Event of Default”: __ Business Day[s] [following notice of the applicable failure].
- (iv) Clause (iv) of the definition of “Event of Default”: __ Business Day[s] [following notice of the applicable failure].
- (v) Clause (v) of the definition of “Event of Default”: __ Business Day[s] [following notice of the applicable failure].
- (vi) Clause (vi) of the definition of “Event of Default”: __ Business Day[s] [following notice of the applicable failure].
- (vii) Paragraph 8(iii): __ Business Day[s] [following notice of the applicable failure].

- (b) [Clause (iii) of the definition of “Event of Default” shall apply.]

- (c) [The words “and is continuing” should be added after the word “occurs” in the lead-in to Paragraph 7 of this Agreement.]

- (d) [In the case of an Act of Insolvency [with respect to _____], the nondefaulting party’s option in Paragraph 7(a) to declare an Event of Default to have occurred and cancel and otherwise liquidate and close out all (but not fewer than all) Transactions shall be deemed to have been exercised (i) immediately upon the occurrence of an Act of Insolvency specified in Paragraph 2(a)(iii) or

(iv) with respect to such party, and (ii) as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence of an Act of Insolvency with respect to such party specified in Paragraph 2(a)(i) or (ii).]

3. Margin Maintenance Definitions.

- (a) "Additional Margin Amount", with respect to _____, USD____; and with respect to _____, USD_____.
- (b) "Eligible Forward Collateral", with respect to the applicable party shall include the following securities and shall have the Margin Percentages indicated therewith:

<u>Party</u>	<u>Eligible Forward Collateral</u>	<u>Margin Percentage</u>
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- (c) "Minimum Transfer Amount", with respect to _____, USD____; and with respect to _____, USD_____.
- (d) "Threshold Amount", with respect to _____, USD____; and with respect to _____, USD_____.

4. [Third Party Custody Arrangements]

[Notwithstanding Paragraph 4(f), any transfer of Forward Collateral provided by or on behalf of an investment company registered under the Investment Company Act of 1940 (as amended) shall be segregated with such investment company's custodian subject to a control agreement reasonably acceptable to the other party and such other party shall not be permitted to sell, transfer, assign, repledge, rehypothecate, enter into repurchase transactions or otherwise dispose of any such Collateral prior to an Event of Default by such investment company.]

Annex II

Names and Addresses for Communication Between the Parties

[List names, addresses and contact information]

Annex III

Party Acting as Agent

This Annex III forms a part of the Master Securities Forward Transaction Agreement dated as of _____, _____ (the “Agreement”) between _____ and _____. This Annex III sets forth the terms and conditions governing all transactions in which a party (“Agent”) in a Transaction is acting as agent for one or more third parties (each, a “Principal”). Capitalized terms used but not defined in this Annex III shall have the meanings ascribed to them in the Agreement.

- 1. Additional Representations.** Agent hereby makes each representation set forth in Paragraph 6 of the Agreement, and makes the following representations, which shall continue during the term of any Transaction: Principal has duly authorized Agent to execute and deliver the Agreement on its behalf, has the power to so authorize Agent and to enter into the Transactions contemplated by the Agreement and to perform the obligations of Principal under such Transactions, and has taken all necessary action to authorize such execution and delivery by Agent and such performance by it.
- 2. Identification of Principals.** Agent agrees (a) to provide the other party, prior to the date on which the parties agree to enter into any Transaction under the Agreement, with a written list of Principals for which it intends to act as Agent (which list may be amended in writing from time to time with the consent of the other party), and (b) to provide the other party, before the close of business on the next Business Day after orally agreeing to enter into a Transaction, with notice of the specific Principal or Principals for whom it is acting in connection with such Transaction. If (i) Agent fails to identify such Principal or Principals prior to the close of business on such next Business Day or (ii) the other party shall determine in its sole discretion that any Principal or Principals identified by Agent are not acceptable to it, the other party may reject and rescind any Transaction with such Principal or Principals, return to Agent any Securities or any payment for such Securities, as the case may be, previously transferred to the other party and refuse any further performance under such Transaction, and Agent shall immediately return to the other party any payment for the Securities or the Securities, as the case may be, previously transferred to Agent in connection with such Transaction; *provided, however*, that (A) the other party shall promptly (and in any event within one Business Day) notify Agent of its determination to reject and rescind such Transaction and (B) to the extent that any performance was rendered by any party under any Transaction rejected by the other party, such party shall remain entitled to any amounts that would have been payable to it with respect to such performance, including any changes in the mid-market value of the Transaction, if such Transaction had not been rejected. The other party acknowledges that Agent shall not have any obligation to provide it with confidential information regarding the financial status of its Principals; Agent agrees, however, that it will assist the other party in obtaining from Agent’s Principals such information regarding the financial status of such Principals as the other party may reasonably request.
- 3. Limitation of Agent’s Liability.** The parties expressly acknowledge that if the representations of Agent under the Agreement, including this Annex III, are true and correct in all material respects during the term of any Transaction and Agent otherwise complies with the provisions of this Annex III, then (a) Agent’s obligations under the

Agreement shall not include a guarantee of performance by its Principal or Principals and (b) the other party's remedies shall not include a right of setoff in respect of rights or obligations, if any, of Agent arising in other transactions in which Agent is acting as principal.

4. Multiple Principals.

- (a) In the event that Agent proposes to act for more than one Principal hereunder, Agent and the other party shall elect whether (i) to treat Transactions under the Agreement as transactions entered into on behalf of separate Principals or (ii) to aggregate such Transactions as if they were transactions by a single Principal. Failure to make such an election in writing shall be deemed an election to treat Transactions under the Agreement as transactions on behalf of separate Principals.
- (b) In the event that Agent and the other party elect (or are deemed to elect) to treat Transactions under the Agreement as transactions on behalf of separate Principals, the parties agree that (i) Agent will provide the other party, together with the notice described in Paragraph 2(b) of this Annex III, notice specifying the portion of each Transaction allocable to the account of each of the Principals for which it is acting (to the extent that any such Transaction is allocable to the account of more than one Principal); (ii) the portion of any individual Transaction allocable to each Principal shall be deemed a separate Transaction under the Agreement; (iii) the margin maintenance provisions of any Annex to the Agreement, if any, shall be determined on a Transaction-by-Transaction basis (unless the parties agree to determine such obligations on a Principal-by-Principal basis); and (iv) remedies available to the parties under the Agreement upon the occurrence of an Event of Default shall be determined as if Agent had entered into a separate Agreement with the other party on behalf of each of its Principals.
- (c) In the event that Agent and the other party elect to treat Transactions under the Agreement as if they were transactions by a single Principal, the parties agree that (i) Agent's notice under Paragraph 2(b) of this Annex III need only identify the names of its Principals but not the portion of each Transaction allocable to each Principal's account; (ii) the margin maintenance provisions of any Annex to the Agreement shall, subject to any greater requirement imposed by applicable law, be determined on an aggregate basis for all Transactions entered into by Agent on behalf of any Principal; and (iii) remedies available to the parties upon the occurrence of an Event of Default shall be determined as if all Principals were a single defaulting or nondefaulting party, as the case may be.
- (d) Notwithstanding any other provision of the Agreement (including, without limitation, this Annex III), the parties agree that any Transactions by Agent on behalf of an employee benefit plan under ERISA shall be treated as Transactions on behalf of separate Principals in accordance with Paragraph 4(b) of this Annex

III and all margin maintenance obligations of the parties shall be determined on a Transaction-by-Transaction basis.

- 5. Interpretation of Terms.** All references to a “party,” the “parties,” “Seller” or “Buyer,” as the case may be, in the Agreement shall, subject to the provisions of this Annex III (including, among other provisions, the limitations on Agent’s liability in Paragraph 3 of this Annex III), be construed to reflect that (i) each Principal shall have, in connection with any Transaction or Transactions entered into by Agent on its behalf, the rights, responsibilities, privileges and obligations of a “party” directly entering into such Transaction or Transactions with the other party under the Agreement, and (ii) Agent’s Principal or Principals have designated Agent as their sole agent for performance of a party’s obligations to the other party and for receipt of performance by the other party in connection with any Transaction or Transactions under the Agreement (including, among other things, as Agent for each Principal in connection with transfers of securities, cash or other property and as agent for giving and receiving all notices under the Agreement). Except with respect to Agents that are non-custodial advisers, both Agent and its Principal or Principals shall be deemed “parties” to the Agreement and all references to a “party” or “either party” in the Agreement shall be deemed revised accordingly (and any Act of Insolvency with respect to such Agent or any other Event of Default by such Agent under Paragraph 7 of the Agreement shall be deemed an Event of Default by the Principal or Principals for such Agent). For the purposes of the preceding sentence, “non-custodial advisers” shall mean investment advisors or investment managers to principals in circumstances where all payments and deliveries to the principal are made directly to the principal or its custodian, and such custodian is not the investment advisor or investment manager.