

# Master Selling Group Agreement

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## Negotiated Offerings of Municipal Securities

MANAGER: \_\_\_\_\_

DEALER: \_\_\_\_\_

### **I. PURPOSE OF AGREEMENT**

This Master Selling Group Agreement (the “Master Agreement”) is between the Manager identified above (the “Manager” or “we”) and the Dealer identified above (the “Dealer” or “you”) and is entered into for the purpose of forming one or more selling groups (“Groups”) in connection with the negotiated purchase and public offering of municipal securities (“Securities”).

If you agree to accept the terms of this Master Agreement, please sign and date where indicated below. Thereafter, from time to time you will be invited to participate as a Dealer in one or more Groups to be formed in connection with the negotiated purchase and public offering of Securities. As Manager, we will act as agent for all Dealers who are members of a Group.

As a member of a Group, we will offer to you and to the other Dealers who are members of the Group an allocation of the Securities at the public offering prices less any Concession and additional Total Takedown, subject to prior sales, when, as and if delivered to and accepted by us and subject to the approval of the Securities by bond counsel and of certain legal matters by counsel to the Underwriters and subject to the terms and conditions of this Master Agreement.

As used in this Master Agreement, “Group,” “Securities” and other defined terms refer only to each separate Group in which you agree to participate as a Dealer and to the related Securities and other defined terms. Capitalized terms not otherwise defined are used in this Master Agreement as defined in Annex A attached to this Master Agreement.

### **II. FORMATION OF GROUPS**

For each Group in which you will be invited to participate as a Dealer, we will send to you an Initial Wire by electronic communication service or by an alternative means of communication (the “Communication Service”). If we use an electronic communication service, we will advise you of the name of the service provider.

The Initial Wire is expected to identify, among other information (if known at the time of the Initial Wire):

1. The Issuer, title and estimated principal amount of the Securities,
2. The expected offering date, Purchase Contract execution date and Closing Date for the Securities,
3. The names of all Underwriters participating in the Account,
4. The names of all Dealers invited to join the Group,
5. Our contact information as Manager,
6. The date and time by which you must respond to the Initial Wire in order to receive further information regarding the Group,
7. Instructions on how to obtain copies of the Preliminary and final Official Statement for the Securities, and
8. Any matters reflecting our customary business practices applicable to the Group, together with any changes from those customary practices.

The Initial Wire also may include other information that we feel will be useful to the Dealers in connection with their participation as members of the Group. You separately will receive the Preliminary Official Statement for the Securities, and any blue sky and legal investment memoranda prepared for the Securities. You may receive one or more of those items in electronic form. If you have not received those items within a reasonable period after you receive the Initial Wire, you should contact us.

IN ORDER TO RECEIVE FURTHER INFORMATION REGARDING THE GROUP, YOU MUST RESPOND TO US BY THE DATE AND TIME INDICATED IN THE INITIAL WIRE. IF YOU DO NOT RESPOND BY THE DATE AND TIME INDICATED, YOU WILL NOT RECEIVE FURTHER INFORMATION REGARDING THE GROUP. You may respond verbally but you are encouraged to respond to the Initial Wire by using the Communication Service in the manner set forth in the Initial Wire. We will notify you by the Communication Service that we have received your response to the Initial Wire.

By participating as a Dealer in the Group, you agree to be subject to all of the terms and conditions set forth in this Master Agreement and to any other terms and conditions included in the Initial Wire and the Pricing Wires.

### **III. PRICING WIRES**

To the extent not covered in the Initial Wire, we will send by the Communication Service to all Dealers participating in the Group a Pricing Wire indicating the terms of

the proposed purchase of the Securities, including the initial public offering prices, the initial Total Takedown, any initial Concession, whether sealed bids will be accepted for specified maturities of the Securities and other terms of the purchase. We may send out one or more subsequent Pricing Wires repricing the purchase of the Securities and including changes in the terms of the proposed purchase and any other changes applicable to the Group, including changes to terms which may have been specified in the Initial Wire or in any prior Pricing Wire.

The terms of the proposed purchase of the Securities by the Underwriters will become final when approved by Underwriters representing a majority interest in the Account. We will advise the Dealers participating in the Group of receipt of verbal award from the Issuer by the Communication Service. We will sign the Purchase Contract on behalf of the Account and submit it to the Issuer for acceptance and signature on behalf of the Issuer.

ONCE YOU HAVE RESPONDED TO THE INITIAL WIRE, IF YOU THEREAFTER CHOOSE NOT TO PARTICIPATE AS A MEMBER OF THE GROUP ON THE TERMS SET FORTH IN THE PRICING WIRES, YOU MUST PROMPTLY ADVISE US IN WRITING THAT YOU ARE WITHDRAWING FROM THE GROUP. IF YOU DO NOT SO ADVISE US IN WRITING, YOU WILL CONTINUE TO BE TREATED AS A DEALER PARTICIPATING IN THE GROUP FOR PURPOSES OF THIS MASTER AGREEMENT. WE WILL NOTIFY YOU BY THE COMMUNICATION SERVICE THAT WE HAVE RECEIVED YOUR NOTICE OF WITHDRAWAL FROM THE GROUP. YOU ARE ADVISED TO RETAIN FOR YOUR FILES A COPY OF OUR NOTICE CONFIRMING YOUR WITHDRAWAL.

After the Issuer signs the Purchase Contract, we will send a final Pricing Wire to all Dealers participating in the Group by the Communication Service. The final Pricing Wire will set forth the final pricing terms and other changes relating to the operation of the Account and applicable to the Group. We may send a separate wire releasing the Securities for trading.

#### **IV. OFFICIAL STATEMENTS**

You may obtain a reasonable number of additional copies of the Preliminary Official Statement relating to the Securities by following the instructions included in the Initial Wire. You must immediately notify us if you have any knowledge of any false or misleading statement in, or material omission from, the Preliminary Official Statement.

The Purchase Contract will obligate the Issuer to provide, or cause to be provided, to the Manager on behalf of the Group final Official Statements in the quantity and within the period of time required by applicable SEC and MSRB rules. Your order for Official Statements should be made in accordance with the instructions in the Initial Wire or the final Pricing Wire. If you do not submit an order for Official Statements, we will assume that you are requesting only the number required by MSRB Rule G-32(c)(i) (one Official Statement, plus an additional Official Statement per each \$100,000 par value of Securities that you have purchased and sold to customers). To

the extent permitted by applicable SEC and MSRB rules, the Preliminary and final Official Statements relating to the Securities may be in electronic form and you will be deemed to consent to receipt of Preliminary Official Statements and Official Statements in electronic form unless you notify us that you want to receive paper copies.

**V. GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL DEALERS**

By executing this Master Agreement, and for so long as you are a Dealer participating in a Group, you agree to be bound by the following terms and provisions:

A. **Manager as Agent on behalf of the Group.** You authorize us, as Manager, together with any co-Managers, to act as agent on your behalf as a Dealer participating in the Group. As Manager, we may do the following on behalf of the Group:

1. **Authority of Manager.** We may take such action as we determine in our discretion to be advisable in connection with the offering of the Securities on behalf of the Account and the members of the Group. We will (i) determine the final form of the Purchase Contract, (ii) execute and deliver the Purchase Contract on behalf of the Account, (iii) act under the Purchase Contract on behalf of the Account, and (iv) waive performance or satisfaction by the Issuer of its obligations under the Purchase Contract or of any other conditions to the delivery and purchase of the Securities as may be specified in the Purchase Contract. We will have full authority to take such action as we may deem to be advisable in respect of all matters pertaining to this Master Agreement, the Account, the Group, the Purchase Contract and the purchase and distribution of the Securities. Any such actions that we perform will be only in the capacity as agent for the Account and the Group.
2. **Limitations on Manager's Liability.** We will have no obligation or liability to any member of the Group under this Master Agreement, either expressed or implied, which we do not expressly assume. Including, but not limited to the following, we will not be liable to the Group or to any member of the Group for:
  - a. the form, value, validity of or title to the Securities or the validity of the provisions of any instrument under or pursuant to which the Securities may be issued,
  - b. the delivery of the Securities to the Group or the performance by the Issuer of the Securities or others of any agreement on their part, including any undertakings relating to continuing disclosure obligations,
  - c. the correctness or completeness of anything contained in any advertisement, prospectus or other offering or other document used in connection with the offering of the Securities,
  - d. the qualification of the Securities for sale or the legality of the Securities for investment under the laws of any jurisdiction,

- e. any representations made by a Dealer in its Master Agreement,
  - f. the act of any agent selected with reasonable care, or
  - g. any matter relating to the Group or the purchase and sale of the Securities by the Account or for any action or omission by us in connection therewith, except for our lack of good faith.
3. **Terms of Offering of the Securities.** We will determine the initial public offering prices and other terms of the offering of the Securities, in consultation with Underwriters representing a majority interest in the Account. We may change any one or more of the public offering prices of the Securities, any Concession, Total Takedown or other discount, or any other prices or underwriting term of the offering at any time before or after commencement of the offering.
4. **Compliance with Regulatory Rules.** We will comply with all rules and requirements then applicable relating to the sale of the Securities of the MSRB, the SEC, the NASD and any other applicable regulatory body. We agree that we are responsible for our performance and qualification under those rules and requirements.

We will file or cause to be filed with the MSRB, pursuant to MSRB Rule G-36, copies of the Official Statement and copies of any advance refunding documents, together with the applicable MSRB forms, and we will maintain the records required by applicable MSRB rules.

**B. Obligations and Agreements of Dealers.** As a Dealer participating as a member of a Group, you agree as follows:

- 1. **Offer of Securities.** In order to participate as a member of a Group, you will be expected to sign and agree to be bound by the terms of this Master Agreement. Upon our release of the Securities to you, you may offer the Securities at the public offering prices, subject to the terms and conditions of the Master Agreement and of the Initial Wire and any Pricing Wires.
- 2. **Representations and Agreements of Dealers.** By responding to the Initial Wire and by your participation as a Dealer in a Group, you will be deemed to acknowledge that all of your representations under this Master Agreement continue to be accurate as of the date of your response to the Initial Wire and you further will agree to perform all of your obligations to the Group under this Master Agreement. By responding to the Initial Wire and by your participation as a Dealer in a Group, you also will be deemed to represent on a continuing basis during the term of that Group that:
  - a. you are registered under the Exchange Act as a dealer or municipal securities dealer;

- b. you are: (i) a member in good standing of the NASD, or (ii) a bank or a department or a division or a subsidiary of a bank in good standing with your applicable regulatory authority, or (iii) a foreign bank or broker-dealer not eligible for membership in the NASD who agrees to make no sales within the United States, its territories or its possessions or to persons who are citizens thereof or residents therein and in making other sales agrees to comply with the NASD's Rules of Fair Practice;
- c. you are not in violation of, and you may enter into the commitments (including contingent commitments) contained in this Master Agreement and in connection with a Group without violating, (i) Section 15(c)(3) of the Exchange Act, (ii) any rule relating to financial responsibility imposed by any national securities exchange of which you are a member, or (iii) any restriction imposed by any such exchange or by any governmental authority;
- d. you have complied with the dealer registration requirements, if any, of the various jurisdictions in which you offer Securities for sale; and
- e. unless otherwise specified in a writing delivered to us at the time the Group is formed, none of your officers or partners who have participated directly or indirectly in the sale of the Securities to the Account is an officer or employee of the Issuer, paid or unpaid.

You agree not to give any information or to make any representation in connection with the purchase and offering of the Securities other than those contained in the Official Statement or any supplement or amendment thereto or, prior to the date of the Official Statement, contained in the Preliminary Official Statement.

You authorize us to file with any governmental agency any reports required in connection with any transactions effected by us for your account pursuant to this Master Agreement, and you agree to furnish any information needed for such reports.

- 3. **Reports.** You agree to disclose to us, if requested, information as to sales of the Securities by you for use by us in compiling profile information including states and other jurisdictions where sold, types of purchases and aggregation of orders. Upon our request, you agree to provide to us such information relating to the price at which the Securities have been sold by you as may be necessary in order to make any required certifications to Bond Counsel with respect to the yield on the Securities.
- 4. **Payment and Delivery.** On the Closing Date you will pay to us, or to a registered securities depository on our behalf, an amount equal to the aggregate purchase price for all Securities to be purchased by you.

Unless we specify otherwise in the Initial Wire or in a Pricing Wire, the Securities so confirmed to you will be delivered to your account, as soon as possible after the Closing Date, to a registered securities depository on behalf of the Underwriters and the Group as set forth in the Purchase Contract. You will accept delivery of the Securities in such form, including book-entry through a securities depository, as the Securities are offered to the Group.

5. **Compliance with Terms of Offering.** You agree to comply with the terms of the offering for the Securities set forth in the Initial Wire or the Pricing Wires, or as we otherwise change such terms in accordance with this Master Agreement, for the term of the Group.
6. **Delivery of Official Statements.** Simultaneously with or prior to delivery of the Securities to each purchaser of Securities from you, you agree to deliver a copy of any Official Statement or other offering document of the Issuer to the purchaser. We remind you of your responsibilities under the federal securities laws with respect to the Official Statement or other offering document of the Issuer of the Securities. You agree to promptly notify us if you become aware of any false or misleading statement in or material omission from the Official Statement or other offering document.
7. **Compliance with Regulatory Rules.** You will comply with all rules and requirements then applicable relating to the sale of the Securities of the MSRB, the SEC, the NASD and any other applicable regulatory body. You agree that you are responsible for your own performance and qualification under those rules and requirements. If any provision of this Master Agreement conflicts with any rule or requirement of the MSRB, the SEC, the NASD or other applicable regulatory body, such provision shall, to the extent necessary, be deemed to be amended to eliminate such conflict.
8. **Indemnification.** You agree to indemnify and hold harmless the Underwriters and each person, if any, who controls any of the Underwriters within the meaning of Section 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), against any and all losses, claims, damages or liabilities, joint or several, or actions of any nature whatsoever in respect thereof, to which they or any of them may become subject insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based on (i) the giving of information or the making of representations by you other than those contained in the Official Statement, or any supplement or amendment thereto, (ii) the failure by you to conform to the applicable Rules of the MSRB, the SEC, the NASD or any other applicable rule, regulation or law, (iii) the failure by you to fulfill any obligations you may have to any purchaser of Securities from you, (iv) the absence of authority on your part to participate in the offering or to execute, to consummate the transactions contemplated by or to perform this Master Agreement, (v) the breach or violation of the law of any jurisdiction which

restricts, limits, prohibits or otherwise regulates such execution, consummation or performance by you, or (vi) any act or omission by a Dealer or an affiliate to whom you sold Securities which caused the Underwriters or any person, if any, who controls any of the Underwriters within the meaning of Section 20(a) of the Exchange Act to incur any losses, claims, damages or liabilities, joint or several, or actions of any nature whatsoever in respect thereof, to which they or any of them may become subject insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based on an act or omission by such Dealer or affiliate described in clauses (i) through (v) above. You agree to reimburse each such indemnified party or parties for any legal or other expenses whatsoever reasonably incurred by it or them (including fees and disbursements of counsel in connection with investigating, preparing or defending any such loss, claim, liability or action).

9. **Internal Revenue Service Elections.** In the event that the Group is deemed to constitute a partnership for purposes of federal income taxes, you agree to elect to be excluded from the application of Subchapter K, Chapter 1, Subtitle A of the Internal Revenue Code, and you agree not to take any position inconsistent with such election. You authorize us, in our discretion as Manager, to execute on behalf of the Group such evidence of such election as may be required by the Internal Revenue Service.

## **VI. TERM OF THE GROUP**

Each Group will terminate 30 days after the later of the Closing Date or the end of the underwriting period (as defined in MSRB Rule G-11(a)), unless we otherwise specify in connection with formation of the Group or unless we extend the Group for a period not to exceed an additional 30 days. We also may terminate the Group at any time upon written notice or notice pursuant to the Communication Service.

## **VII. MISCELLANEOUS**

A. **Governing Law.** The validity and interpretation of this Master Agreement will be governed by the laws of the State of New York without regard to conflicts of laws provisions.

B. **Intended Beneficiaries.** This Master Agreement is between us and each Dealer participating in a Group but is intended to be for the benefit of all Dealers in a Group and their respective successors and assigns. “Successors and assigns” does not include any purchaser, as such purchaser, of Securities from or through a Dealer. No other person or entity will have any rights under this Master Agreement.

C. **Term of this Master Agreement.** This Master Agreement will continue in effect until either (i) we advise you in writing or by the Communication Service that we are terminating this Master Agreement with you or (ii) you advise us in writing or by the Communication Service that you no longer wish to participate as a Dealer in



Groups established under this Master Agreement. Either notice under (i) or (ii) is referred to as a “Termination Notice.” You will not be invited to participate as a Dealer in Groups that we form under this Master Agreement after the date of the Termination Notice. This Master Agreement will continue in effect for all Groups in which you participated as a Dealer under this Master Agreement prior to delivery of the Termination Notice.

D. **Severability.** In case any provision of this Master Agreement, or any obligation or agreement hereunder, is determined for any reason to be illegal or invalid, the remainder of this Master Agreement will continue to be effective and operative, to the full extent permitted by law.

E. **Counterparts.** This Master Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, but all such counterparts will together constitute the same instrument.

**VIII. SIGNATURES**

If you agree to participate in Groups as a Dealer under the terms of this Master Agreement, please have an authorized officer sign and date below and return to our attention at the address shown below.

Date: \_\_\_\_\_, 20\_\_ Accepted as of \_\_\_\_\_, 20\_\_

**MANAGER:**

**DEALER:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Address:

Address:

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\_\_\_\_\_

Attention: \_\_\_\_\_

Attention: \_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: \_\_\_\_\_

Telecopy: \_\_\_\_\_

Telecopy: \_\_\_\_\_

**DEFINITIONS**

*In addition to any terms otherwise defined in the Master Agreement, the following terms are used in the Master Agreement as defined below:*

**“Account”** means the Underwriters so designated in the Initial Wire who are participating in the offering, sale and distribution of the Securities.

**“Closing Date”** means the date on which the Securities are purchased by the Underwriters as specified in or established pursuant to the Purchase Contract.

**“Communication Service”** means the electronic communication service identified in the Initial Wire or such alternative means of communication as may be determined by the Manager.

**“Concession”** means the fractional discount from the public offering prices at which the Underwriters and the Group may sell Securities to other Dealers or affiliates. The Concession is a component of the Total Takedown.

**“Dealer”** means (a) a member in good standing of the NASD or (b) a bank or a department or a division or a subsidiary of a bank in good standing with its applicable regulatory authority or (c) a foreign bank or broker-dealer not eligible for membership in the NASD who agrees to make no sales within the United States, its territories or its possessions or to persons who are citizens thereof or residents therein and in making other sales agrees to comply with the NASD’s Rules of Fair Practice.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Group”** means the Dealers so designated in the Initial Wire as forming a selling group for the public offering of Securities.

**“Initial Wire”** means the initial communication from the Manager to the Dealers participating in a Group that forms the Group and sets forth the information described in Section II of the Master Agreement.

**“Issuer”** means the issuer of the Securities identified in the Initial Wire relating to a Group.

**“Manager”** means the Underwriter identified as the Manager in the Master Agreement, acting as Manager pursuant to the Master Agreement. In connection with the formation of a Group, additional co-Managers also may be identified.

**“Master Agreement”** means each Master Agreement between the Manager and a Dealer and, with respect to a Group, means all Master Agreements between the Manager and the Dealers participating as members of the Group.

**“MSRB”** means the Municipal Securities Rulemaking Board.

**“NASD”** means the National Association of Securities Dealers, Inc.

**“Official Statement”** means the final Official Statement or other offering document, as it may be amended or supplemented, relating to the Securities, provided by or on behalf of the Issuer pursuant to the Purchase Contract.

**“Preliminary Official Statement”** means the Preliminary Official Statement or other preliminary offering document, if any, as it may be amended or supplemented, relating to the Securities, provided by or on behalf of the Issuer pursuant to the Purchase Contract.

**“Pricing Wire”** means one or more communications from the Manager to the Dealers participating in the Group, specifying the terms relating to the purchase of the Securities, as set forth in Section III of the Master Agreement.

**“Purchase Contract”** means the bond purchase agreement, underwriting agreement or other similar agreement between the Issuer and the Manager, acting on behalf of the Underwriters participating in the Account, providing for the purchase of the Securities.

**“SEC”** means the Securities and Exchange Commission.

**“Securities”** means the governmental securities identified in the Initial Wire.

**“Total Takedown”** means either (a) the fractional discount (stated in dollars) from the public offering price at which the Underwriters and the Group may purchase the Securities or (b) the aggregate fee or commission paid to the Underwriters as compensation for purchasing the Securities.

**“Underwriters”** means all Underwriters participating in an Account.