For use with non-financial entities (single counterparties):

JPM MARCH 2013 BILATERAL DF AGREEMENT

dated as of _____

between

JPMORGAN CHASE BANK, N.A.

("**Party A**")

and

CITY OF SMYRNA, GEORGIA

("**Party B**")

The Parties hereto wish to enter into this agreement (this "**Bilateral DF Agreement II**") in relation to their trading relationship in respect of DF Swaps (as defined in Annex I hereto) in order to ensure compliance with the regulatory requirements of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Act**") and the Applicable DF Regulations (as defined in Annex I hereto).

Effective on the date hereof, the terms of this Bilateral DF Agreement II shall supplement and form part of the terms of (i) the JPM August 2012 Bilateral DF Agreement and (ii) each DF Swap entered into between Party A and Party B (each a "Party" and, together, the "Parties").

If the Parties have executed an Existing Swap Agreement (as defined in Annex I hereto), this Bilateral DF Agreement II between Party A and Party B shall supplement and form part of such Existing Swap Agreement, as amended and supplemented from time to time. If the parties have not executed an Existing Swap Agreement, this Bilateral DF Agreement II shall supplement and form part of an agreement in the form of the ISDA 2002 Master Agreement with a Schedule (as such term is defined in the ISDA 2002 Master Agreement) that includes the following terms (the "Deemed ISDA 2002 Master Agreement"): (i) the Deemed ISDA 2002 Master Agreement will govern any DF Swap between the Parties that is entered into on or after the date hereof that is (1) not governed by an Existing Swap Agreement, and (2) not intended by the Parties to be cleared on a clearing organization and, for the avoidance of doubt, will not govern any DF Swap that is governed by an Existing Swap Agreement, or intended by the Parties to be cleared on a clearing organization; (ii) the Deemed ISDA 2002 Master Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine), unless otherwise agreed by the Parties; and (iii) except as otherwise agreed by the Parties in writing, "Multiple Transaction Payment Netting" (1) will apply with respect to each Transaction that is an "FX Transaction" or "Currency Option Transaction" as defined in the ISDA 1998 FX and Currency Option Definitions (as published by ISDA, the Emerging Markets Traders Association and the Foreign Exchange Committee), as supplemented from time to time, and (2) will not apply with respect to other Transactions, in each case for the purposes of Section 2(c) of the Deemed ISDA 2002 Master Agreement.

Accordingly, the Parties agree as follows:

1. **Defined Terms.** Capitalized terms used but not otherwise defined in this Bilateral DF Agreement II shall have the meanings assigned to such terms in Annex I hereto.

2. **General Representations and Agreements of Party A and Party B.**

   (a) Each Party represents to the other Party (which representation is deemed repeated as of the time of each Swap Transaction Event) that, as of the date of each Swap Transaction Event, (i) all Relevant Information (excluding representations) furnished by or on behalf of it to the other Party is true, accurate and complete in every material respect, and (ii) no representation provided in the Relevant Information or in this Bilateral DF Agreement II is incorrect or misleading in any material respect. All Relevant Information is incorporated herein by reference.[1]

   (b) Each Party acknowledges that the other Party has agreed to incorporate one or more of the Annexes hereto into this Bilateral DF Agreement II and if the Parties enter into any DF Swap on or after the date of this Bilateral DF Agreement II, the other Party will do so in reliance upon the Relevant Information and the representations provided by such Party or its agent in the Relevant Information and this Bilateral DF Agreement II. Notwithstanding the foregoing, each Party agrees that an event of default, termination event, or other similar event that gives a Party grounds to cancel or otherwise terminate a DF Swap shall not occur under any contract between the Parties solely on the basis of (i) a representation provided solely in this Bilateral DF Agreement II or in the Relevant Information provided hereunder being incorrect or misleading in any material respect, or (ii) a breach of any covenant or agreement set forth solely in this Bilateral DF Agreement II; *provided, however*, that nothing in this Paragraph 2(b) shall prejudice any other right or remedy of a Party at law or under any contract in respect of any misrepresentation or breach hereunder or thereunder. For the avoidance of doubt, this Paragraph 2(b) shall not alter a Party's termination rights or remedies, if any, applicable to a breach of any representation, warranty, covenant, or agreement that is not provided or set forth solely in the Relevant Information or in this Bilateral DF Agreement II, including any such breach relating to any event or condition that could also cause or constitute an event specified in (i) or (ii) above.

[1] CFTC Regulations 23.402(d) and 23.504(b)(5)

(c) Each Party agrees to promptly notify the other Party in writing in accordance with the Notice Procedures (i) of any material change to information (other than representations) previously provided by such Party or on behalf of such Party pursuant to this Bilateral DF Agreement II and (ii) if any representations made in the Relevant Information or in this Bilateral DF Agreement II by or on behalf of such Party become incorrect or misleading in any material respect. For any representation that would be incorrect or misleading in any material respect if repeated on any date following the date on which the representation was last repeated, the notifying Party shall timely amend such representation by giving notice of such amendment to the other Party in accordance with the Notice Procedures. A notification pursuant to this Paragraph 2(c) shall be effective on the Notice Effective Date and the Relevant Information or representation will be deemed amended as of such Notice Effective Date.[2]

(d) Party A has received, reviewed, and understood the Principal Information and Status Representations applicable to it in Part III of Annex II to this Bilateral DF Agreement II. Such Principal Information and Status Representations are incorporated herein by reference and constitute a part hereof. For the avoidance of doubt, all Principal Information and Status Representations shall constitute Relevant Information.

(e) Party B has received, reviewed, and understood the Principal Information and Status Representations applicable to it in Part I of Annex II to this Bilateral DF Agreement II. Such Principal Information and Status Representations are incorporated herein by reference and constitute a part hereof. For the avoidance of doubt, all Principal Information and Status Representations shall constitute Relevant Information.

(f) Party B has received, reviewed, and understood the Party B Principal Elections applicable to it in Part II of Annex II to this Bilateral DF Agreement II. Such Party B Principal Elections are incorporated herein by reference and constitute a part hereof. For the avoidance of doubt, all Party B Principal Elections shall constitute Relevant Information.

(g) Each Party represents to the other Party (which representations are deemed repeated by each Party as of the time of each Swap Transaction Event) that:

(i) **Status**. It is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;

(ii) **Powers**. It has the power to execute and deliver this Bilateral DF Agreement II and to perform its obligations under this Bilateral DF Agreement II, and has taken all necessary action to authorize such execution, delivery and performance;

(iii) **No Violation or Conflict**. Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) **Consents**. All governmental and other consents that are required to have been obtained by it with respect to this Bilateral DF Agreement II have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) **Obligations Binding**. Its obligations under this Bilateral DF Agreement II constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

[2] CFTC Regulation 23.402(d).

3. **Confirmations**

Unless the Parties have agreed otherwise in writing, each Party agrees that a confirmation of a DF Swap or another type of transaction under this Bilateral DF Agreement II may be created by delivery of written terms by each Party; *provided that* (i) the terms delivered by each Party match the terms delivered by the other Party and (ii) the terms are either delivered by each Party to the other Party in a manner that permits each Party to review such terms or delivered by each Party to a third-party agent or service provider that confirms the matching of such terms to the Parties (in each case by telex, electronic messaging system, email or otherwise). In each case, such a confirmation will be sufficient for all purposes to evidence a binding supplement to this Bilateral DF Agreement II. The foregoing shall not limit other agreed methods of creating binding confirmations and shall not be construed as an agreement to use a method provided in this paragraph to confirm any Transaction.[3]

4. **Clearing Notifications and Representations**

(a) Each Party is hereby notified that, upon acceptance of a DF Swap by a DCO:

(i) the original DF Swap between Party A and Party B is extinguished;
(ii) the original DF Swap between Party A and Party B is replaced by equal and opposite DF Swaps with the DCO; and
(iii) all terms of the DF Swap shall conform to the product specifications of the cleared DF Swap established under the DCO's rules.[4]

(b) Party B represents to Party A that it is not a Category 1 Entity or a Category 2 Entity.

5. **Orderly Liquidation Authority**

(a) Effective on and after the Applicable STRD Compliance Date, each Party agrees to provide notice to the other Party, in accordance with the Notice Procedures, if it becomes, or ceases to be, an Insured Depository Institution or a Financial Company.[5]

(b) Each Party is hereby notified that in the event that a Party is (i) a Covered Financial Company or (ii) an Insured Depository Institution for which the FDIC has been appointed as a receiver (the "**Covered Party**"):

(i) certain limitations under Title II of the Dodd-Frank Act or the FDIA may apply to the rights of the non-Covered Party to terminate, liquidate, or net any DF Swap by reason of the appointment of the FDIC as receiver, notwithstanding the agreement of the Parties; and
(ii) the FDIC may have certain rights to transfer DF Swaps of the Covered Party under Section 210(c)(9)(A) of the Dodd-Frank Act, 12 U.S.C. § 5390(c)(9)(A), or 12 U.S.C. § 1821(e)(9)(A).[6]

6. **Calculation of Risk Valuations and Dispute Resolution**

Where Party B has agreed to incorporate Annex III to this Bilateral DF Agreement II pursuant to Part II(1) of Annex II to this Bilateral DF Agreement II, the provisions of Annex III to this Bilateral DF Agreement II are incorporated herein by reference and constitute a part hereof. Each Party hereto represents that it has received, reviewed and understood the provisions of Annex III to this Bilateral DF Agreement II. For the avoidance of doubt, all provisions of Annex III to this Bilateral DF Agreement II shall constitute Relevant Information.

[3] CFTC Regulation 23.501.
[4] CFTC Regulation 23.504(b)(6).
[5] CFTC Regulation 23.504(b)(5)(iv).
[6] CFTC Regulation 23.504(b)(5)(iii).

7. **Portfolio Reconciliation**

Where Party B has agreed to incorporate Annex IV to this Bilateral DF Agreement II pursuant to Part II(2) of Annex II to this Bilateral DF Agreement II, the provisions of Annex IV to this Bilateral DF Agreement II are incorporated herein by reference and constitute a part hereof. Each Party hereto represents that it has received, reviewed and understood the provisions of Annex IV to this Bilateral DF Agreement II. For the avoidance of doubt, all provisions of Annex IV to this Bilateral DF Agreement II shall constitute Relevant Information.

8. **End-User Exception**

Where Party B has agreed to incorporate Annex V to this Bilateral DF Agreement II pursuant to Part II(4)(a) of Annex II to this Bilateral DF Agreement II, the provisions of Annex V to this Bilateral DF Agreement II are incorporated herein by reference and constitute a part hereof. Each Party hereto represents that it has received, reviewed and understood the provisions of Annex V to this Bilateral DF Agreement II. For the avoidance of doubt, all provisions of Annex V to this Bilateral DF Agreement II shall constitute Relevant Information.

9. **Miscellaneous**

(a) **Entire Agreement; Survival**. This Bilateral DF Agreement II (together with Annexes I through V hereto, as elected, which, the Parties agree, supplement and form part of this Bilateral DF Agreement II) constitutes the entire agreement and understanding of each Party with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto. Each Party acknowledges that, in entering into this Bilateral DF Agreement II, it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to elsewhere in this Bilateral DF Agreement II) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Bilateral DF Agreement II will limit or exclude any liability of either Party for fraud.

(b) **Headings and Footnotes**. The headings and footnotes used in this Bilateral DF Agreement II are for informational purposes and convenience of reference only, and are not to affect the construction of or to be taken into consideration in interpreting this Bilateral DF Agreement II.

(c) **Counterparts.** This Bilateral DF Agreement II (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission, by electronic messaging system or by any other means acceptable to the Parties), each of which will be deemed an original.

(d) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Bilateral DF Agreement II will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(e) **Governing Law**. This Bilateral DF Agreement II will be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine, provided that, if the DF Swaps to which this Bilateral DF Agreement II applies are subject to an Existing Swap Agreement between the Parties, then, any supplements to such Existing Swap Agreement arising out of the application of this Bilateral DF Agreement II to such DF Swaps shall be governed by and construed in accordance with the law governing such Existing Swap Agreement.

(f) **Jurisdiction.** With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Bilateral DF Agreement II ("**Proceedings**"), each Party:

(i) irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City;

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such Party; and

(iii) agrees, to the extent permitted by applicable law, that the bringing of Proceedings in any one or more jurisdictions will not preclude the bringing of Proceedings in any other jurisdiction.

IN WITNESS WHEREOF, the Parties hereto have caused this Bilateral DF Agreement II to be executed by their respective officers duly authorized, as of the date first above written.

Accepted and agreed:

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

CITY OF SMYRNA, GEORGIA

By: _____
Name: The Honorable A. Max Bacon
Title: Mayor

ANNEX I

Defined Terms

"**Active Fund**" means a "private fund," as defined in Section 202(a) of the Investment Advisers Act of 1940, that (i) is not a Third-Party Subaccount and (ii) has executed 200 or more swaps per month on average over the 12 months preceding November 1, 2012. For purposes of clause (ii) of this definition, "swaps" shall mean swaps as defined by the CFTC for purposes of implementation schedules under parts 23 and 50 of CFTC Regulations and shall exclude, without limitation, foreign exchange swaps and foreign exchange forwards exempted from regulation as "swaps" by the Secretary of the Treasury pursuant to authority granted by Section 1a(47)(E) of the CEA.

"**Additional Pre-Trade Mark Transaction**" means a transaction (other than a Covered Forex Transaction or Covered Derivative Transaction) for which the CFTC provides no-action or other relief from CFTC Regulation 23.431(a)(3) that is based, in whole or in part, upon the agreement of a party that a Swap Dealer counterparty need not disclose pre-trade mid-market marks.

"**Annually**" means once each calendar year.

"**Applicable Law"** means all applicable laws of the United States and rules, regulations, orders and written interpretations of U.S. federal authorities, self-regulatory organizations, markets, exchanges and clearing facilities.

"**Applicable DF Regulations**" means CFTC Regulations 23.500 through 23.505, CFTC Regulation 50.50, and CFTC Regulation 50.4 adopted in the following Federal Register publications, as amended and supplemented from time to time: (i) CFTC, Final Rule, *Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants*, 77 Fed. Reg. 55904 (Sept. 11, 2012); (ii) CFTC, Final Rule, *End-User Exception to the Clearing Requirement for Swaps*, 77 Fed. Reg. 42559 (July 19, 2012); and (iii) CFTC, Final Rule, *Clearing Requirement Determination Under Section 2(h) of the CEA*, 77 Fed. Reg. 74284 (Dec. 13, 2012).

"**Applicable Portfolio Reconciliation Compliance Date**" means the date on which Party A's compliance is required with respect to Party B under CFTC Regulation 23.502 and applicable law regarding the scope of application of CFTC Regulation 23.502, including applicable CFTC interpretations and other CFTC Regulations.

"**Applicable STRD Compliance Date**" means the date on which Party A's compliance is required with respect to Party B under CFTC Regulation 23.504 and applicable law regarding the scope of application of CFTC Regulation 23.504, including applicable CFTC interpretations and other CFTC Regulations.

"**Bilateral Covered Agreement**" means (i) a Deemed ISDA 2002 Master Agreement or (ii) an Existing Swap Agreement.

"**BIS 31 Currencies**" refer to one of the following currencies: US dollar, Euro, Japanese yen, Pound sterling, Australian dollar, Swiss franc, Canadian dollar, Hong Kong dollar, Swedish krona, New Zealand dollar, Korean won, Singapore dollar, Norwegian krona, Mexican peso, Indian rupee, Russian rouble, Chinese renminbi, Polish zloty, Turkish lira, South African rand, Brazilian real, Danish krone, New Taiwan dollar, Hungarian forint, Malaysian ringgit, Thai baht, Czech koruna, Philippine peso, Chilean peso, Indonesian rupiah, Israeli new shekel.[7]

"**Category 1 Entity**" means (i) a Swap Dealer, (ii) a Major Swap Participant, (iii) a Security-Based Swap Dealer, (iv) a Major Security-Based Swap Participant or (v) an Active Fund.[8]

"**Category 2 Entity**" means (i) a commodity pool as defined in Section 1a(10) of the CEA and CFTC Regulations thereunder, (ii) a "private fund," as defined in Section 202(a) of the Investment Advisers Act of 1940, other than an Active Fund, or (iii) a person predominantly engaged in activities that are in the business of banking, or in activities that are "financial in nature," as defined in Section 4(k) of the Bank Holding Company Act of 1956, *provided that*, in each case, the entity is not a Third-Party Subaccount.[9]

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[7] CFTC Letter No. 13-12, at text accompanying n. 16 (citing Bank for International Settlements, 2010 BIS Triennial Central Bank Survey, Report on global foreign exchange market activity in 2010 12 (Dec. 2010), *available at* http://www.bis.org/publ/rpfxf10t.pdf).

[8] CFTC Regulation 50.25.

[9] CFTC Regulation 50.25.

"**CEA**" means the Commodity Exchange Act, as amended.

"**CFTC**" means the U.S. Commodity Futures Trading Commission.

"**CFTC Regulations**" means the rules, regulations, orders and interpretations published or issued by the CFTC, as amended.

"**Close-Out Provision**" means (i) in respect of a DF Swap for which the Parties **have** agreed in writing (whether as part of the Bilateral Covered Agreement or otherwise) to a process for determining the payments to be made upon early termination of such DF Swap, the provisions specifying such process, and (ii) in respect of a DF Swap for which the Parties **have not** agreed in writing (whether as part of the Bilateral Covered Agreement or otherwise) to a process for determining the payments to be made upon early termination of such DF Swap, Section 6(e)(ii)(1) of the ISDA 2002 Master Agreement as if such DF Swap were governed thereby.

"**Commodity Trade Option**" means a commodity option entered into pursuant to CFTC Regulation 32.3(a).

"**Covered Derivative Transaction**" means a transaction for which real-time tradeable bid and offer prices are available electronically, in the marketplace, to Party B (if such transaction is executed prior to the issuance of final CFTC Regulations governing the registration of swap execution facilities, subject to any compliance implementation period contained therein) or for which real-time executable bid and offer prices are available on a designated contract market or swap execution facility (if such transaction is executed subsequent to the issuance of final CFTC Regulations governing the registration of swap execution facilities, subject to any compliance implementation period therein), and that is: (i) an untranched credit default swap referencing the on-the-run and most recent off-the-run series of the following indices: CDX.NA.IG 5Y, CDX.NA.HY 5Y, iTraxx Europe 5Y and iTraxx Europe Crossover 5yr; or (ii) an interest rate swap (A) in the "fixed-for-floating swap class" (as such term is used in CFTC Regulation 50.4(a)) denominated in USD or EUR, (B) for which the remaining term to the scheduled termination date is no more than 30 years, and (C) that has specifications set out in CFTC Regulation 50.4.[10]

"**Covered Financial Company**" means a "covered financial company," as defined in Section 201(a)(8) of the Dodd-Frank Act, 12 U.S.C. § 5381(a)(8).

"**Covered Forex Transaction**" means a transaction for which real-time tradeable bid and offer prices are available electronically, in the marketplace, to Party B, and that is: (i) a "foreign exchange forward" or "foreign exchange swap," as defined in Sections 1a(24) and 1a(25) of the Commodity Exchange Act, respectively, that, by its terms, is physically settled, where each currency is one included among the BIS 31 Currencies, and where the transaction has a stated maturity of one year or less; or (ii) a vanilla foreign exchange option that, by its terms, is physically settled, where each currency is one included among the BIS 31 Currencies, and where the option has a stated maturity of six months or less.[11]

"**Credit Support Agreement**" means a written agreement, if any, between the Parties (whether part of the Bilateral Covered Agreement or otherwise) that governs the posting or transferring of collateral or other credit support related to one or more DF Swaps.

"**Credit Support Call**" means a request or demand for the posting or transferring of collateral or other credit support related to one or more DF Swaps made pursuant to the terms of a Credit Support Agreement.

"CSA Valuation" means, in respect of a DF Swap and a Risk Valuation Date and subject to the terms of Part II of Annex III to this Bilateral DF Agreement II in the case of a dispute, the value of such DF Swap determined in accordance with the CSA Valuation Process, if any, expressed as a positive number if such DF Swap has positive value for the Risk Valuation Agent, and as a negative number if such DF Swap has negative value for the Risk Valuation Agent.

"**CSA Valuation Process**" means the process, if any, agreed by the Parties in writing (whether as part of the Bilateral Covered Agreement or otherwise) for determining the value of one or more transactions that may include a DF Swap or portfolio of DF Swaps for the purpose of posting or transferring collateral or other credit support. For the avoidance of doubt, such writing may be in the form of an ISDA Credit Support Annex or any other written agreement.

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[10] CFTC Letter No. 12-58.

[11] CFTC Letter No. 13-12.

"**Daily**" means once each Joint Business Day.

"**Data Delivery Date**" means a date determined pursuant to Section 4.2 of Annex IV to this Bilateral DF Agreement II, as applicable, that is a Joint Business Day.

"**Data Reconciliation**" means a comparison of Portfolio Data and, to the extent applicable, SDR Data received or obtained by a Party against such Party's own books and records of DF Swaps between the Parties and, in respect of any Discrepancy, a process for identifying and resolving such Discrepancy. A Data Reconciliation may include (but shall not be required to include or be limited to) a systematic, line-by-line, field-by-field matching process performed using technological means such as a third-party portfolio reconciliation service or a technology engine.

"**DCO**" means a "derivatives clearing organization," as such term is defined in Section 1a(15) of the CEA and CFTC Regulations.

"**DF Swap**" means a "swap" as defined in Section 1a(47) of the CEA and regulations thereunder that is, or is to be, governed by the Bilateral Covered Agreement; *provided that* a Commodity Trade Option is not a DF Swap for purposes of this Bilateral DF Agreement II. The term "DF Swap" also includes any foreign exchange swaps and foreign exchange forwards that are, or are to be, governed by the Bilateral Covered Agreement and that are exempted from regulation as "swaps" by the Secretary of the Treasury pursuant to authority granted by Section 1a(47)(E) of the CEA. For the avoidance of doubt, the term "DF Swap" does not include a swap that has been cleared by a DCO.

"**Discrepancy**" means, (i) in respect of the Portfolio Data received with respect to a DF Swap and any SDR Data obtained for such DF Swap, a difference between a Material Term in such Portfolio Data or SDR Data and a Party's own records of the corresponding Material Term and (ii) in respect of the Portfolio Data received with respect to a DF Swap, a difference between a Valuation reported in such Portfolio Data and such Party's own Valuation of such DF Swap (calculated as of the same Joint Business Day in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result) that is greater than the Discrepancy Threshold Amount.

"**Discrepancy Threshold Amount**" means, in respect of a DF Swap, an amount equal to ten percent (10%) of the higher of the two absolute values of the respective Valuations assigned to such DF Swap by the Parties.

"**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended.

"**Election Approval**" means, if Party B is an SEC Issuer/Filer, an appropriate committee of Party B's board of directors (or equivalent body) has reviewed and approved the decision to enter into DF Swaps that are exempt from the clearing requirements of Sections 2(h)(1) and 2(h)(8) of the CEA.

"**Existing Swap Agreement**" means, in respect of a DF Swap, a written agreement that (i) exists at the time of execution of such DF Swap, (ii) provides for, among other things, terms governing the payment obligations of the parties, and (iii) the Parties have established, by written agreement, oral agreement, course of conduct or otherwise, will govern such DF Swap.

"**FDIA**" means the Federal Deposit Insurance Act of 1950, as amended.

"**FDIC**" means the Federal Deposit Insurance Corporation.

"**Financial Company**" means a "financial company," as defined in Section 201(a)(11) of the Dodd-Frank Act, 12 U.S.C. § 5381(a)(11).

"**Financial Entity**" means a person that is a "financial entity" as defined in Section 2(h)(7)(C)(i) of the CEA, without regard to an exemption or exclusion provided in Section 2(h)(7)(C)(ii) of the CEA and CFTC regulations thereunder or in Section 2(h)(7)(C)(iii) of the CEA.[12]

[12] Section 2(h)(7)(C)(i) of the CEA defines a "financial entity" for purposes of mandatory clearing as (i) a swap dealer, (ii) a security-based swap dealer, (iii) a major swap participant, (iv) a major security-based swap participant, (v) a commodity pool, (vi) a private fund as defined in Section 202(a) of the Investment Advisors Act of 1940, (vii) an employee benefit plan as defined in paragraphs (3) and (32) of section 3 of the Employee Retirement Income and Security Act of 1974, and (viii) a person predominantly engaged in activities that are in the business of banking, or in activities that are financial in nature as defined in Section 4(k) of the Bank Holding Company Act of 1956.

"**Initial Mandatory Clearing Determination**" means the CFTC determination initially published in the Federal Register on December 12, 2012, pursuant to rulemaking under Section 2(h) of the CEA providing that certain classes of interest rate swaps and credit default swaps shall be subject to mandatory submission for clearing to a DCO eligible to clear such swaps under CFTC Regulation 39.5, as amended.[13]

"**Insured Depository Institution**" means an "insured depository institution," as defined in 12 U.S.C. § 1813.

"**Joint Business Day**" means a day that is a Local Business Day in respect of each Party.

"**LEI/CICI**" means a "legal entity identifier" satisfying the requirements of CFTC Regulation 45.6 or such other entity identifier as shall be provided by the CFTC, pending the availability of such legal entity identifiers.

"**Local Business Day**" means, as used in a provision of this Bilateral DF Agreement II, (i) with respect to Party A, the City of New York; and (ii) with respect to Party B, a day on which commercial banks are open for general business (including for dealings in foreign exchange and foreign currency deposits) in the city or cities specified by Party B in Part II(3) of Annex II to this Bilateral DF Agreement II. If Party B does not specify a city in the Part II(3) of Annex II to this Bilateral DF Agreement II, Party B will be deemed to have specified the City of New York.

"**Major Security-Based Swap Participant**" means a "major security-based swap participant," as defined in Section 3(a)(67) of the SEA and Rule 3a67-1 thereunder.

"**Major Swap Participant**" means a "major swap participant," as defined in Section 1a(33) of the CEA and CFTC Regulation 1.3(hhh) thereunder.

"**Material Terms**" has the meaning ascribed by the CFTC to such term for purposes of CFTC Regulation 23.502.

"**Monthly**" means once each calendar month.

"**Notice Effective Date**" means with respect to a Party to whom a notice has been delivered, the Local Business Day following the date on which such notice would be effective pursuant to the Notice Procedures or such other date as the Parties may specify in writing.

"**Notice Procedures**" means (i) the procedures specified in the Bilateral Covered Agreement regarding delivery of notices or information to a Party, (ii) such other procedures as may be agreed in writing between the Parties from time to time, and (iii) with respect to a Party and a particular category of information or notice, if the other Party has specified other permissible procedures in writing, such procedures.

"**Party**" means, in respect of a Bilateral Covered Agreement, a party thereto.

"**Party B Principal Elections**" means the elections made by Party B in Part II of Annex II to this Bilateral DF Agreement II.

"**Principal Information and Status Representations**" means (i) in respect of Party A, the information provided and representations made by Party A in Part III of Annex II to this Bilateral DF Agreement II; and (ii) in respect of Party B, the information provided and representations made by Party B in Part I of Annex II to this Bilateral DF Agreement II.

"**Portfolio Data**" means, in respect of a Party providing or required to provide such data, information (which, for the avoidance of doubt, is not required to include calculations or methodologies) relating to the terms of all outstanding DF Swaps between the Parties in a form and standard that is capable of being reconciled, with a scope and level of detail that is reasonably acceptable to each Party and that describes and includes, without limitation, current Valuations attributed by that Party to each such DF Swap. The information comprising the Portfolio Data to be provided by a Party on a Data Delivery Date shall be prepared (i) as at the time or times that such Party computes its end of day valuations for DF Swaps (as specified by that Party for this purpose in writing) on the immediately preceding Joint Business Day, as applicable, and (ii) in the case of Valuations, in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result.

[13] 77 Fed. Reg. 74284 (Dec. 13, 2012).

"**Quarterly**" means once each calendar quarter.

"**Recalculation Date**" means the Risk Valuation Date on which a Risk Valuation that gives rise to the relevant dispute is calculated; *provided, however,* that if one or more subsequent Risk Valuation Dates occurs prior to the resolution of such dispute, then the "Recalculation Date" in respect of such dispute means the last such Risk Valuation Date.

"**Reference Market-makers**" means four leading dealers in the relevant market selected by the Risk Valuation Agent in good faith (i) from among dealers of the highest credit standing which satisfy all the criteria that the Risk Valuation Agent applies generally at the time in deciding whether to offer or to make an extension of credit and (ii) to the extent practicable, from among such dealers having an office in the same city.

"**Relevant Information**" means (a) any information or representation agreed in writing by the Parties to be Relevant Information; and (b) any information provided pursuant to Annex II to this Bilateral DF Agreement II, in each case, as amended or supplemented from time to time in accordance with Paragraph 2(c) of this Bilateral DF Agreement II or in another manner agreed by the Parties.

"**Risk Exposure**" means, in respect of a DF Swap and a Risk Valuation Date and subject to the terms of Part II of Annex III to this Bilateral DF Agreement II in the case of a dispute, the amount, if any, that would be payable to the Risk Valuation Agent by Party B (expressed as a positive number) or by the Risk Valuation Agent to Party B (expressed as a negative number) pursuant to the Close-Out Provision as of the Risk Valuation Time as if such DF Swap (and not any other DF Swap) was being terminated as of such Risk Valuation Date; *provided that* (i) if the Bilateral Covered Agreement provides for different calculations depending on whether one of the Parties is an Affected Party or Defaulting Party (as such terms are defined in the Bilateral Covered Agreement), such calculation will be determined using estimates at mid-market of the amounts that would be paid for a replacement transaction; and (ii) such calculation will not include the amount of any legal fees and out-of-pocket expenses.

"**Risk Valuation**" means, in respect of a DF Swap and a Risk Valuation Date for which (i) there is a CSA Valuation determined by the Risk Valuation Agent or its agent, such CSA Valuation, and (ii) there is no CSA Valuation determined by the Risk Valuation Agent or its agent, the Risk Exposure determined by the Risk Valuation Agent or its agent for such DF Swap and Risk Valuation Date, unless, pursuant to Section 3.1 of Annex III to this Bilateral DF Agreement II, the Risk Valuation Agent has elected to use the CSA Valuation provided by Party B for such DF Swap and Risk Valuation Date, in which case, such CSA Valuation provided by Party B.

"**Risk Valuation Agent**" means, in respect of any Risk Valuation Date and any DF Swap, Party A.

"Risk Valuation Date" means, with respect to a DF Swap, each Local Business Day for Party A.

"**Risk Valuation Time**" means, with respect to a DF Swap and any day, the close of business on the prior Local Business Day in the locality specified by the Risk Valuation Agent in its notice of the Risk Valuation to Party B.

"**SDR**" means a "swap data repository," as defined in Section 1a(48) of the CEA and the CFTC Regulations.

"**SDR Data**" means Material Terms data that is available from an SDR.

"**SEA**" means the Securities Exchange Act of 1934, as amended.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Security-Based Swap Dealer**" means a "security-based swap dealer," as defined in Section 3(a)(71) of the SEA and Rule 3a71-1 thereunder.

"**Swap Dealer**" means a "swap dealer," as defined in Section 1a(49) of the CEA and CFTC Regulation 1.3(ggg) thereunder.

"**Swap Transaction Event**" means the execution of a new DF Swap between Party A and Party B or any material amendment, mutual unwind or novation of an existing DF Swap between Party A and Party B.[14]

[14] *See* 77 Fed. Reg. 9734, 9741 (Feb. 17, 2012).

"**Third-Party Subaccount**" means an account that is managed by an investment manager who is (1) independent of and unaffiliated with the account's beneficial owner or sponsor and (2) responsible for the documentation necessary for the account's beneficial owner to clear swaps.

"**Transaction Event**" means any event that results in a new DF Swap between the Parties or in a change to the terms of a DF Swap between the Parties, including execution, termination, assignment, novation, exchange, transfer, amendment, conveyance, or extinguishing of rights or obligations of a DF Swap.

"**Valuation**" has the meaning ascribed to such term in CFTC Regulation 23.500.

"**Weekly**" means once each calendar week.

ANNEX II

Part I. Principal Information and Status Representations of Party B

(1) **LEI/CICI**[15]

Party B's LEI/CICI is: .

(2) **CFTC Swap Entity**[16]

Party B confirms that is not a CFTC Swap Entity.

(3) **Financial Entity**[17]

To the best of its knowledge, Party B is not a Financial Entity.

(4) **Financial Company**[18]

Party B is not a Financial Company.

(5) **Insured Depository Institution**[19]

Party B is not an Insured Depository Institution.

(6) **E-mail Address for Delivery of Notices**

Party B's e-mail address for the delivery of notices pursuant to this Bilateral DF Agreement II other than notices related to Risk Valuations or Portfolio Data is as follows: tjhoward@smyrnaga.gov

(7) **Notice Details**

Where there is no Existing Swap Agreement between Party A and Party B, Party B agrees to enter into the Deemed ISDA 2002 Master Agreement with Party A and the notice information in respect of Party B for the purposes of such Deemed ISDA 2002 Master Agreement is:

Name: Ms. Toni Jo Howard, Finance Director
Address: 1800 King St
Smyrna, GA 30080
Phone: (678) 631-5326
Fax: (770) 319-5316
E-mail: tjhoward@smyrnaga.gov
Electronic Messaging System Details:
Specific Instructions:

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[15] CFTC Regulation 45.6.

[16] A "**CFTC Swap Entity**" is a person who is, or may become, a principal to one or more swaps and is, or expects shortly to be, registered as a swap dealer or major swap participant with the CFTC. Designation as a CFTC Swap Entity in this Annex II is not a representation by Party B that it is a "swap dealer" or a "major swap participant," as such terms are defined in the CEA and applicable CFTC regulations or that it is registered as such. However, parties who do not in good faith believe they will register as a swap dealer or major swap participant should not be designated as a CFTC Swap Entity in this Annex II. If Party B elects that it is not initially a CFTC Swap Entity, it may subsequently change its status to CFTC Swap Entity by providing written notice to Party A that it has become registered with the CFTC as a swap dealer or major swap participant.

[17] See, e.g., CFTC Regulation 23.501 and 23.504(b)(4). The term "financial entity" is used for various purposes through the CEA and CFTC Regulations, including for the purposes of determining who must enter into "swap trading relationship documentation" satisfying various requirements and the deadlines for execution of confirmations under CFTC Regulation 23.501.

[18] Pursuant to CFTC Regulation 23.504(b)(5)(i)-(ii), swap trading relationship documentation must include a statement for each Party indicating whether it is a Financial Company.

[19] Pursuant to CFTC Regulation 23.504(b)(5)(i)-(ii), swap trading relationship documentation must include a statement for each Party indicating whether it is an Insured Depository Institution.

Part II. Party B Principal Elections

(1) **Annex III Calculation of Risk Valuations and Dispute Resolution**

Calculation of Risk Valuations and Dispute Resolution Election for Non-Financial Entities[20]

☑ Party B agrees to incorporate Annex III to this Bilateral DF Agreement II and for purposes of Annex III, Party B's e-mail address for the delivery of Risk Valuations is as follows: tjhoward@smyrnaga.gov.[21]

☐ Party B does not agree to incorporate Annex III to this Bilateral DF Agreement II.

(2) **Annex IV Portfolio Reconciliation**

Portfolio Reconciliation Election[22]

☐ Party B agrees to incorporate Annex IV to this Bilateral DF Agreement II and for purposes of Annex IV, Party B's e-mail address for the delivery of Portfolio Data is as follows: _____.[23]

☑ Party B does not agree to incorporate Annex IV to this Bilateral DF Agreement II.

(3) **Local Business Day**[24]

Party B designates the following city or cities as the relevant Local Business Day city or cities: Atlanta, GA..

(4) **Annex V Use of End-User Exception**[25]

(a) ***Standing End-User Exception***

☑ Party B elects the End-User Exception for each DF Swap entered into with Party A that is subject to a mandatory clearing determination under Section 2(h) of the CEA and agrees to incorporate Annex V to this Bilateral DF Agreement II unless Party B notifies Party A otherwise in writing prior to the execution of such DF Swap.

☐ Party B does not elect the End-User Exception for each DF Swap entered into with Party A that is subject to a mandatory clearing determination under Section 2(h) of the CEA and does not agree to incorporate Annex V to this Bilateral DF Agreement II.

(b) ***Standing Opt-Out of Annual Filing***[26, 27]

☑ Party B elects a Standing Opt-Out of Annual Filings.

☐ Party B does not elect a Standing Opt-Out of Annual Filings.

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[20] One box in this section must be checked. Annex III to this Bilateral DF Agreement II provides a set of agreements intended to address the documentation requirements of CFTC Regulation 23.504(b)(4).

[21] If Party B elects to incorporate Annex III to this Bilateral DF Agreement II by making such election in Part II(1)(a) in this Annex II, Party B must provide an email address for the delivery of Risk Valuations.

[22] One box in this section must be checked. Annex IV to this Bilateral DF Agreement II provides a set of agreements intended to address the data portfolio reconciliation requirements of CFTC Regulation 23.502.

[23] For the purpose of the data portfolio reconciliation procedures set forth in Annex IV to this Bilateral DF Agreement II, Party B must provide an email address.

[24] If Party B elects to incorporate Annex III or Annex IV to this Bilateral DF Agreement II, Party B may indicate a city or cities for purposes of determining the Local Business Day with respect to each of Annex III and Annex IV to this Bilateral DF Agreement II.

[25] Party B may elect the End-User Exception by checking the relevant box in this section. For the avoidance of doubt, Party B's answer to this question will in no way prejudice its rights to elect to, or not to, use the End-User Exception in respect of any particular DF Swap.

[26] By electing a Standing Opt-Out of Annual Filing, Party B notifies Party A that it will not make an Annual Filing, as described in Annex V to this Bilateral DF Agreement II, for any DF Swap subject to mandatory clearing (such notification, the "**Standing Opt-Out of Annual Filing**") unless Party B subsequently notifies Party A to the contrary (either with respect to a particular DF Swap or generally).

[27] Pursuant to CFTC Regulation 50.50, one box in this section must be checked by Party B.

(i) ***Party B's financial obligations associated with entering into non-cleared swaps***[28]

Party B generally meets its financial obligations associated with entering into non-cleared swaps using:

☐ (A) a written credit support agreement;

☐ (B) pledged or segregated assets (including posting or receiving margin pursuant to a credit support arrangement or otherwise);

☐ (C) a written third-party guarantee;

☑ (D) its available financial resources; or

☐ (E) means other than those described in the foregoing subsections (A) through (D) above.

(ii) ***SEC Issuer/Filer***[29]

☐ Party B is an SEC Issuer/Filer and Party B's SEC Central Index Key Number is as follows: .[30]

☑ Party B is not an SEC Issuer/Filer.

(iii) ***Election Approval***[31]

☐ Party B received Election Approval.

☑ Party B did not receive Election Approval.

(5) **Elections Not to Receive Disclosure of Pre-Trade Mid-Market Marks**[32, 33]

(a) ☐ Party B does not require Party A to disclose pre-trade mid-market marks in respect of any Covered Forex Transaction.

☑ Party B requires Party A to disclose pre-trade mid-market marks in respect of any Covered Forex Transaction.

(b) ☐ Party B does not require Party A to disclose pre-trade mid-market marks in respect of any Covered Derivative Transaction.

☑ Party B requires Party A to disclose pre-trade mid-market marks in respect of any Covered Derivative Transaction.

(c) ☐ Party B does not require Party A to disclose pre-trade mid-market marks in respect of any Additional Pre-Trade Mark Transaction.[34]

☑ Party B requires Party A to disclose pre-trade mid-market marks in respect of any Additional Pre-Trade Mark Transaction.

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[28] Pursuant to CFTC Regulation 50.50, at least one box in this section must be checked if Party B has elected the Standing Opt-Out of Annual Filing in Part II(4)(b) of this Annex II above.

[29] Pursuant to CFTC Regulation 50.50, one box in this section must be checked if Party B has elected the Standing Opt-Out of Annual Filing in Part II(4)(b) of this Annex II above. Party B must indicate if it is an issuer of securities registered under Section 12 of, or required to file reports under Section 15(d) of, the Securities Exchange Act of 1934.

[30] Pursuant to CFTC Regulation 50.50, Party B must provide this information if it has elected in Part II(4)(b)(ii) of this Annex II that it is an SEC Issuer/Filer.

[31] Pursuant to CFTC Regulation 50.50, Party B must make this election if it has elected in Part II(4)(b)(ii) of this Annex II, that it is an SEC Issuer/Filer.

[32] CFTC Regulation 23.431(a)(3).

[33] CFTC Letter No. 13-12 and CFTC Letter No. 12-58 provide that Swap Dealers will not be required to disclose pre-trade mid-market marks in connection with any Covered Forex Transactions or Covered Derivatives Transactions, respectively, provided that the counterparty agrees in advance, in writing, that the Swap Dealer need not disclose a pre-trade mid-market mark.

[34] Party B may agree in advance that Party A will not be required to disclose pre-trade mid-market marks in connection with any Additional Pre-Trade Mark Transaction.

Part III. Principal Information and Status Representations of Party A

(1) **LEI/CICI**[35]

Party A's LEI/CICI is 7H6GLXDRUGQFU57RNE97.

(2) **CFTC Swap Entity**

Party A confirms that is a CFTC Swap Entity.

(3) **Financial Entity**[36]

Party A is a Financial Entity.

(4) **Financial Company**[37]

Party A is a Financial Company.

(5) **Insured Depository Institution**[38]

Party A is an Insured Depository Institution.

(6) **E-mail Address for Delivery of Notices**

Party A's e-mail address for the delivery of notices pursuant to this Bilateral DF Agreement II other than notices related to Risk Valuations or Portfolio Data is as follows: DF.Notices@jpmorgan.com.

(7) **Notice Details**

Where there is no Existing Swap Agreement between Party A and Party B, Party A agrees to enter into the Deemed ISDA 2002 Master Agreement with Party B and the notice information in respect of Party A for the purposes of such Deemed ISDA 2002 Master Agreement is:

Name: JPMorgan Chase Bank, N.A.
Address: 277 Park Avenue
New York, New York 10172-0003
Attention: Legal Department- Derivatives Practice Group
Fax: (646) 534-6393

(8) **E-Mail Address for Delivery of Risk Valuations**

Party A's e-mail address for the delivery of Risk Valuations given pursuant to Annex III hereof is as follows: risk.valuation@jpmorgan.com.

(9) **E-mail Address for Delivery of Portfolio Data**

Party A's e-mail address for the delivery of Portfolio Data delivered pursuant to Annex IV hereof is as follows: portfolio.reconciliation@jpmorgan.com.

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[35] CFTC Regulation 45.6.

[36] See, e.g., CFTC Regulation 23.501 and 23.504(b)(4). The term "financial entity" is used for various purposes through the CEA and CFTC Regulations, including for the purposes of determining who must enter into "swap trading relationship documentation" satisfying various requirements and the deadlines for execution of confirmations under CFTC Regulation 23.501.

[37] Pursuant to CFTC Regulation 23.504(b)(5)(i)-(ii), swap trading relationship documentation must include a statement for each Party indicating whether it is a Financial Company.

[38] Pursuant to CFTC Regulation 23.504(b)(5)(i)-(ii), swap trading relationship documentation must include a statement for each Party indicating whether it is an Insured Depository Institution.

ANNEX III
Calculation of Risk Valuations and Dispute Resolution

Part I. Calculation of Risk Valuations for Purposes of Section 4s(j) of the CEA

Each Party agrees that:

3.1 On each Risk Valuation Date, the Risk Valuation Agent in respect of each DF Swap for which a Transaction Event has occurred after the Applicable STRD Compliance Date (or its agent) will calculate the Risk Valuation of such DF Swap, *provided* that if Party B has provided the Risk Valuation Agent with a CSA Valuation for such DF Swap and such Risk Valuation Date pursuant to the CSA Valuation Process that the Risk Valuation Agent has determined in good faith will allow the Risk Valuation Agent to satisfy the requirements of CFTC Regulation 23.504(b) as they relate to Section 4s(j) of the CEA, the Risk Valuation Agent may elect to treat such CSA Valuation as the Risk Valuation for such DF Swap.

3.2 Upon written request by Party B delivered to the Risk Valuation Agent in accordance with the Notice Procedures on or prior to the Joint Business Day following a Risk Valuation Date, the Risk Valuation Agent (or its agent) will notify Party B of the Risk Valuations determined by it for such Risk Valuation Date pursuant to Section 3.1 above. Unless otherwise agreed by the Parties, the Risk Valuation Agent shall not be obligated to disclose to Party B any confidential, proprietary information about any model the Risk Valuation Agent may use to value a DF Swap.

3.3 Notification of a Risk Valuation may be provided through any of the following means, each of which is agreed by the Parties to be reliable: (i) written notice delivered by the Risk Valuation Agent to Party B in accordance with the Notice Procedures, (ii) any means agreed by the Parties for the delivery of CSA Valuations or (iii) posting on a secured web page at, or accessible through, a URL designated in a written notice given to Party B pursuant to the Notice Procedures.

3.4 Each Risk Valuation will be determined by the Risk Valuation Agent (or its agent) acting in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result.

Part II. Dispute Resolution for Risk Valuations for Purposes of Section 4s(j) of the CEA

Each Party agrees that:

3.5 If Party B wishes to dispute the Risk Valuation Agent's calculation of a Risk Valuation, Party B shall notify the Risk Valuation Agent in writing in accordance with the Notice Procedures on or prior to the close of business on the Joint Business Day following the date on which Party B was notified of such Risk Valuation. Such notice shall include Party B's calculation of the Risk Valuations for all DF Swaps as of the relevant date for which the Risk Valuation Agent has provided Risk Valuations to Party B, which must be calculated by Party B acting in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result.

3.6 If Party B disputes the Risk Valuation Agent's calculation of a Risk Valuation and the Parties have agreed in writing (whether as part of the Bilateral Covered Agreement or otherwise) to a valuation dispute resolution process by which CSA Valuations are to be determined, then such process will be applied to resolve the dispute of such Risk Valuation (as if such dispute of a Risk Valuation were a dispute of a CSA Valuation, each DF Swap that is the subject of the dispute were the only DF Swap for which a CSA Valuation was being disputed, and Party B was the disputing party).

3.7 If Party B disputes the Risk Valuation Agent's calculation of a Risk Valuation and the Parties have not agreed in writing (whether as part of the Bilateral Covered Agreement or otherwise) to a valuation dispute resolution process by which CSA Valuations are to be determined, then the following process will apply in respect of the dispute of such Risk Valuation:

(a) the Parties will consult with each other in an attempt to resolve the dispute; and

(b) if they fail to resolve the dispute in a timely fashion, then the Risk Valuation Agent will recalculate the Risk Valuation as of the Recalculation Date by seeking four actual quotations at mid-market from Reference Market-makers and taking the arithmetic average of those obtained; *provided that* if four quotations are not available, then fewer than four quotations may be used; and if no quotations are available, then the Risk Valuation Agent's original Risk Valuation calculation will be used.

3.8 Following a recalculation pursuant to Section 3.7 above, the Risk Valuation Agent will notify Party B no later than the close of business on the Local Business Day of the Risk Valuation Agent following the date of such recalculation, and such recalculation shall be the Risk Valuation for the applicable Risk Valuation Date.

Part III. Relationship to Other Valuations

3.9 The Parties agree and acknowledge that the process provided herein for the production and dispute of Risk Valuations is exclusively for determining the value of each relevant DF Swap for the purpose of compliance by each Party with risk management requirements under Section 4s(j) of the CEA. Failure by Party B to dispute a Risk Valuation calculated by the Risk Valuation Agent does not constitute acceptance by Party B of the accuracy of the Risk Valuation for any other purpose.

3.10 Resolution of any disputed Risk Valuation using a procedure specified in Part II of Annex II to this Bilateral DF Agreement II is not binding on either Party for any purpose other than Party A's compliance with risk management requirements under Section 4s(j) of the CEA. Each Party agrees that nothing in this Bilateral DF Agreement II providing for the calculation of Risk Valuations or for any right to dispute valuations in connection with such Risk Valuations shall affect any agreement of the Parties regarding the calculation of CSA Valuations or disputes regarding CSA Valuations or constitute a waiver of any right to dispute a CSA Valuation. Any resolutions of disputes regarding CSA Valuations may be different from the resolutions of disputes regarding Risk Valuations. The Parties acknowledge that the adoption of margin regulations under Section 4s(e) of the CEA may require additional agreements between the Parties regarding the calculation of DF Swap valuations for purposes of such regulations and Party A's compliance with risk management requirements under Section 4s(j) of the CEA, and Party B's agreement to incorporate this Annex III in no way constitutes agreement to adopt the procedures herein with respect to the calculation of, or resolution of disputes regarding, margin valuations.

3.11 Notwithstanding anything to the contrary in this Bilateral DF Agreement II, the Parties may in good faith agree to any other procedure for (i) the calculation of Risk Valuations and/or (ii) the resolution of any dispute between them, in either case, whether in addition to or in substitution of the procedures set out in this Annex III.

ANNEX IV
Portfolio Reconciliation

Part I. Required Reconciliation Dates

4.1 From time to time after the Applicable Portfolio Reconciliation Compliance Date, Party A may give Party B a notice (a "**Required Reconciliation Date Notice**") in which Party A represents that it is (in Party A's good faith belief) necessary for the Parties to perform a Data Reconciliation in order for Party A to comply with the Applicable DF Regulations regarding the frequency with which portfolio reconciliations are to be performed. A Required Reconciliation Data Notice will specify (i) the frequency with which such portfolio reconciliations are believed by Party A to be required, which may be "Daily," "Weekly," Quarterly," "Annually" or another frequency required by the Applicable DF Regulations and (ii) one or more Data Delivery Dates.

Part II. One-way Delivery of Portfolio Data

4.2 On each Data Delivery Date Party A will deliver Portfolio Data to Party B and Party B will review such data, and the following shall apply:

(a) The Required Reconciliation Date Notice will specify one or more Data Delivery Dates, *provided* that the first such date will be a day no earlier than the second Joint Business Day following the date on which such notice is given to Party B, and *provided further* that if, prior to the first such date, Party B requests one or more different Data Delivery Dates, the relevant Data Delivery Dates will be as agreed by the Parties.

(b) On each Data Delivery Date, Party A (or its agent) will provide Portfolio Data to Party B (or its agent) for verification by Party B. For purposes of this Section 4.2, Portfolio Data will be considered to have been provided to Party B (and Party B will be considered to have received such Portfolio Data) if it has been provided (i) in accordance with the Notice Procedures, or (ii) to a third-party service provider agreed to between Party A and Party B for this purpose.

(c) On or as soon as reasonably practicable after each Data Delivery Date and in any event not later than the close of business on the second Local Business Day of Party B following the Data Delivery Date, Party B will review the Portfolio Data delivered by Party A with respect to each relevant DF Swap against its own books and records and Valuation for such DF Swap and notify Party A whether it affirms the relevant Portfolio Data or has identified any Discrepancy. Party B shall notify Party A of all Discrepancies identified with respect to the Portfolio Data provided.

(d) If Party B has notified Party A of any Discrepancies in Portfolio Data in respect of any Material Terms or Valuations, then each Party agrees to consult with the other in an attempt to resolve all such Discrepancies in a timely fashion.

Part III. Valuation Differences Below the Discrepancy Threshold Amount

4.3 The Parties hereby agree that a difference in Valuations in respect of a DF Swap that is less than the Discrepancy Threshold Amount shall not be deemed a "discrepancy" for purposes of CFTC Regulation 23.502 and neither Party shall be required under this Annex IV to notify the other Party of such a difference or consult with the other Party in an attempt to resolve such a difference.

Part IV. Other Portfolio Reconciliation Procedures

4.4 In the event that the Parties have agreed to multiple Data Delivery Dates with a frequency specified in a Required Reconciliation Date Notice, Party A shall notify Party B if, at any time, during the period that such Data Delivery Dates are in effect, it is no longer required by the Applicable DF Regulations to conduct portfolio reconciliations with the specified frequency. Such notice shall specify (i) the new frequency with which portfolio reconciliations are believed by Party A to be required, which may be "Daily," "Weekly," "Quarterly," "Annually" or another frequency required by the Applicable DF Regulations and (ii) one or more new Data Delivery Dates. Upon delivery of such a notice, the Parties' obligations to deliver Portfolio Data on the previously agreed Data Delivery Dates shall terminate, and such notice shall be a new Required Reconciliation Date Notice for purposes of Section 4.2 above.

4.5 Notwithstanding anything to the contrary in this Bilateral DF Agreement II, the Parties may in good faith agree to any other procedure for (i) the exchange, delivery and/or reconciliation of Portfolio Data, and/or (ii) the resolution of any discrepancy between them, in either case, whether in addition to or in substitution of the procedures set out in this Bilateral DF Agreement II. Nothing in this Annex IV shall prejudice any right of dispute or right to require reconciliation that either Party may have under Applicable Law, any term of the Bilateral Covered Agreement other than in this Annex IV, or any other agreement.

ANNEX V
End-User Exception

5.1 If Party B elects not to clear any DF Swap that is subject to a mandatory clearing determination under Section 2(h) of the CEA pursuant to an exception from mandatory clearing provided under Section 2(h)(7) of the CEA and CFTC Regulation 50.50 (the "**End-User Exception**"), Party B shall notify Party A of such election in writing prior to execution of such DF Swap, which notice may be provided as a standing notice for multiple swaps (in Relevant Information or otherwise) (the "**Standing End-User Exception**") or on a trade-by-trade basis.[39] By providing such notice and executing any such DF Swap, Party B shall be deemed to represent that (i) it is eligible for an exception from mandatory clearing with respect to such DF Swap under Section 2(h)(7) of the CEA and CFTC Regulation 50.50 and (ii) either:

(a) it has reported the information listed in CFTC Regulation 50.50(b)(1)(iii) in an annual filing made pursuant to CFTC Regulation 50.50(b)(2) no more than 365 days prior to entering into such DF Swap, such information has been amended as necessary to reflect any material changes thereto, such annual filing covers the particular DF Swap for which such exception is being claimed, and such information in such filing is true, accurate, and complete in all material respects (the "**Annual Filing**"); or

(b) it:

(1) has notified Party A in writing in accordance with the Notice Procedures prior to entering into such DF Swap that it has not reported the information listed in CFTC Regulation 50.50(b)(1)(iii) in an annual filing described in paragraph 5.1(a)(i) above;

(2) has provided to Party A all information listed in CFTC Regulation 50.50(b)(1)(iii) and such information is true, accurate and complete in every material respect and covers the particular DF Swap for which such exception is being claimed;

(3) (A) is not a "financial entity," as defined in Section 2(h)(7)(C)(i) of the CEA, without regard to any exemptions or exclusions provided under Sections 2(h)(7)(C)(ii), 2(h)(7)(C)(iii), or 2(h)(7)(D) or related CFTC regulations, (B) qualifies for the small bank exclusion from the definition of "financial entity" in Section 2(h)(7)(C)(ii) of the CEA and CFTC Regulation 50.50(d), (C) is excluded from the definition of "financial entity" in accordance with Section 2(h)(7)(C)(iii) of the CEA, or (D) qualifies for an exception from mandatory clearing in accordance with Section 2(h)(7)(D) of the CEA;

(4) is using such DF Swap to hedge or mitigate commercial risk as provided in CFTC Regulation 50.50(c); and

(5) generally meets its financial obligations associated with entering into non-cleared DF Swaps.[40]

5.2 If (i) Party A and Party B enter into a DF Swap subject to a mandatory clearing determination under Section 2(h) of the CEA that Party B has elected not to clear pursuant to an exception from mandatory clearing provided under Section 2(h)(7) of the CEA and CFTC Regulation 50.50 and (ii) Party B has satisfied the conditions specified in Section 5.1(b)(1) and (2) above, then, if the DF Swap is subject to mandatory reporting to the CFTC or an SDR and Party A is the "reporting counterparty," as defined in CFTC Regulation 45.8, Party A shall report the information listed in CFTC Regulation 50.50(b)(1)(iii) to the relevant SDR.[41]

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[39] CFTC Regulation 23.505(a)(2).

[40] CFTC Regulation 50.50 and 23.505(a).

[41] CFTC Regulation 50.50.

5.3 Notwithstanding anything to the contrary herein or in any non-disclosure, confidentiality or similar agreement between the Parties, if Party B elects the exception from the DF Swap clearing requirement under Section 2(h)(7)(A) of the CEA and CFTC Regulation 50.50 with respect to a particular DF Swap, each Party hereby consents to the disclosure of information related to such election to the extent required by the Applicable DF Regulations. Each Party acknowledges that disclosures made pursuant to this Section 5.3 may include, without limitation, the disclosure of trade information, including a Party's identity (by name, identifier or otherwise) to an SDR and relevant regulators. Each Party further acknowledges that, for purposes of complying with regulatory reporting obligations, an SDR may engage the services of a global trade repository regulated by one or more governmental regulators, *provided that* such regulated global trade repository is subject to comparable confidentiality provisions as is an SDR registered with the CFTC. For the avoidance of doubt, to the extent that applicable non-disclosure, confidentiality, bank secrecy or other law imposes non-disclosure requirements on the DF Swap and similar information required to be disclosed pursuant to the Applicable DF Regulations but permits a Party to waive such requirements by consent, the consent and acknowledgements provided herein shall be a consent by each Party for purposes of such other applicable law.