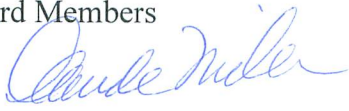


CENTRAL FLORIDA EXPRESSWAY AUTHORITY

MEMORANDUM

TO: Authority Board Members

FROM: Claude Miller 
Director of Procurement

DATE: May 26, 2015

RE: Approval of 2nd Amendment to Public Financial Management, Inc.
Financial Advisor Services
Contract No. 000833

Staff is requesting approval of the Second Amendment to CFX's financial advisor services contract with Public Financial Management, Inc. The amendment is changing CFX's Designated Qualified Independent Representative from PFM Asset Management LLC (PFMAM) to PFM Swap Advisors LLC (PFMSA).

PFMSA was created in 2014 to comply with the SEC's Final Rules for Municipal Advisors which became effective on July 1, 2014, as part of the Dodd-Frank Act. Under the regulations, any firm providing "advice concerning municipal derivatives" must be registered as a Municipal Advisor with the SEC. Prior to enactment of these regulations, PFM conducted all of its swap and derivatives advisory consulting out of PFMAM which is registered with the SEC as an Investment Advisor but not as a Municipal Advisor. PFMSA's Certificate of Formation and MRSB Registration are attached.

Consent Agenda 6/15

SECOND AMENDMENT TO CONTRACT

CENTRAL FLORIDA EXPRESSWAY AUTHORITY (F/K/A
ORLANDO-ORANGE COUNTY EXPRESSWAY AUTHORITY)
AND
PUBLIC FINANCIAL MANAGEMENT, INC.

FINANCIAL ADVISOR SERVICES
CONTRACT NO.000833

TO INCLUDE THE SERVICES OF
PFM SWAP ADVISORS LLC AS THE AUTHORITY'S
DESIGNATED QUALIFIED INDEPENDENT REPRESENTATIVE

This Second Amendment to Contract No. 000833 (the "Amendment"), is made and entered into this ____ day of _____, 2015, between the CENTRAL FLORIDA EXPRESSWAY AUTHORITY (F/K/A ORLANDO-ORANGE COUNTY EXPRESSWAY AUTHORITY), a body politic and agency of the State of Florida hereinafter called the AUTHORITY, PUBLIC FINANCIAL MANAGEMENT, INC., 300 South Orange Avenue, Suite 1170, Orlando, FL 32801, hereinafter the ADVISOR, and PFM SWAP ADVISORS LLC, 2 Logan Square, Suite 1600, Philadelphia, PA 19103, hereinafter the QIR.

WITNESSETH:

WHEREAS, the AUTHORITY and the ADVISOR entered into Contract No. 000833 on April 1, 2012, as amended on July 25, 2013, and renewed on February 15, 2015;

WHEREAS, pursuant to Contract No. 000833, the ADVISOR is to provide financial advisory services and other special services as set forth in the Scope of Services attached thereto;

WHEREAS, since the inception of Contract No. 000833, those special services have included, and will continue to include, swap advisory services involving the evaluation of the risks and appropriateness of swap transactions for the AUTHORITY, including the termination thereof and the fair pricing of the related termination payments;

WHEREAS, due to regulations involving the provision of swap advisory services, those special services have been performed by PFM Swap Advisors LLC, the registered investment advisor affiliate of the ADVISOR;

WHEREAS, since the inception of Contract No. 000833, the U.S. Commodity Futures Trading Commission ("CFTC") has adopted regulations governing business conduct standards for swap dealers/counterparties and other parties that apply to communications regarding swap transactions, which regulations went into effect on May 1, 2013;

WHEREAS, for a swap dealer/counterparty to engage in communications with certain types of "special entities" such as the AUTHORITY, the swap dealer/counterparty must perform due diligence as to the special entity's ability, knowledge and experience with regard evaluating

the appropriateness and risks of a Swap¹ or be able to rely on certain written representations of the special entity regarding such knowledge and experience or that the special entity has retained the services of a "qualified independent representative" possessing such knowledge and experience such that it falls within the "safe harbor" available to the swap dealer/counterparty under the CFTC regulations;

WHEREAS, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "Dodd-Frank Act"), a swap dealer/counterparty, prior to entering into or terminating a Swap, may require a separate written agreement of the parties that satisfies the documentation requirements of the Dodd-Frank Act, as well as other conditions, including that the AUTHORITY have a "qualified independent representative" that satisfies the applicable requirements of CFTC Regulation §23.450; and

WHEREAS, for the AUTHORITY to satisfy such documentation and conditions of the Dodd-Frank Act and to enable a swap dealer/counterparty to communicate with the AUTHORITY under the "safe harbor," the AUTHORITY and ADVISOR desire to amend Contract No. 000833 to specifically include PFM Swap Advisors LLC as the designated QIR for the AUTHORITY with regard to swap advisory services and to set forth certain disclosures, representations and agreements in compliance therewith.

NOW, THEREFORE, in consideration of the mutual covenants and benefits set forth herein and other good and valuable consideration, the receipt and sufficiency of which being hereby acknowledged by each party to the other, the parties hereto agree as follows:

1. The AUTHORITY will, from time to time, continue to use the special services of the ADVISOR, including those of the QIR in connection with the evaluation of the risks and appropriateness of Swaps for the AUTHORITY, the termination of any Swaps by the AUTHORITY, as well as the fairness of the pricing or termination payments of such Swaps.

2. The AUTHORITY hereby makes the following disclosures, representations and agreements as of the date hereof:

- (A) In reliance on the disclosures, representations and agreements of the QIR contained in this Amendment, the AUTHORITY hereby designates PFM Swap Advisors LLC (the registered investment advisor affiliate of the ADVISOR) as its "qualified independent representative" within the meaning of CFTC Regulation §23.450; and
- (B) The AUTHORITY has complied in good faith with written policies and procedures reasonably designed to ensure that the QIR, as its designated qualified independent representative, satisfies the applicable requirements of CFTC Regulation §23.450(b)(1), and such policies and procedures provide for ongoing monitoring of the performance of such representative consistent with the requirements of CFTC Regulation §23.450(b)(1). The Interest Rate Risk Management Policy is attached hereto as **Exhibit A**.

¹ As used in this letter, "Swap" means a "swap," as defined in the Section 1a(47) of the Commodity Exchange Act and CFTC Regulation 1.3(xxx). The term also includes any foreign exchange swaps and foreign exchange forwards that may be exempted from regulation as "swaps" by the Secretary of the Treasury pursuant to authority granted by Section 1a(47)(E) of the Commodity Exchange Act. For these purposes, "Swap" includes a new swap and any material amendment, mutual unwind or novation of an existing Swap. The term "Swap" also includes any trading strategy involving a Swap.

3. The QIR hereby makes the following disclosures, representations and agreements as of the date hereof:

- (A) The true name and address of designated QIR are as set forth in the introductory paragraph of this Amendment;
- (B) The QIR has sufficient knowledge and expertise to independently evaluate the Swap, the risks of the Swap, the fair pricing of the Swap (including termination payments) and the appropriateness of the Swap for the AUTHORITY (taking into consideration the written policies of the AUTHORITY);
- (C) The QIR is not subject to a statutory or regulatory disqualification or a final disciplinary action that would prevent it from effectively serving as a "qualified independent representative" to the AUTHORITY;
- (D) The QIR, by accepting such designation by the AUTHORITY, is undertaking a duty to act in the best interests of the AUTHORITY;
- (E) The QIR has written policies and procedures reasonably designed to ensure that it satisfies the applicable requirements of CFTC Regulation §23.450(b)(1);
- (F) The QIR will exercise independent judgment in evaluating all "recommendations" (as such term is used in CFTC Regulations §23.434 and §23.440) presented to it by a swap dealer/counterparty with regard to a Swap;
- (G) The QIR is not and, within one year of representing the AUTHORITY in connection with any Swap has not been, an "associated person" (as such term is defined in Section 1a(4) of the Commodity Exchange Act) of the swap dealer/counterparty for such Swap;
- (H) The QIR has no "principal relationship" (as that term is defined in CFTC Regulation §23.450(a)(1)) with any swap dealer/counterparty;
- (I) The QIR (i) will provide timely and effective disclosure to the AUTHORITY of all material conflicts of interest that could reasonably affect the judgment or decision making of the QIR with respect to its obligations to the AUTHORITY and (ii) will comply with its policies and procedures reasonably designed to manage and mitigate such material conflicts of interest;
- (J) The QIR is not directly or indirectly, through one or more persons, controlled by, in control of, or under common control with any swap dealer/counterparty;
- (K.) To the best of the QIR's knowledge, no swap dealer/counterparty referred, recommended, or introduced the QIR to the AUTHORITY within one year of the QIR's representation of the AUTHORITY in connection with any Swap;

- (L) The QIR is legally obligated to comply with the applicable requirements of CFTC Regulation §23.450(b)(1) by agreement, condition of employment, law, rule, regulation, or other enforceable duty; and
- (M) The QIR has registered with the CFTC as a commodity trading advisor and/or with the Securities Exchange Commission ("SEC") as an investment advisor under the Investment Advisers Act of 1940.

The QIR hereby agrees to annually reaffirm in writing to the AUTHORITY by delivery to the AUTHORITY at the address below on each July 1st the disclosures and representations set forth in paragraphs A through M above. The QIR agrees to provide the AUTHORITY with evidence of its registration with the CFTC and/or the SEC as described in paragraph M above.

- 4. The AUTHORITY and the QIR each hereby agree that:
 - (A) Each disclosure or representation made by it in this Amendment will be deemed to be repeated by it at the time of each recommendation provided by a swap dealer/counterparty with respect to any Swap and each time a swap dealer/counterparty offers to enter into, or enters into, any Swap with the AUTHORITY, where such Swap involves the services of the QIR as the designated "qualified independent representative" of the AUTHORITY; and
 - (B) If any representation made by it in this Amendment becomes incorrect or misleading in any material respect, it will promptly correct and update such representation by notifying the other party in writing at the address and in accordance with the delivery instructions provided in the Notice section below.

5. Notices:

For purposes of this Amendment only, all notices required in this Amendment shall be sent by certified mail, return receipt requested and by email to the following addresses:

To the AUTHORITY:

Chief Financial Officer
Central Florida Expressway Authority
4974 ORL Tower Road
Orlando, Florida 32807
Phone: (407) 690-5000
Fax: (407) 690-5011
E-mail: Lisa.Lumbard@cfxway.com

With copy to:
General Counsel
Central Florida Expressway Authority
4974 ORL Tower Road
Orlando, Florida 32807
Phone: (407) 690-5381
Fax: (407) 690-5011
E-mail: Joe.Passiatore@cfxway.com

To the QIR:

PFM Swap Advisors LLC
2 Logan Square
Suite 1600
Philadelphia, PA 19103
Attention: Mr. Jeffrey M. Pearsall
Phone: (215) 567-6100
Fax: (215) 567-4180
E-mail: pearsallj@pfm.com

IN WITNESS WHEREOF, the authorized signatories below have executed this Amendment on behalf of the parties as of the day and year first above written and this Amendment shall be deemed delivered with effect from the date and year first above written.

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

By: _____
Print Name: _____
Title: _____

Approved as to form and execution, only.

General Counsel for the AUTHORITY

PUBLIC FINANCIAL MANAGEMENT, INC.

By: _____
Print Name: _____
Title: _____

ATTEST: _____ (Seal)

PFM SWAP ADVISORS LLC

By: _____
Print Name: _____
Title: _____

ATTEST: _____ (Seal)

Central Florida Expressway Authority

Interest Rate Risk Management Policy

FIN-7

Department: Finance

Supersedes: FIN-7 adopted 9/26/2012 and 7/24/2013

Date of Board Approval: 4/9/2015

**A RESOLUTION OF CENTRAL FLORIDA
EXPRESSWAY AUTHORITY AMENDING THE
INTEREST RATE RISK MANAGEMENT POLICY**

WHEREAS, the Central Florida Expressway Authority ("CFX") previously adopted an "Interest Rate Risk Management Policy" on July 24, 2013 establishing the protocol for management of interest rate risk; and

WHEREAS, CFX Finance Committee has approved refinements to the Interest Rate Risk Management Policy regarding CFX's liquidity to make swap termination payments and changing the ratings needed by a swap dealer/counterparty; and


WHEREAS, CFX's governing Board concurs in the revised Interest Rate Risk Policy.

**NOW, THEREFORE, BE IT RESOLVED BY CENTRAL FLORIDA
EXPRESSWAY AUTHORITY** as follows:


Section 1. ADOPTION. The current "Interest Rate Risk Management Policy" shall be amended in accordance with the attached "Interest Rate Risk Management Policy" attached hereto as Exhibit "A"

Section 2. EFFECTIVE DATE. This policy shall take effect upon adoption by the CFX governing board.

ADOPTED this 9th day of April, 2015.

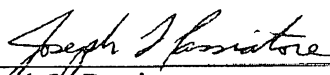


Welton G. Cadwell
Chairman

ATTEST: 

Darleen Mazzillo
Executive Assistant

Approved as to form and legality



Joseph L. Passiatore
General Counsel

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Interest Rate Risk Management Policy

The Central Florida Expressway Authority (CFX) currently has a number of interest rate exchange agreements (Swaps) with a number of counterparties. As used herein, "Swap" shall mean a "swap," as defined in the Section 1a(47) of the Commodity Exchange Act and the U.S. Commodity Futures Trading Commission ("CFTC") Regulations. This policy will govern how the Swaps, together with the associated variable rate demand bonds, will be managed to provide the optimal balance of costs and risk. This policy should be read and interpreted in the context of CFX's Debt Policy.

I. Goals and Objectives

The overall objective in managing CFX's debt portfolio and interest rate risk is to balance the cost of capital with the management of risk. CFX's risk tolerance is low and therefore, opportunities to cost-effectively reduce existing or potential risks should be constantly evaluated for feasibility.

CFX has set a limit of synthetic fixed rate debt at 25% of the total outstanding debt. This goal should be considered as CFX manages its Swap portfolio and its overall debt program. New Swaps will only be considered where the overall exposure to like transactions is not increased beyond the stated limit. New, novated or amended Swaps may also be considered where a reduction in actual or potential risks may be accomplished.

It is also CFX's goal to limit exposure to individual swap dealers/counterparties to no more than 30% of the total notional amount of CFX's active Swap portfolio. Although this requirement shall not require CFX to terminate, novate or amend existing Swaps absent of other risk considerations, it does prohibit new Swaps to be considered if the new Swap would cause CFX's exposure to any individual swap dealer/counterparty to increase beyond 30% of the then existing total notional value of CFX's active Swap portfolio.

II. Monitoring and Reporting of Existing Transactions

As part of the semi-annual debt report provided to the Board (in accordance with CFX's Debt Policy), the CFO will report the current credit ratings of each swap dealer/counterparty with which it has an existing Swap and the mark-to-market value of each Swap. In addition to reporting the weekly rates on the variable rate bonds in the semi-annual debt report, the CFO will provide the Finance Committee with a quarterly remarketing report and review the results at the next scheduled meeting. As necessary, the CFO, in consultation with CFX's financial advisors, will make recommendations to address any rate dislocation including, but not limited to, changing remarketing agents or credit providers, depending on the underlying cause of the dislocation.

III. Exit Strategies

The CFO and CFX's financial advisors and designated QIR (as defined herein) should constantly monitor market rates, termination values, counterparty credit ratings, and other relevant factors to determine if voluntary termination is warranted. Generally, a voluntary early termination will be warranted if it is economically advantageous and/or if a reduction in CFX's current or anticipated risk can be accomplished at no cost. CFX shall seek to maintain sufficient liquidity, including without limitation through balances in CFX's Swap/Debt Management Contingency, short term financing capacity, and/or other borrowing capacity, to make any Swap termination payments that may become due, to the extent not paid or payable from other sources.

IV. Evaluation of Proposed Transactions

While CFX's current goals would exclude contemplation of new derivative products, the replacement of existing Swap transactions with new ones may be the most cost-beneficial method of managing risks. For that reason, this section outlines the process for evaluating and executing new transactions.

A. Review and Analysis

The proposed use of structured products must comply with all goals and provisions of CFX's existing policies. Each Swap transaction will be evaluated as an alternative to traditional, intermediate, or long-term financing options. Consideration should be given to their comparable cost, ease of entry and exit provisions, and degree of potential risk exposure, quantified to the greatest extent possible. Any proposed Swap transaction must fit into CFX's goals to limit the percentage of variable rate debt and exposure to individual counterparties.

CFX's designated QIR will provide independent analysis of any proposed Swap transaction, including an analysis of the relevant benefits and risks of such transaction. CFX's cost of the transaction and any ongoing costs, such as remarketing, credit enhancement and/or liquidity, swap advisors, financial advisors, attorney fees and other necessary costs will be included in the cost/benefit evaluations. A review of provisions required by bond and/or swap insurance providers and the cost/benefit of such insurance will also be included in an evaluation of the Swap transaction.

B. Legal Analysis

The documentation of the swap shall be in the form of an enforceable written contract. Whenever possible, those contracts shall be transacted using Florida law or, as an alternative New York law with Florida law as to CFX's authority and Orange County Florida as to jurisdiction or venue. Review of compliance with existing law and regulation (including but not limited to the Internal Revenue Code and CFTC Regulations) bond indentures and bond covenants should be completed before implementation of a Swap transaction.

V. Transaction Management and Execution

Swap transactions will:

- Comply with all applicable outstanding bond resolutions, insurance covenants, and Florida

law.

- Contain terms and conditions as set forth in the International Swap and Derivatives Association, Inc. ("ISDA") Master Agreement, Schedules to the Master, Credit Support Annex and confirmation.
- Be a market transaction for which competing good faith market quotations may be obtained and with the advice and recommendation of CFX's designated QIR, and other financial professionals.
- Include a provision for the right to early termination at market under the guidelines of the ISDA Agreement. The transaction should allow for CFX to exercise the right to optionally terminate the agreement, at the then prevailing market value of the Swap.
- Produce material economic or risk management benefit believed to not otherwise be attainable under the currently existing market conditions, or existing conventional debt structures, and improve the flexibility of debt management strategies.
- Not introduce leverage solely for the means of producing economic benefit. Transactions will not be speculative in nature.
- Not unduly impair CFX's utilization of call features on outstanding bonds.
- Employ structures that will attempt to minimize existing risks and do not substantially add new risks, including but not limited to, any additional floating rate basis risk, tax-law risk or credit risk to CFX.
- Not cause the total amount of Swap transactions to exceed the debt management limitations for fixed or floating debt.

VI. The Swap Dealer/Counterparty

The following criteria will be used when considering swap dealer/counterparties for a Swap transaction:

- I. The swap dealer/counterparty must fully disclose all costs. All fees and expenses paid by the swap dealer/counterparty and to designated third parties, will be fully disclosed in writing to CFX.
- II. CFX will consider acquiring downgrade protection when possible including collateral or credit support.
- III. The assignment of a Swap agreement will not be permitted without the consent of CFX.
- IV. CFX will attempt to utilize domestically domiciled swap dealer/counterparties and/or utilize ISDA documentation which employs local currency-single jurisdiction status.
- V. The swap dealer/counterparty shall disclose relationships with other third parties which may affect the transaction, such as broker dealers, insurance companies and other swap providers.
- VI. The swap dealer/counterparty shall provide its financial statements showing the economic capability of the entity, the amount of its swaps outstanding and credit ratings, all of which shall be acceptable to CFX. At the time of entering into the Swap transaction, swap dealer/counterparties (or their guarantor) shall (i) be rated at least AA-/ Aa3/ AA- by at least one of the three nationally recognized credit rating agencies and not be rated lower than A/A2/A by any of the three nationally recognized credit rating agencies. Collateral should be required upon a downgrade from these levels.

VII. Authority's Representations with Respect to Swaps and QIR

Solely for purposes of the rules adopted by the CFTC governing business conduct standards for swap dealers and other parties as they apply to communications regarding Swaps, the Executive Director or CFO may make substantially the following representations in writing on behalf of CFX when requested by the swap dealer/counterparty.

- 1) CFX will not rely on any "recommendation" (as such term is used in CFTC Regulations §23.434 and §23.440) provided by a swap dealer/ counterparty with respect to a Swap;
- 2) CFX will rely on advice from a "qualified independent representative" designated by CFX and that it has complied in good faith with written policies and procedures reasonably designed to ensure that it has designated a "qualified independent representative" that satisfies the applicable requirements of CFTC Regulation §23.450(b);
- 3) CFX will exercise independent judgment in evaluating any "recommendations" made by the swap dealer/counterparty with regard to a Swap; and
- 4) CFX understands that the swap dealer/counterparty is not expressing any opinion as to whether CFX should enter into or terminate a Swap.

VIII. Use of Qualified Independent Representative

In compliance with the CFTC Regulations promulgated under the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "Dodd-Frank Act"), CFX will designate a "qualified independent representative" ("QIR") for all Swap related transactions, including terminations. The QIR must be capable of independently evaluating the risks of the Swap, independently evaluating the fair pricing of the Swap (including termination payments), and of making timely and effective disclosures to CFX (including with regard to material conflicts of interest that could reasonably affect the judgment or decision making or the QIR with respect to its obligations to CFX). The QIR must represent to CFX that:

- A. The QIR has sufficient knowledge and expertise to independently evaluate the Swap, the risks of the Swap, the fair pricing of the Swap (including termination payments) and the appropriateness of the Swap for CFX (taking into consideration the written policies of CFX);
- B. The QIR is not subject to a statutory or regulatory disqualification or any final disciplinary action that would prevent it from effectively serving as a representative to CFX in such capacity.
- C. The QIR, by accepting such designation by CFX, is undertaking a duty to act in the best interests of CFX;

- D. The QIR has written policies and procedures reasonably designed to ensure that it satisfies the applicable requirements of CFTC Regulation §23.450(b)(1);
- E. The QIR will exercise independent judgment in evaluating any “recommendations” (as such term is used in CFTC Regulations §23.434 and §23.440) presented to it by the swap dealer/counterparty with regard to a Swap;
- F. The QIR is not and, within one year of representing CFX in connection with the Swap has not been, an “associated person,” as such term is defined in Section 1a(4) of the Commodity Exchange Act, of the swap dealer/counterparty;
- G. There is no “principal relationship” (as that term is defined in CFTC Regulations §23.450(a)(1)) between the QIR and the swap dealer/counterparty;
- H. The QIR (a) will provide timely and effective disclosures to CFX of all material conflicts of interest that could reasonably affect the judgment or decision making of the QIR with respect to its obligations to CFX and (b) will comply with policies and procedures reasonably designed to manage and mitigate such material conflicts of interest;
- I. The QIR is not directly or indirectly, through one or more persons, controlled by, in control of, or under common control with the swap dealer/counterparty;
- J. To the best of the QIR’s knowledge, the swap dealer/counterparty did not refer, recommend, or introduce the QIR to CFX within one year of QIR’s representation of CFX in connection with the Swap;
- K. The QIR is legally obligated to comply with the applicable requirements of CFTC Regulation §23.450(b)(1) by agreement, condition of employment, law, rule, regulation, or other enforceable duty; and
- L. The QIR has registered with the CFTC as a commodity trading advisor and/or with the Securities Exchange Commission as an investment advisor under the Investment Advisers Act of 1940.

The QIR must also agree to promptly notify CFX in writing if any representations made by the QIR referenced above became 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 QIR shall timely amend such representation by giving written notice of such amendment to CFX. The designated QIR must annually reaffirm in writing to CFX by delivery to the CFO on each July 1st the representations outlined in A through L above.

The QIR will be retained by CFX through CFX’s implemented procurement procedures (i.e. RFP, RFQ, etc.) using selection criteria that ensure the designated QIR possesses the capabilities

necessary to independently evaluate the risks of the Swap, to independently evaluate the fair pricing of the Swap (including termination payments), and to make timely and appropriate disclosures to CFX. The procurement of the QIR may be done in conjunction with CFX's procurement of its financial advisor. If CFX's financial advisor, or its registered commodity trading advisor or investment advisor affiliate, possesses the requisite capabilities and, by written contract, makes the representations set forth above, then CFX may designate its financial advisor, or its registered investment advisor affiliate, as the QIR.

To ensure compliance with the provisions above, CFX will designate the QIR in writing. The QIR must provide evidence of its registration with the CFTC as a commodity trading advisor and/or with the Securities Exchange Commission as an investment advisor prior to being designated as CFX's QIR. The designation can be done in the context of the financial advisor contract or amendment thereto with the financial advisor or its registered commodity trading advisor or investment advisor affiliate, or in a separate contract with a different firm. Prior to executing a Swap transaction, termination or novation, CFX will obtain from the designated QIR the written representations outlined in A through L above. If the designated QIR is unable to provide such representations in a timely manner, CFX may utilize an expedited quote process to select a new designated QIR to facilitate a time and market sensitive transaction. The CFO will monitor the performance of the designated QIR and that the designated QIR demonstrates on each transaction that (1) it has the knowledge and expertise to independently evaluate the Swap, the risks of the Swap, the fair pricing of the Swap (including termination payments) and the appropriateness of the Swap for CFX, (2) it is independent of the swap dealer/counterparty, (3) it is acting in the best interest of CFX and (4) it makes timely and appropriate disclosures to CFX, when applicable.

IX. Transaction Pricing

When procuring financial derivative products, every effort shall be made to ensure competitive pricing. The complexity of circumstances surrounding transactions and meeting goals to limit exposure to individual counterparties may be valid reasons to negotiate a particular derivative product transaction. The CFO, upon the advice of the financial advisor, will make a recommendation to the Finance Committee as to the method of pricing and counterparty selection. The financial advisor will evaluate prices and rates to ensure transactions are at or below market. Similarly, CFX will make every effort to competitively price swap unwind transactions. The CFO, upon the advice of the financial advisor will make a recommendation as to the method of selecting counterparties for unwinding swaps when not selecting all swaps in a series. Offers from counterparties to unwind transactions below market is an example of a reason to negotiate with specific counterparties.

X. Policy Review

This policy shall be reviewed on a bi-annual basis.

APPROVED AND ADOPTED BY THE BOARD ON _____.

MSRB Registration - Form A-12: Preview

FIRM/SOLE PROPRIETORSHIP IDENTIFIERS

MSRB ID: K0949

Firm Name: PFM Swap Advisors LLC

Municipal Advisor SEC ID: 866-01483-00

CRD Number:

Legal Entity Identifier:

BUSINESS INFORMATION

Firm Address: Two Logan Square Ste. 1600, 18th and Arch Streets

City: Philadelphia State: PA Zip: 19103

Firm Website: www.pfm.com

TYPE OF ORGANIZATION

Organization Type: Limited Liability Company (LLC) City: Wilmington State: DE

BUSINESS ACTIVITIES

Municipal Advisor

- ☐ Issuance Advice
- ☐ Guaranteed Investment Contracts Advice
- ☐ Investment Advice - Proceeds of Municipal Securities
- ☐ Investment Advice - Funds of Municipal Entity
- ☐ Municipal Derivatives Advice
- ☐ Solicitation of Business - Investment Advisory
- ☐ Municipal Escrow Investment Advice
- ☐ Municipal Escrow Investment Brokerage
- ☐ Solicitation of Business - Other than Investment Advisory
- ☐ Municipal Advisor/Underwriter Selection Advice

DESIGNATED CONTACTS

Master Account Administrator

Name	Phone	Email
Jennifer L. Berrier	(717) 231-6219	BERRIERJ@PFM.COM

Primary Regulatory Contact

Name	Phone	Email
Jeff Pearsall	(215) 567-6100	pearsallj@pfm.com

Billing Contact

Name	Phone	Email
Steve Boyle	(215) 567-6100	boyles@pfm.com

Compliance Contact

Name	Phone	Email
Leo J. Karwejna	(717) 213-3847	KARWEJNAL@PFM.COM

Primary Data Quality Contact

Name	Phone	Email
Gloria Wells	(717) 305-8904	wellsg@pfm.com

Optional Regulatory Contact

Name	Phone	Email
Jennifer L. Berrier	(717) 231-6219	BERRIERJ@PFM.COM

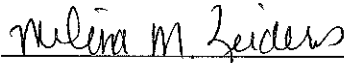
Optional Data Quality Contact
No contact designated.

Optional Technical Contact
No contact designated.

STATE of DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE of FORMATION

- First:** The name of the limited liability company is PFM Swap Advisors LLC.
- Second:** The address of its registered office in the State of Delaware is:
2711 Centerville Road, Suite 400 in the City of Wilmington, New Castle County,
Delaware 19808.
- The name of its registered agent at such address is Corporation Service Company.
- Third:** The existence of the LLC shall continue until cancellation of its Certificate of Formation.
- Fourth:** Management of the LLC is vested in a Board of Managers as provided in the Operating Agreement for the LLC as the same may be adopted, amended or restated from time to time.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation of PFM Swap Advisors LLC, on this 7 day of January 2014.



Melissa M. Zeiders
Authorized Person