

Important instructions for completing this form

The form you requested follows this page. You can either complete it on your computer and then print it out, or print it out first and fill it in by hand.

Follow these easy steps to complete your form:

1. Scroll down and type the requested information in the corresponding field.

Name (First)
John

- You can move among the fields by using your mouse or the “Tab” key.
- If you’d like to clear all the fields you’ve completed, click the **CLEAR** button.

2. When you’ve completed the form, click the **PRINT** button.

Please note: Adobe® Reader® does not allow you to save your work. It’s very important that you print out your form immediately after completing it.

3. When your form is complete, please review, sign and date it, and either:

Bring it into your nearest Schwab branch (Visit schwab.com/branch to find the one nearest you.)

– or –

If you live in:

AK, AZ, CA, CO, HI, IA, ID, KS, MT,
ND, NE, NM, NV, OK, OR, SD, TX,
UT, WA, WY, Armed Forces America
or Armed Forces Pacific

Mail to:

Standard:

Charles Schwab & Co., Inc.
P.O. Box 52114
Phoenix, AZ 85072-2114

Overnight:

Charles Schwab & Co., Inc.
2423 E. Lincoln Drive
Phoenix, AZ 85016

If you live in:

AL, AR, CT, DC, DE, FL, GA, IL, IN, KY, LA, MA, MD,
ME, MI, MN, MO, MS, NC, NH, NJ, NY, OH, PA, RI,
SC, TN, VA, VI, VT, WI, WV, Armed Forces Europe,
American Samoa, Guam, Marshall Islands,
Northern Mariana Islands or Puerto Rico

Mail to:

Standard:

Charles Schwab & Co., Inc.
P.O. Box 628291
Orlando, FL 32862-8291

Overnight:

Charles Schwab & Co., Inc.
495 N. Keller Road, Suite 150
Maitland, FL 32751

Be sure to enclose any accompanying materials with your form (such as a check for an initial deposit to open a new account). Should you have any questions, or need help, just call **1-800-435-4000**.

Schwab One® Estate Account Application Instructions

charles SCHWAB

www.schwab.com
1-800-435-4000 (inside the U.S.)
+1-415-667-5009 (outside the U.S.)
1-888-686-6916 (multilingual services)

Requirements for Establishing a Schwab One Estate Account:

1. You must be the Executor, Administrator or other Personal Representative appointed by the court to administer the Decedent's estate. For purposes of this application, the term "Executor" shall also include Administrators or other Personal Representatives appointed by the court to administer the estate.
2. A Schwab One Estate Account may be opened only if the estate is currently being probated under court supervision and a final decree of distribution has not been entered. (Note: This application should not be used to open an account for a Testamentary Trust, which requires completion of a Schwab One Trust Account Application.)
3. A new, separate Taxpayer Identification Number (TIN) for the estate must be obtained from the IRS.
4. A minimum deposit or transfer of \$1,000 in cash and/or securities is required, unless transferring from the Decedent's existing Schwab account.

Steps to Open an Estate Account:

1. Complete all eight sections of the application on the following pages. (Note that because a probate estate is a separate entity for legal and tax purposes, an Estate Account Application must be completed to open an Estate Account, even if the Decedent had an account at Schwab.)
2. **Along with the application, submit a copy of your Letters Testamentary or Letters of Administration, certified as currently valid by the court clerk within the past 60 days and bearing the clerk's original signature and seal.**
3. Mail the completed Schwab One Estate Account Application with the required documentation in the envelope provided, or bring it to the Schwab branch nearest you.

Steps for Transferring Registration of Securities:

1. Contact a Schwab representative at your local Schwab branch to determine which documents are necessary to reregister the securities in the Schwab One Estate Account.
2. Gather the required documents from the appropriate sources. (A Schwab representative or an attorney can give you some guidance concerning where to locate these documents.) Bring the documents to your local Schwab branch.

Special Information:

About small estates. Please check with your attorney to determine whether the Decedent's estate is legally considered a "small estate" that may not require probate. If so, you will not be required to open a separate Estate Account to collect and distribute the Decedent's assets, and instead need only furnish us with a special form of affidavit provided by your attorney, together with a certified copy of the death certificate, an Affidavit of Domicile, and an Inheritance Tax Waiver (if required by the Decedent's state).

About opening a Schwab One Estate Account. With a Schwab One Estate Account, you can get checks in the name of the estate and earn daily income on uninvested cash.

About transferring estate investments from another brokerage firm to Schwab. If you wish to transfer estate investments held with another broker to Schwab, please ask a Schwab representative for assistance in completing a Transfer of Account form.

About margin borrowing and option trading in an Estate Account. A Schwab One Estate Account may only have margin borrowing and option trading solely for liquidation purposes if there were margin or option positions in the Decedent's existing brokerage account. No new margin or option positions may be created in a Schwab One Estate Account unless specifically authorized by court order. If you need to have margin or option features to liquidate existing positions, see Section 5.

About delegation of powers. An Executor or Administrator cannot grant a power of attorney or otherwise delegate his or her powers and duties to a third party unless specifically authorized by court order.

About estates with Co-Executors. Each Co-Executor who will be conducting business in the account must complete Section 2 and sign Section 8. All Co-Executors appointed by the court, even if not conducting business in the account, must be listed in Section 2 and must also sign in Section 8.

3. Executor's/Estate's Financial Profile

Securities industry regulations require that we collect this information. The Executor and all Co-Executors, if any, must provide this information.

Executor's Investment Experience:

- | | |
|------------------------------------|------------------------------------|
| Executor | Co-Executor |
| <input type="checkbox"/> None | <input type="checkbox"/> None |
| <input type="checkbox"/> Limited | <input type="checkbox"/> Limited |
| <input type="checkbox"/> Good | <input type="checkbox"/> Good |
| <input type="checkbox"/> Extensive | <input type="checkbox"/> Extensive |

Estate's Annual Income:

- Under \$15,000
 \$15,000–\$24,999
 \$25,000–\$49,999
 \$50,000–\$99,999
 \$100,000 or More

Estate's Liquid Net Worth:

- Under \$25,000
 \$25,000–\$49,999
 \$50,000–\$99,999
 \$100,000–\$249,999
 \$250,000 or More
Specify: _____

4. Overall Investment Objective of Account

- Capital Preservation Income Growth Speculation

5. Schwab One® Estate Account Features

Cash Features

The Schwab One Interest feature is automatically included on your Account. This feature pays interest on the uninvested cash in your Account. Rates are set by Schwab and are generally based on your Household Balances. Individuals who reside in the U.S. may alternatively request that their uninvested cash be swept to Charles Schwab Bank, an FDIC-insured institution affiliated with Schwab.*

Clients with \$500,000 or more in Household Balances may request a sweep money market fund as an alternative by speaking to their Schwab representative. The yields of sweep money market funds are generally higher than interest rates offered by either Schwab or Schwab Bank.

Schwab's Cash Features are further described in Schwab's Cash Features Disclosure Statement for Individual Investors, which you will receive at account opening. Please contact Schwab for current information on interest rates and money market yields.

*FDIC insurance is available up to \$100,000 (when aggregated with all other deposits held by you in the same capacity at Schwab Bank). Please see the Cash Features Disclosure Statement for Individual Investors for information about FDIC insurance.

Margin Borrowing or Option Trading

A Schwab One Estate Account may only have margin borrowing or option trading solely for liquidation purposes if there were margin or option positions in the Decedent's existing brokerage account. **No new margin or option positions may be created in an Estate Account unless specifically authorized by court order.**

- Add margin feature for liquidation purposes only. Add option feature for liquidation purposes only.

Schwab One Checks

Unless you check this box, you will receive Schwab One starter checks. Upon receipt of your starter checks, you will have the opportunity to contact a Schwab representative to order additional customized checks at no additional cost.

- Do NOT issue Schwab One checks.

Electronic Trade Confirmations ("eConfirms")

If you have provided your email address, you will soon receive an email that will tell you how to receive paperless trade confirmations and the associated prospectuses and disclosures by email. Until we receive a response to our email, you will receive paper trade confirmations and disclosures through the U.S. mail. You may enroll in our electronic delivery services or return to delivery by the U.S. mail at any time by indicating your preferences online.

- No, at this time I do not want eConfirms.

6. Funding and Account Handling Instructions

- Enclose a check or money order for \$ _____ .
- Transfer from an outside institution by completing the enclosed Transfer Your Account Form.
- Enclose security certificates. To avoid any delays, please check with a Schwab representative to see if there are additional requirements.
- Transfer assets from Decedent's existing Schwab account to the Estate Account.† Please provide Decedent's account number.

Account Number																			
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†Please note: You may **not** transfer IRA or Keogh/Qualified Retirement Plan (QRP) assets into the Schwab One Estate Account unless the estate is named as the beneficiary or there is no valid beneficiary designation on file.

7. Certification and Indemnification

By signing this Application, each Executor certifies that the representations and warranties in the attached Certification and Indemnification are true and complete.

8. Authorization to Open Account

By signing this Application, I acknowledge that I have received and read a copy of the attached Application Agreement, which contains a predispute arbitration provision. I acknowledge that my signature signifies and constitutes my agreement that this Account and my relationship with Schwab will be governed by the Application Agreement and all incorporated agreements and disclosures, including the Schwab One® Account Agreement and the Charles Schwab Pricing Guide, each as amended from time to time (the "Agreement and Disclosures"). I understand there are fees associated with establishing, maintaining, engaging in transactions and transferring assets out of this Account. Unless I have

declined the margin feature, I acknowledge that securities securing loans from Schwab may be lent to Schwab and lent by Schwab to others. I also acknowledge that if I trade "on margin," I am borrowing money from Schwab and that I understand the requirements and risks associated with margin borrowing as summarized in the Overview and Disclosure Statement included with this Application. I also acknowledge that the securities products purchased or sold in a transaction with Schwab (i) are not insured by the Federal Deposit Insurance Corporation ("FDIC"); (ii) are not deposits or other obligations of Schwab and are not guaranteed by Schwab Bank; and (iii) are

subject to investment risks, including possible loss of the principal invested. For purposes of this Account Application and the attached Application Agreement, the terms "I," "my" and "Account Holder" refer to each person who signs this Account Application and apply with respect to both a person's individual capacity as well as any applicable representative or fiduciary capacity. When the legal owner of assets in the Account is not a natural person, the terms "I," "my" and "Account Holder" also refer to such legal owner. The terms "we," "us," "our" and "Schwab" refer to Charles Schwab & Co., Inc. The term "Schwab Bank" refers to Charles Schwab Bank.

I certify under penalty of perjury that (1) the number shown on this application is the correct taxpayer identification number of the estate; (2) the estate is not subject to back-up withholding because (a) the estate is exempt from back-up withholding, (b) I have not been notified by the Internal Revenue Service (IRS) that the estate is subject to back-up withholding as a result of a failure to report all interest and dividends, or (c) the IRS has notified me that it is no longer subject to back-up withholding; and (3) I am a U.S. person (including a U.S. resident alien). (I understand that if the estate has been notified by the IRS that it is subject to back-up withholding as a result of dividend or interest underreporting, and I have not received a notice from the IRS advising that back-up withholding is terminated, I must strike or cross out the information contained in item 2 above.) The IRS does not require my consent to any provision of this document other than the certifications required to avoid back-up withholding.

THE AGREEMENT WITH SCHWAB INCLUDES A PREDISPUTE ARBITRATION CLAUSE. I ACKNOWLEDGE RECEIPT OF THE PREDISPUTE ARBITRATION CLAUSE CONTAINED IN SECTION 13 ON PAGE 2 OF THE SCHWAB ONE ESTATE ACCOUNT APPLICATION AGREEMENT.

PLEASE SIGN AND DATE BELOW IN BLUE OR BLACK INK ONLY. Your signature below will also serve as a signature card.

Signature(s) and Date(s) Required
X
Executor Signature Print Name Date
X
Co-Executor Signature Print Name Date

FOR CHARLES SCHWAB USE ONLY:
Branch Office and Account Number
Customer ID Number
Approved by Print Name of Approver Date



Schwab One® Estate Account Application Agreement

Please retain this page for your files.

This Certification and Indemnification sets forth Executors' representations and warranties regarding their authority under the estate.

Certification and Indemnification.

In consideration for Schwab opening and/or maintaining a brokerage account for the estate named in this application, the Executor(s) represent, warrant and certify that they are all of the duly appointed Executors of the estate, and any one of them who is authorized in Section 2 to conduct business in the account shall obtain the prior consent and approval of all other Executors to the extent required by law before taking any action. The Executors hereby jointly and severally

agree to indemnify Schwab and each of its officers, directors, employees and agents from, and hold such persons harmless against, any claims, judgments, surcharges, settlement amounts or other liabilities or costs of defense or settlement (including attorneys' fees) arising out of or related to any actual or alleged improper or unsuitable actions taken at any Executor's instructions in connection with the brokerage account established at Schwab for the estate.

This indemnification is made by the Executors both in their capacities as Executors and in their individual capacities, and shall not be limited by the Executors' provision to Schwab of independent documentation concerning the representations made herein. The representations and obligations stated herein shall survive termination of the estate and the Account Agreement relating to the estate's brokerage account.

This Agreement relates to your account and is part of the Account Agreement between the Estate and each Executor and Charles Schwab & Co., Inc. ("Schwab"). Please read and retain for your files.

Section 1: Scope of Agreement. Your agreement with Schwab consists of the terms set forth in this Application Agreement and the terms set forth in the Schwab One Account Agreement, which incorporates the Schwab One Account Agreement and a number of other important disclosures. The Schwab One Account Agreement is provided with this Application or at the opening of your Account. You agree to contact Schwab if you do not receive the Schwab One Account Agreement.

In addition, you may in the future receive from Schwab supplemental terms or disclosures that pertain to certain account types, service features and benefit packages. These supplemental terms and disclosures, this Application Agreement and the Schwab One Account Agreement are collectively referred to as the "Agreement and Disclosures." You agree to read the Agreement and Disclosures carefully and retain copies for your records.

Section 2: Acceptance of Agreement and Disclosures. You agree that the Agreement and Disclosures govern all aspects of your relationship with Schwab, including all transactions between Schwab and you and all products and services now or in the future offered through Schwab. Schwab may rely on your use of Schwab's products and services as evidence of your continued acceptance of the Agreement and Disclosures.

Section 3: Your Representations and Warranties. You represent and warrant that: (a) you are of legal age in the state in which you live and you are authorized to enter into this Agreement; (b) you have supplied accurate information in your Account Application; (c) no one except the Executors listed on the Account Application has authority over the Account; (d) no additional authorizations from third parties are required for you to open the Account and effect transactions therein; (e) except as you have otherwise indicated on your Account Application or in writing to us, (i) you are not an employee of or affiliated with any securities exchange or member firm of any exchange, the Financial Industry Regulatory Authority (FINRA), or any securities firm, bank, trust company, or insurance company; and (ii) you are not a director, 10% beneficial shareholder, policy-making officer, or otherwise an "affiliate" (as defined in Rule 144 under the Securities Act of 1933) of a publicly traded company; and (f) this Application Agreement, as amended from time to time, is a legal, valid and binding obligation, enforceable against you in accordance with its terms.

Section 4: Account Handling. Schwab will automatically hold all of your securities purchased, sales proceeds, dividends and interest. Schwab will also release your name, address and securities positions to companies in which we hold securities for your Account upon request, unless you notify us otherwise in writing. If you maintain more than one account at Schwab, you authorize Schwab to transfer assets between your accounts when no written authorization is requested.

Section 5: Responsibility for Investment Decisions. You agree that you and any agent under a power of attorney or Investment Advisor (if you have one) are solely responsible for investment decisions in your Account, including whether to buy or sell a particular security. Unless required by law, or unless Schwab provides advice to you that is clearly identified as an individualized recommendation for you, you understand that Schwab has no obligation to determine whether a particular transaction, strategy or purchase or sale of a security is suitable for you. Your obligation includes an affirmative duty to monitor profits and stay informed about your Account and your investments and respond to changes as you deem appropriate. Unless Schwab otherwise agrees with you in writing, Schwab does not have any discretionary authority or obligation to review or make recommendations for the investment of securities or cash in your Account.

You acknowledge that Schwab does not provide tax or legal advice.

Section 6: Payment of Indebtedness. You agree to make payment of any indebtedness related to your Account, including, but not limited to, any such indebtedness that results from instructions provided to Schwab by you, your agent or any attorney-in-fact under a power of attorney or Investment Advisor authorized to make transactions in your Account. We may elect anytime, with or without notice, to make any debit balance or other obligation related to your Account immediately due and payable. We may report any past-due account to a consumer and/or securities credit reporting agency. We may also refer your Account to a collection agency.

Section 7: Granting a Lien on Your Accounts. As security for the repayment of all present or future indebtedness owed to us by you, you grant us a first, perfected and prior lien, a continuing

security interest, and right of set-off with respect to all property that is, now or in the future, held, carried or maintained for any purpose in or through Schwab, and, to the extent of your interest in or through, any present or future account with us or our affiliates in which you have an interest. In the event of a breach or default by you under this Agreement, Schwab will have the rights and remedies available to a secured creditor under all applicable laws in addition to the rights and remedies provided in this Agreement.

If you owe money to Schwab as the result of activity in your Account and there are assets available in any Individual Retirement Account ("IRA") that you hold at Schwab which could fully or partially satisfy the debt, you agree that upon Schwab's written demand, you will execute all documents necessary to effect a distribution from your IRA and agree to pay or cause such funds to be paid immediately to Schwab in order to satisfy your indebtedness to Schwab.

Section 8: Liquidations. Whenever it is necessary for our protection or to satisfy a debit or other obligation owed us, we may (but are not required to) sell, assign and deliver all or any part of the property securing your obligations, or close any or all transactions in your Account. We may choose which property to buy or sell, which transactions to close, and the sequence and timing of liquidation. We may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that we choose in the exercise of our business judgment. You agree not to hold us liable for the choice of which property to buy or sell or of which transactions to close or for timing or manner of liquidation.

We may transfer property from any brokerage account in which you have an interest to any other brokerage account in which you have an interest, regardless of whether there are other account holders on either account, if we determine that your obligations are not adequately secured or needed to satisfy a debt or other obligation. You agree to pay on demand any account deficiencies after liquidation, whether liquidation is complete or partial. All of the above may be done without demand or notice of purchase, sale, transfer or cancellation to you. No demand or notice shall impose on Schwab any obligation to make such demand or provide such notice to you in the future. Any such notice or demand is hereby expressly waived, and no specific demand or notice shall invalidate this waiver.

Section 9: Interest on Debit Balances. We will charge and compound interest on your debit balances (whether in a Margin or Cash Account) according to our Disclosure of Credit Terms and Policies.

Section 10: Using the Check and Visa® Debit Card Features. If you have requested check or Visa debit card features through your Account, you authorize checks and Visa debit cards to be issued as indicated in your Account Application. You agree that each Executor is authorized to write checks and engage in Visa debit card transactions, and you understand that if the checking feature is terminated, your Visa debit card will be automatically cancelled.

Section 11: Verification. You authorize Schwab to inquire from any source, including a consumer reporting agency, as to your identity (as required by federal law), creditworthiness and ongoing eligibility for the Account (and that of any other person referred to on this Application or any person who Schwab is later notified is associated with or has an interest in the Account) at account opening, at any time throughout the life of the Account, and thereafter for debt collection or investigative purposes.

Section 12: Required Arbitration Disclosures. Regulatory authorities require that any brokerage agreement containing a predispute arbitration agreement must disclose that this agreement contains a predispute arbitration clause. This Agreement contains a predispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

- All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:

1. the class certification is denied;
2. the class is decertified; or
3. the customer is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

Section 13: Arbitration Agreement. Any controversy or claim arising out of or relating to (i) this Agreement, any other agreement with Schwab, an instruction or authorization provided to Schwab or the breach of any such agreements, instructions, or authorizations; (ii) the Account, any other Schwab account or Services; (iii) transactions in the Account or any other Schwab account; (iv) or in any way arising from the relationship with Schwab, its parent, subsidiaries, affiliates, officers, directors, employees, agents or service providers, including any controversy over the arbitrability of a dispute, will be settled by arbitration.

This arbitration agreement will be binding upon and inure to the benefit of the parties hereto and their respective representatives, attorneys-in-fact, successors, assigns and any other persons having or claiming to have a legal or beneficial interest in the Account, including court-appointed trustees and receivers. This arbitration agreement will also inure to the benefit of third party service providers that assist Schwab in providing Services ("Third Party Service Providers") and such Third Party Service Providers are deemed to be third party beneficiaries of this arbitration agreement.

The parties agree that this arbitration agreement will apply even if the application to open the Account is denied and will survive the closure of your Account and/or the termination of services rendered under this Agreement.

Such arbitration will be conducted by, and according to the securities arbitration rules and regulations then in effect of, the Financial Industry Regulatory Authority (FINRA) or any national securities exchange that provides a forum for the arbitration of disputes, provided that Schwab is a member of such national securities exchange at the time the arbitration is initiated. Any party may initiate arbitration by filing a written claim with FINRA or such eligible national securities exchange. If arbitration before FINRA or an eligible national securities exchange is unavailable or impossible for any reason, then such arbitration will be conducted by, and according to the rules and regulations then in effect of, the American Arbitration Association (AAA). If arbitration before the AAA is unavailable or impossible for any reason, the parties agree to have a court of competent jurisdiction appoint three (3) arbitrators to resolve any and all disputes or controversies between or among the parties. Each party shall bear its own initial arbitration costs, which are determined by the rules and regulations of the arbitration forum. In the event of financial hardship, the arbitration forum may waive certain costs in accordance with such rules. At the conclusion of the hearing, the arbitrators will decide how to assess the costs of the arbitration among the parties.

Any award the arbitrator makes shall be final and binding, and judgment on it may be entered in any court having jurisdiction. This arbitration agreement shall be enforced and interpreted exclusively in accordance with applicable federal laws of the United States, including the Federal Arbitration Act. Any costs, fees or taxes involved in enforcing the award shall be fully assessed against and paid by the party resisting enforcement of said award.

All notices from one party to the other involving arbitration shall be considered to have been fully given when so served, mailed by first-class, certified or registered mail, or otherwise given by other commercially accepted medium of written notification.

In addition to the above provisions, if a party to this Agreement is or becomes a non-U.S. resident at the time of any controversy subject to this arbitration agreement, such party acknowledges and agrees to the following additional provisions:

- (1) The rules of the organization administering the arbitration specifically provide for the formal designation of the place at which the arbitration is to be held.
- (2) Entering into this Agreement constitutes consent to submit to the personal jurisdiction of the courts of the state of California, U.S.A., to interpret or enforce any or all of these arbitration provisions. Judgment on any arbitration award may be entered in any court having jurisdiction, or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be.
- (3) The exclusive language to be used by the parties and the arbitrators in the arbitration proceedings shall be English. Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume all costs of the service.
- (4) If a party is a foreign government or state, state-owned or state-operated enterprise or other instrumentality of a foreign government or state, such party waives all rights of sovereign immunity and neither the Federal Act of State doctrine nor the doctrine of sovereign immunity shall apply insofar as any enforcement in courts located in the U.S.A. is concerned.

Section 14: Electronic Copies. The electronically stored copy of your (or your agent's) signature, any written instructions or authorizations, the Account Application and the Agreement and Disclosures is considered to be the true, complete, valid, authentic and enforceable record, admissible in judicial, administrative or arbitration proceedings to the same extent as if the documents and records were originally generated and maintained in printed form. You agree to not contest the admissibility or enforceability of Schwab's electronically stored copy of such documents in any proceeding between you and Schwab.

Section 15: Float. You agree that Schwab may retain as compensation for services your Account's proportionate share of any interest earned on aggregate cash balances held in Schwab's bank account with respect to (1) assets awaiting investment or (2) assets pending distribution from your Account. Such interest retained by Schwab shall generally be at money market rates. Schwab's receipt of such compensation is further described in the Agreement and Disclosures.

Section 16: Information About SIPC. To obtain information about Securities Investor Protection Corporation (SIPC), including an explanatory SIPC brochure, please contact SIPC at www.sipc.org or 1-202-371-8300.

Margin Borrowing at Schwab Overview and Disclosure Statement

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This is important information regarding margin borrowing, if you have requested the margin feature on your brokerage account. Please retain this document for your files.

A margin loan can be a powerful tool for maximizing your investments and is a convenient way to borrow against the securities you hold in your portfolio.

Margin loan proceeds can be used to buy additional securities and diversify your portfolio, as well as for non-investing needs and activities. Other benefits of margin loans can include competitive rates, no loan-origination fees and no preset payment schedule.

Schwab's margin account also enables you to sell short and potentially profit from downward price movements. Selling short involves additional market risk; be sure to familiarize yourself with short selling before using this strategy.

A complete list of terms and conditions pertaining to margin trading and short selling, including credit terms and policies, can be found in the Account Agreement. Please read this important document before opening a margin account.

When considering a margin loan, you should determine how the use of margin fits your own investment philosophy. Because of the risks involved, it is important that you fully understand the rules and requirements involved in trading securities on margin. The following paragraphs highlight some of these critical aspects of margin trading:

Margin trading increases your level of market risk. Margin trading increases your buying power, allowing you to purchase a greater amount of securities with your investing dollar. Therefore, your exposure to market volatility increases—a declining market could result in even greater losses. *A decline in the value of your securities that you purchase on margin may require you to provide additional funds to Schwab in order to avoid the forced sale of those securities or other securities in your account.*

Your downside is not limited to the collateral value in your margin account. If the securities in your account decline in value, so does the value of the collateral supporting your loan. When the value of the collateral falls below the maintenance margin requirements, or Schwab's higher "house" requirements, Schwab can move to protect its position. In order to cover margin deficiencies, Schwab may issue you a margin call—a request for additional cash—or sell securities from your account. If a sale does not cover the deficiency, you will be responsible for any shortfall.

Schwab may initiate the sale of any securities in your account, without contacting you, to meet a margin call. Schwab will attempt to involve you in the case of margin deficiency; however, market conditions may require the firm to quickly sell any of your securities without your consent. Because the securities are collateral for the margin loan, Schwab has the right to decide which security to sell in order to protect its interests. Even if Schwab has contacted you and provided a specific date by which you can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without prior notice to you.

Schwab may increase its "house" maintenance margin requirements at any time and is not required to provide you with advance written notice. Changes in Schwab's policy regarding "house" maintenance margin requirements often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause Schwab to liquidate or sell securities in your account.

You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

Some accounts that carry a margin loan balance and hold dividend-paying securities may receive a "substitute income payment in lieu of a dividend" (PIL) which may be taxable as ordinary income. Taxable accounts that receive a PIL instead of a qualified dividend may also receive a supplemental credit from Schwab. This will be described on customer statements as a "Schwab substitute income credit." Schwab will not credit your account with this additional payment when we can identify instances where a dividend is not qualified.

- This credit is NOT "payment in lieu," and is unrelated to any payment from either the security issuer or the borrower.
- It is a discretionary credit from Schwab which may be discontinued in the future with or without notice.*
- It may be subject to tax at your ordinary income tax rate. Please consult your tax advisor about your specific tax situation.
- Because individual tax situations differ, Schwab cannot precisely calculate the additional tax costs a client might incur. Therefore, we do not intend, nor should clients expect, for this payment to be an exact reimbursement of any excess tax cost.

*Please refer to the "Loan Consent" section of your Account Agreement which states that no compensation is due in connection with such loans and that Schwab "is not required to compensate you for any differential tax treatment between dividends and payments in lieu of dividends."

When using margin, please keep these important rules and conditions in mind. To further explore how margin borrowing can work for you, please contact us at 1-800-435-4000, or call your team. Used correctly, and within one's means, a margin loan can be a valuable investment tool.

WB