

Pledged Asset Line® Agreement

1-800-838-6573

This Pledged Asset Line Agreement (as the same may be amended, restated, or supplemented from time to time, "Agreement") is entered into, by and between CHARLES SCHWAB BANK, SSB ("Lender") and the parties identified in the Application or any Pledged Asset Line Addendum, as "Borrower," "Pledgor," or "Guarantor," as applicable. This Agreement evidences: (i) an uncommitted revolving non-purpose line of credit pursuant to which Loans are made by Lender to Borrower, (ii) a pledge of assets securing the Loans and other obligations under this Agreement; and (iii) if applicable, a guaranty of the Loans and other obligations under this Agreement, in each case made by the appropriate Loan Party and subject to the terms and conditions of this Agreement. All terms used in this Agreement are used as defined in Section 36.

THIS IS A NON-PURPOSE REVOLVING LINE OF CREDIT. PROCEEDS OF THE LINE OF CREDIT CANNOT BE: (i) USED TO PURCHASE OR CARRY SECURITIES OR REPAY ANY MARGIN LOAN; OR (ii) DEPOSITED INTO ANY BROKERAGE ACCOUNT.

1. Line of Credit

On the terms and subject to the conditions of this Agreement and the other Loan Documents, Lender agrees to make loans to Borrower from time to time (individually, a "Loan" and, collectively, the "Loans") in such amounts as Lender determines in its sole discretion.

2. Obligations Due on Demand by Lender

The Obligations are due ON DEMAND and shall become due and payable immediately upon Lender's Demand. Lender may Demand payment at any time of all or any part of the Obligations. The Loan Parties understand that the Loans hereunder are not for any specific time or duration. Lender may, in its sole discretion, Demand payment of all or any portion of the Obligations at any time for any reason or no reason. Lender may, in its sole discretion, terminate this Agreement at any time for any reason or no reason, including if there are no Outstanding Loans or Obligations.

3. Secured Obligations; Sale and Setoff Rights

(a) The Obligations to Lender are and at all times will be secured by the Collateral, including the Pledged Accounts, all securities entitlements in all of the foregoing, other investment property and deposit accounts in which the Lender is granted a security interest, and all dividends, interest, distributions and other proceeds of all of the foregoing.

(b) In addition to the foregoing, and without limiting any rights of Lender pursuant to this Agreement or otherwise, Lender may setoff and apply funds in any deposit account that a Loan Party maintains with Lender against the Obligations or the Guaranty Obligations as permitted (i) in any other agreement between such Loan Party and Lender or (ii) applicable law.

4. Finance Charges

(a) Finance Charge; Annual Percentage Rate. A variable periodic Finance Charge shall accrue on the unpaid principal of Loans outstanding from time to time. Unless an Index Change has occurred, the Annual Percentage Rate is the Index Rate plus the Interest Rate Spread, plus any applicable Post-Demand Spread. The Index

Rate is determined on each Tuesday or, if such Tuesday is not a Business Day, on the immediately succeeding Business Day (such Tuesday or other day being a "Reset Date"). If the Index Rate is for any reason unavailable to Lender on a Reset Date, the Index Rate will be the Index Rate as of the Reset Date as reasonably determined by Lender by an alternate method. The Annual Percentage Rate will increase or decrease as the Index Rate increases or decreases. Any increase or decrease in the Annual Percentage Rate will result in an increase or decrease in the monthly amount payable by Borrower, as reflected on the Lender's periodic statement. Any change in the Annual Percentage Rate on the Loans resulting from a change in the Index Rate will be effective on each Thursday consistent with changes in the Index Rate as determined on the immediately preceding Reset Date and will be reflected in periodic statements provided by Lender to Borrower under this Agreement.

(b) Accrual and Payment of Finance Charge. Periodic Finance Charges shall accrue on the principal amount of the Outstanding Loans from and including the date disbursed until, but not including, the date repaid and shall be payable on or before the 15th day of each month in arrears for the previous calendar month (each, a "Payment Due Date"). There is no "grace period" or other period of time that would allow Borrower to avoid paying a periodic Finance Charge on the Outstanding Loans. If a payment of periodic Finance Charges is due and not paid on or before the Payment Due Date, Borrower shall be deemed to request that the amount of such unpaid Finance Charge be treated as a Loan, and such unpaid Finance Charge may be treated in Lender's sole discretion, as a Loan (a "Finance Charge Loan") and added to the principal amount of the Outstanding Loans with the result that periodic Finance Charges will accrue on such Finance Charge Loan, and the Loans will negatively amortize. If any such request is not treated by Lender as a Finance Charge Loan with respect to all or a portion of any periodic Finance Charges, and a payment of such periodic Finance Charges or a portion

thereof is due and not paid on the Payment Due Date, a late fee as described in Section 6 will be imposed. Any unpaid Finance Charge not treated as a Finance Charge Loan, and the resulting late fee, will result in an increase in the Obligations.

(c) Finance Charge Computation. The periodic Finance Charge for each statement period is computed by applying the Daily Periodic Rate (as defined below) to the Daily Principal Balance of the PAL Account on each day in the statement period and then summing those amounts. To determine the Daily Principal Balance, Lender will take the beginning balance of Borrower's account each day, add any new advances, and subtract any payments and credits (the "Daily Principal Balance"). On each Payment Due Date, to calculate the Daily Principal Balance, Lender will also add to the Outstanding Loans any Finance Charge Loan that has not previously been added to the Outstanding Loans. The "Daily Periodic Rate" in effect each day during the billing period will be equal to the Annual Percentage Rate in effect that day, divided by 365. This method of calculation results in the accrual of additional periodic Finance Charges on previously accrued periodic Finance Charges.

(d) No Limit on Amount of Annual Percentage Rate or Payment Increases. There is no limit on the amount that the Annual Percentage Rate or payments on this Agreement may increase or decrease on any date or collectively throughout the term of this Agreement. Notwithstanding any contrary provision in this Agreement, the Annual Percentage Rate will not be less than zero on any date or collectively through the term of this Agreement.

(e) Index Change. From time to time, Lender may determine in its sole discretion to change the method of calculating Finance Charges by replacing the applicable Index, with an alternative Index ("Index Change"). If an Index Change has occurred, then the Loans shall bear a periodic Finance Charge at an Annual Percentage Rate equal to a new Index Rate plus a new Interest Rate Spread (plus the Post-Demand Spread, if applicable). The new Index Rate and the new Interest Rate Spread shall each be



determined and applied by Lender in its sole discretion. Any increase or decrease in the Annual Percentage Rate will result in an increase or decrease in the monthly amount payable by Borrower, as reflected on the Lender's periodic statement.

5. Payments; Prepayments

(a) Finance Charges. Periodic Finance Charges are due on the Payment Due Date as set forth in Section 4(b).

(b) Payments Upon Demand. Upon Demand, Borrower shall pay to Lender, an amount equal to the Loans plus all accrued and unpaid periodic Finance Charges, fees and other Obligations to the address indicated in Section 30 or to such other place as Lender may from time to time require.

(c) Prepayments. Borrower has the right to prepay Loans in whole or in part on any Business Day before Lender makes a Demand and shall make any such prepayment to the address indicated in Section 30 or to such other place as Lender may from time to time require on the terms and conditions set forth in this Agreement. Before a Demand or an Insolvency Event, there are no required principal payments under this Agreement.

6. Fees and Charges

If the monthly Finance Charge payment is not paid on the Payment Due Date, and Lender does not determine that such Finance Charge will be a Finance Charge Loan, then Borrower shall pay to Lender a late payment fee of \$25. Lender may change this fee at any time and reserves the right to waive fees at its discretion. Any unpaid late payment fee will result in an increase in the Obligations in the amount of such unpaid late payment fee. Lender reserves the right to change the terms of this Agreement by imposing other fees, such as charges for returned items, in accordance with Section 26.

7. Lender's Periodic Statement

Lender's periodic statement will display: (a) all Finance Charges due on the Payment Due Date; and (b) any other fees and charges due on the Payment Due Date. The periodic statement will not reflect Obligations that are due and payable in connection with a Demand.

8. Payment Allocation

So long as Lender has not made a Demand, payments received on account of the Obligations will be applied first to periodic Finance Charges then due, second to any late fees, third to other fees and Obligations (other than principal) payable under this Agreement, and fourth to principal. If Lender has made a Demand, Lender shall have the right to apply payments in such order as Lender may determine in its sole discretion.

9. Disbursements of Loans

Lender may, in its sole discretion, (a) honor Loan Requests made in writing or otherwise acceptable to Lender given, or purported to be given, (i) by a person identifying himself or herself as Borrower or, if more than one person comprises Borrower, any such person, (ii) by any trustee of Borrower if Borrower is a trust, or by any authorized representative of Borrower (any such person, an "Authorized Representative"), upon such terms and conditions as Lender shall determine, and (b) make Loans in the amount of checks drawn from time to time; provided that the initial Loan Request may not be made by check. Any check drawn on the PAL Account shall be treated as a Loan Request, except for an initial Loan Request, and each Loan Party acknowledges that Lender in its sole discretion may deny the Loan Request and dishonor the check. Lender will have no liability if the check is dishonored. If more than one person comprises Borrower, or more than one person is an Authorized Representative of Borrower, any one of such persons, acting alone, can make a Loan Request, and each person comprising Borrower shall be jointly and severally liable for all extensions of credit made to Borrower together with all Obligations, including any trustee, trustor, settlor or grantor of any Borrower that is a revocable trust. Borrower will indemnify and hold Lender harmless from all liability, loss and costs in connection with any act resulting from any instruction Lender reasonably believes is made by Borrower or any Authorized Representative.

10. Evidence of Borrower's Obligations

Each disbursement by Lender and each payment by Borrower will be evidenced by records kept by Lender.

11. Conditions Precedent

(a) Conditions Precedent to Effective Date. This Agreement shall be effective when each of the following occurs (the "Effective Date"): (i) Lender shall have received this Agreement and the other Loan Documents, including the Control Agreement, in each case signed, authenticated or otherwise approved electronically by each of the Loan Parties (collectively, the "Executed Agreements"); (ii) Lender has had a reasonable time to review the Executed Agreements and the Collateral, following receipt of the Executed Agreements; and (iii) Lender has notified the Loan Parties that this Agreement is effective and that the other Loan Documents are effective, to the extent not already effective.

(b) Conditions Precedent to All Loan Requests. It shall be a condition precedent to Borrower's right to make a Loan Request that: (i) this Agreement and the other Loan Documents shall constitute the valid and binding obligation of the Loan Parties, enforceable in accordance with its terms; (ii) Lender shall have a first-priority perfected security interest in all Collateral that

is enforceable in accordance with this Agreement; (iii) each representation or warranty by any Loan Party in this Agreement or the other Loan Documents shall be true and correct in all respects at all times; (iv) Lender has not made a Demand; (v) the initial Loan Request is in an amount equal to or greater than the Initial Minimum Loan Request Amount; and (vi) the Loan Value of Collateral, as determined by Lender in its sole discretion, shall equal or exceed the greater of (A) the Minimum Loan Value of Collateral, and (B) the Outstanding Loans, after giving effect to the proposed Loan Request. SATISFACTION BY THE LOAN PARTIES OF THE ABOVE CONDITIONS PRECEDENT DOES NOT OBLIGATE LENDER TO HONOR ANY LOAN REQUEST. THE LENDER IS NOT REQUIRED TO MAKE ANY LOAN UNDER THIS AGREEMENT. ALL LOAN REQUESTS WILL BE ACCEPTED OR REJECTED IN LENDER'S SOLE DISCRETION.

12. Representations and Warranties

(a) General Representations and Warranties of Loan Parties. Each Loan Party represents and warrants to Lender on a continuing basis that: (i) each such Loan Party has the full right, power and authority to make, execute and deliver this Agreement and the other Loan Documents, and this Agreement and the other Loan Documents are legal, valid and binding obligation of such Loan Party, as applicable, enforceable against such Loan Party in accordance with its terms; (ii) this Agreement and the other Loan Documents (and the acceptance and delivery of the Executed Agreements), and the performance and consummation of the transactions contemplated hereby and thereby do not and will not conflict with any law, agreement or obligation by which such Loan Party is bound; (iii) all financial and other information that has been or will be supplied to Lender is sufficiently complete to give Lender accurate knowledge of such Loan Party's financial condition, including material contingent liabilities, and since the date of the most recent financial statement provided to Lender there has been no material adverse change in the financial condition of such Loan Party; (iv) no consent, approval, order or authorization of, or registration, declaration or filing with, any governmental authority or other person (including, without limitation, the shareholders, members or partners of any person) is required in connection with the execution and delivery of this Agreement and the other Loan Documents, or the performance and consummation of the transactions contemplated hereby and thereby; (v) there is no lawsuit, tax claim or other dispute pending or threatened against such Loan Party which, if lost, would impair such Loan Party's financial condition, the Collateral or the ability of Borrower or such Loan Party to repay the Obligations; (vi) no Loan Party is in default on any obligation for borrowed money, any purchase



money obligation or material lease commitment, instrument or obligation; (vii) all of the representations and warranties made in this Agreement and the other Loan Documents are true and correct and this Agreement and the other Loan Documents, when taken as a whole or individually, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained in this Agreement or the other Loan Documents not misleading in light of the circumstances under which they were made; (viii) Borrower will use the proceeds of the Loans for a lawful personal, commercial or business purpose under state, federal and other applicable law, and not for the purpose of purchasing, carrying or extending credit to finance the purchase or carrying of margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System); (ix) no Loan Party is an officer, director, manager, partner, individual owner or equity holder in any business or other venture that is engaged in any activities that are unlawful or illegal under state, federal or other applicable law; (x) each Loan Party is solvent, able to pay its debts as they become due, does not have insufficient or too small capital, and will not be rendered insolvent by entering into this Agreement or the other Loan Documents; (xi) each Loan Party that is an individual is a United States citizen or a United States permanent resident alien, maintains a permanent residence in the United States, and maintains a United States address, which is not a Post Office box, as such party's respective address of record with Lender; (xii) Pledgor is (or, at such time as Collateral is credited to the Pledged Account, will be) the owner of the Collateral free and clear of any interest or lien of any third person other than the security interest of Lender hereunder and any security interest granted to Broker under the agreements governing the Pledged Account.

(b) Additional Representations, Warranties and Agreements for Organizations. Each Loan Party that is an organization, other than any trust represents and warrants to Lender on a continuing basis and agrees that: (i) such organization was incorporated in the United States, and that each beneficial owner of the organization is (A) an individual who is a United States citizen or a United States permanent resident alien, or (B) an organization or trust that is organized or formed and is domiciled in the United States; (ii) represents and warrants to Lender on a continuing basis that such Loan Party is duly organized or formed, validly existing and in good standing under the laws of its jurisdiction of organization or formation, and is duly qualified, licensed to do business and in good standing in each jurisdiction where its ownership lease of property or the conduct of its business requires such qualification; and

(iii) without Lender's prior written consent, from the Effective Date of this Agreement until the date that all Obligations are paid in full and this Agreement terminates, such Loan Party shall not directly or indirectly by operation of law or otherwise: (A) merge with, consolidate with, acquire all or substantially all of the assets or stock of, or otherwise combine with, any person; (B) make any change to its organization documents, including, without limitation, its certificate of formation, organization or incorporation, its operating agreement, partnership agreement, bylaws or any similar agreement; (C) make any change to its domicile or jurisdiction of organization or formation; or (D) make any change to its legal name or legal entity type; (E) make any change to its business objectives, purposes or operations that could reasonably be expected to adversely affect repayment of any Obligations, or could reasonably be expected to have a material adverse effect on the Collateral, Lender's lien on the Collateral or the priority of any such lien, or Lender's rights and remedies under this Agreement and the other Loan Documents.

(c) Additional Representations, Warranties and Agreements for Trusts. Each Loan Party that is a trust, including without limitation, any revocable trust, irrevocable trust, or testamentary trust represents and warrants to Lender on a continuing basis and agrees that: (i) such trust was formed and is domiciled in the United States; (ii) such Loan Party is duly created or formed, validly existing and in good standing under the laws of its jurisdiction of creation or formation, and is duly qualified, licensed to do business and in good standing in each jurisdiction where its ownership lease of property or the conduct of its business requires such qualification; and (iii) without Lender's prior written consent, from the Effective Date of this Agreement until the date that all Obligations are paid in full and this Agreement terminates, such Loan Party and its trustees shall not, if such Loan Party is comprised of a trust or trustees(s) of a trust: (A) amend such trust; (B) revoke or otherwise terminate such trust; (C) distribute or otherwise dispose of all or a substantial part of the assets of such trust; (D) convert such trust to a new or different type of entity; (E) with respect to any asset of such trust with respect to which Lender has been granted a lien, transfer or otherwise convey such asset from such trust; (F) make any change to its domicile or jurisdiction of formation; or (G) make any change to its business objectives, purposes or operations of such trust that could reasonably be expected to adversely affect repayment of any Obligations, or could reasonably be expected to have a material adverse effect on the Collateral, Lender's lien on the Collateral or the priority of any such lien, or Lender's rights and remedies under this Agreement.

13. Guaranty

(a) In consideration of the funding by Lender of the Loans and for other valuable consideration, the receipt and sufficiency of which Guarantor hereby acknowledges, Guarantor hereby unconditionally, irrevocably, and absolutely guarantees to Lender, and its successors, endorsees, transferees, and assigns, the prompt payment and performance of the Guaranty Obligations, whether now or hereafter existing, and whether for principal, interest, fees, expenses, or otherwise, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent or now or hereafter existing or due or to become due, including in all cases all such amounts which would become due but for the operation of the provisions of Title 11 of the United States Code or any other similar statutes. Guarantor acknowledges that it is receiving a direct or indirect benefit from the Loans.

(b) If Lender makes a Demand, then Guarantor shall immediately pay the Guaranty Obligations to Lender, to be credited and applied to the Obligations, in immediately available funds in lawful money of the United States of America to an account designated by Lender or to the address indicated in Section 30 or to such other place as Lender may from time to time require on the terms and conditions set forth in this Agreement.

(c) The Guaranty Obligations are the immediate, direct, primary, and absolute liabilities of Guarantor, and are independent of, and not co-extensive with, the Loans or the obligations of any other guarantor thereof. The Guaranty Obligations constitute a guaranty of payment when due and not of collection, and neither Lender nor its successors, endorsees, transferees, or assigns shall be required to assert any claim or demand or enforce any remedy whatsoever against Borrower, any other Loan Party or any other Person before or as a condition to assertion or enforcement of the Guaranty Obligations.

(d) The Guaranty Obligations shall remain in full force and effect without regard to, and shall not be impaired or affected by, or be deemed to be satisfied by, nor shall Guarantor or any Collateral be exonerated, discharged, or released by, any of the following events:

(i) Lender's exercise or enforcement of, or failure or delay in exercising or enforcing, legal proceedings to collect any portion of the Obligations or the Guaranty Obligations or any power, right, or remedy with respect to any of the Obligations, the Guaranty Obligations, or the Collateral, including: (A) any action or inaction of Lender to perfect, protect, or enforce any lien; (B) any impairment or invalidity of any lien in favor of Lender or any suspension of Lender's right to enforce against Borrower, Pledgor, Guarantor, or any



other guarantor of the Obligations, any Guaranty Obligations, or any lien; or (C) any change in the time, manner, or place of payment of, or in any other term of, any or all of the Obligations or the Guaranty Obligations, or any other amendment to, or waiver of, this Agreement, or any other agreement or instrument governing or evidencing any of the Obligations or the Guaranty Obligations; (ii) an Insolvency Event with respect to all or any part of a Loan Party's assets or of the assets of any other guarantor of the Obligations, or liquidation, winding-up, or dissolution of a Loan Party or any other guarantor of any of the Obligations; (iii) any limitation, discharge, cessation, or partial satisfaction of any of the Obligations, the Guaranty Obligations, or the obligations of any other guarantor of any of the Obligations, whether by operation of any statute, regulation, or rule of law, or otherwise, regardless of the intervention or omission of Lender, or any invalidity, voidability, unenforceability, or irregularity, or future change to or amendment of, in whole or in part, this Agreement, or any other document evidencing any of the Obligations or Guaranty Obligations; (iv) any merger, acquisition, consolidation or change in structure, or any sale, lease, transfer, or other disposition of any or all of the assets or ownership interests, of Guarantor or any other guarantor of any of the Obligations, including any transfer by Guarantor of all or any part of any Collateral; (v) any assignment or other transfer, in whole or in part, of Lender's interest in and rights under this Agreement, the Guaranty Obligations, or the Collateral; (vi) any claim, defense, counterclaim, or setoff, including any defense of incapacity, disability, or lack of corporate or other authority to execute any documents relating to any of the Obligations, the Guaranty Obligations, the Collateral, or any other guaranty of any of the Obligations, which Borrower, Guarantor, or any other guarantor of the Obligations may have or assert, other than any defense based on any applicable provision of the Code requiring that any Security be disposed of in a commercially reasonable manner; (vii) any cancellation, renunciation, or surrender of any pledge, guaranty, or any debt instrument evidencing any of the Obligations or the Guaranty Obligations; (viii) Lender's vote, claim, distribution, election, acceptance, action, or inaction in any bankruptcy or reorganization case related to any of the Loans, the Guaranty Obligations, or the Collateral; or (ix) any other action or circumstances that might otherwise constitute a defense available to, or a legal or equitable discharge of, any surety, guarantor or pledgor.

14. Subordination

All obligations and all indebtedness of Borrower to Guarantor, including any and all rights of subrogation, reimbursement, indemnity, or contribution that Guarantor has or may have against Borrower in connection with the payment or enforcement of the Guaranty Obligations or Lender's security interest in the Collateral, and any and all present and future indebtedness regardless of its nature or manner of origination now or hereafter to become due and owing by Borrower to Guarantor, are hereby subordinated and postponed and shall be inferior, in all respects, to the Obligations.

15. Waivers by Loan Parties

(a) To the extent permitted by law, each Loan Party (and each person or entity comprising a Loan Party) waives and relinquishes: (i) any right to request the marshalling of any property pledged or mortgaged as collateral for the Obligations, including the Collateral; (ii) any and all rights, remedies, defenses and other benefits which might otherwise be available to a Loan Party under: (A) California Civil Code Sections 1432, 2809, 2810, 2819, 2839, 2845 through 2847, 2849, 2850, 2899 and 3433; and (B) Rule 31 of Texas Rules of Civil Procedure, and Chapter 43 and Section 17.001 of the Texas Civil Practices and Remedies Code, or any other statute or law, common law, in equity, under contract or otherwise, or under any amendments, recodifications, supplements or any successor statute or law of or to any such statute or law to the extent the same pertains or may pertain to any enforcement of this Agreement; (iii) any right to require Lender to proceed against any other person (including any other Loan Party) or to proceed against or exhaust any security held by Lender at any time or to pursue any other remedy in Lender's power before proceeding against such Loan Party or exercising its rights with respect to the Collateral; (iv) any defense of the statute of limitations in any action hereunder or in any action for the collection of any amounts or performance of any obligations under the Loan Documents, including the Obligations and the Guaranty Obligations; (v) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other Loan Party or of any other person or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any such person; (vi) any right to Demand, presentment, protest and notice of Demand; (vii) any defense that may arise from the extension of the time for payment on or the renewal of any existing indebtedness or obligation; the existence, creation or incurring of any new or additional indebtedness or obligation; or any action or inaction by any other Loan Party, Lender, any endorser or creditor of Borrower or of such Loan Party, or on the part of any person under this or

any other instrument or agreement in connection with any Loan or other Obligation, the Guaranty Obligations, any security, obligation or evidence of indebtedness held by Lender as collateral or in connection with any amounts hereby secured or guaranteed; (viii) any and all rights and defenses arising out of the release of any other party or out of an election of remedies by Lender; (ix) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (x) any duty on the part of Lender to disclose to such Loan Party any facts Lender may now or hereafter know about any other person, regardless of whether Lender has reason to believe that such facts are unknown to such Loan Party, or has a reasonable opportunity to communicate such facts to such Loan Party, since such Loan Party acknowledges that such Loan Party is fully responsible for being and keeping informed of the financial condition of each other Loan Party and of all the circumstances bearing on the risk of nonpayment of any Loan; (xi) any claim as a result of impairment of Collateral; (xii) any defense based upon any borrowing or grant of a security interest under Section 364 of the United States Bankruptcy Code; (xiii) any rights of notice of sale, advertisement procedures or related provisions granted under applicable law, including the New York Lien Law; (xiv) all rights of subrogation, reimbursement, indemnity and contribution, all rights to enforce any remedy that Lender may have against any other Loan Party, as well as any defense to an action to enforce this Agreement based upon the impairment or destruction of any subrogation, reimbursement, indemnity, or contribution rights, or of any of the other foregoing rights, that a Loan Party might have absent the foregoing waiver, and each Loan Party agrees: (A) not to seek to enforce or to obtain any such right, or to accept any payment from any other person, in violation of the foregoing waiver; and (B) that any agreement or other understanding at any time entered into with any person granting any such right to any Loan Party shall be null and void; and (xv) any other action or circumstances that might otherwise constitute a defense available to, or a legal or equitable discharge of, any surety, guarantor or pledgor.

(b) THE LOAN PARTIES WAIVE ALL RIGHTS AND DEFENSES ARISING OUT OF AN ELECTION OF REMEDIES BY LENDER, EVEN THOUGH THAT ELECTION OF REMEDIES, SUCH AS A NONJUDICIAL FORECLOSURE WITH RESPECT TO SECURITY FOR THE OBLIGATIONS OR A GUARANTEED OBLIGATION, HAS DESTROYED SUCH LOAN PARTY'S RIGHTS OF SUBROGATION AND REIMBURSEMENT AGAINST BORROWER BY THE OPERATION OF SECTION 580d OF THE CALIFORNIA CODE OF CIVIL PROCEDURE OR OTHERWISE, OR ANY OTHER SIMILAR LAW.



16. Insolvency

All Obligations, the Guaranty Obligations and any other obligations under this Agreement shall be immediately due and payable without demand or notice by Lender to the Loan Parties if any Loan Party files a bankruptcy petition, a bankruptcy petition is filed against any Loan Party, or any Loan Party makes a general assignment for the benefit of creditors or a receiver or trustee of any Loan Party assets is appointed (any such event being an "Insolvency Event").

17. Grant of Security Interest

As security for the agreements and Obligations and Guaranty Obligations, as the case may be, of each Loan Party under this Agreement, Pledgor hereby assigns, pledges, grants and conveys to Lender a continuing, first-priority perfected security interest in the Collateral. Pledgor agrees and acknowledges that Pledgor is either Borrower under this Agreement or is receiving a direct or indirect benefit from Borrower entering into this Agreement, and therefore has agreed to pledge the Collateral under the terms of this Agreement as security for the Obligations or the Guaranty Obligations, as the case may be.

18. Remedies

(a) After Lender makes a Demand, Lender may do any one or more of the following: (i) not honor any Loan Requests that have been made and approved by Lender, but not yet advanced; (ii) require Borrower and any Loan Party to repay all or any portion of the Obligations immediately; (iii) terminate this Agreement; or (iv) exercise any or all of the rights and remedies set forth in this Agreement or remedies available to Lender at law or in equity, in each case without prior notice to the Loan Parties. To the extent permitted by applicable law, each Loan Party hereby waives notice of any and all of the foregoing.

(b) Without limiting the generality of the foregoing paragraph, with respect to each Pledged Account, after Demand, Lender may in its sole discretion do any one or more of the following: (i) exercise exclusive control of such Pledged Account; (ii) issue entitlement orders to, or otherwise direct, Broker to sell or otherwise dispose of all or any part of the Collateral, including to cancel any open orders, to close any or all outstanding contracts with respect to such Pledged Account, and to execute such trades as Lender may specify; (iii) demand that the Pledgor add Collateral to the Pledged Account; (iv) in preparation for sale or disposition, direct the transfer of, take possession of or take delivery of, all or any part of the Collateral and, thereafter, sell or dispose of such Collateral in any commercially reasonable manner; and (v) apply the proceeds thereof, in such order as Lender, in its discretion, may determine, including, without limitation, to the

reasonable expenses of retaking, holding, or preparing for the disposition of such Collateral, reasonable attorneys' fees and legal expenses incurred by Lender in connection therewith and payment and satisfaction of all or any portion of the Obligations. Any such sale or disposition may be made on any exchange or other market where such business is usually transacted, or at public auction or private sale, and Lender or any of its affiliates may be the purchaser for its own account. Pledgor acknowledges and agrees that the Collateral consisting of securities in any Pledged Account is of a type that may decline speedily in value or that is customarily sold on a recognized market and may be sold or otherwise disposed of by Lender without notice.

(c) Any prior Demand or notice by Lender of a sale or disposition hereunder shall not be considered a waiver of Lender's right to proceed without any such Demand or notice as herein provided. In addition to the rights and remedies set forth in this Agreement, Lender shall have the right to exercise any one or more of the rights and remedies of a secured creditor under the Uniform Commercial Code as it may be amended from time to time and be in effect in the State of Nevada (the "Uniform Commercial Code"). All rights and remedies available to Lender hereunder shall be cumulative and in addition to any and all other rights and remedies provided under this Agreement, any other Loan Document or otherwise available to it at law, in equity or otherwise, and any one or more of such rights and remedies may be exercised simultaneously or successively. Neither the sale or other disposition of Collateral by Lender nor the exercise of any other right or remedy by Lender shall operate (i) to reinstate Loans after a Demand, (ii) to waive a Demand, or (iii) to waive any of Lender's other rights under this Agreement. The Loan Parties acknowledge that in exercising its rights and remedies under this Agreement, Lender may dispose of or exercise trades in Collateral in excess of any Obligations then due and payable.

19. Payments; Waivers; Remedies Cumulative

All amounts payable under this Agreement are payable in lawful money of the United States, without setoff or deduction. All forms of payment, including by check, automatic clearing house, wire transfer, or other transfer acceptable to Lender, constitute payment only when collected. Borrower will not deduct any foreign or U.S. taxes from amounts paid to Lender under this Agreement. Borrower will pay all such taxes and indemnify Lender against any liability for taxes (except taxes measured by its gross income in the jurisdictions of its organization and conduct of business). If Lender delays in exercising or fails to exercise any of its rights under this Agreement, that delay or failure shall not constitute a waiver of any of Lender's rights, or of any breach, default or failure of condition of or under this Agreement. No waiver by Lender

of any of its rights, or of any such breach, default or failure of condition, shall be effective, unless the waiver is expressly stated in writing and signed by Lender. All of Lender's remedies in connection with this Agreement, the other Loan Documents or applicable law shall be cumulative, and Lender's exercise of any one or more of those remedies shall not constitute an election of remedies. The acceptance by or on behalf of Lender of a check or other payment for a lesser amount than shall be due from Borrower or Guarantor, regardless of any endorsement or statement thereon or transmitted therewith, will not be deemed an accord and satisfaction or anything other than a payment on account, and Lender or anyone acting on behalf of Lender may accept such check or other payment without prejudice to the rights of Lender to recover the balance actually due or to pursue any other remedy under this Agreement, or applicable law for such balance. If any payment by or on behalf of a Loan Party is made to Lender, or Collateral proceeds are applied to any payment, in each case, with respect to any Obligations or Guaranty Obligations under this Agreement, and such payment or proceeds, in whole or in part, are invalidated or required to be returned or repaid to any person for any reason, then the Obligations or Guarantor Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue, this Agreement shall continue, and all liens, rights, and remedies relating thereto shall be revived and continue in full force and effect as if such payment had not been made, or such proceeds had not been applied. This Section 19 shall survive the payment of the Obligations or the Guaranty Obligations under this Agreement and termination of this Agreement.

20. Further Assurances

Pledgor shall take all actions and execute and deliver any and all documents reasonably necessary or requested by Lender in order to assure that, at all times during the term of this Agreement, Lender has a continuing first-priority security interest in the Collateral that is perfected by control. Pledgor authorizes Lender to file any and all financing statements with respect to the Collateral, and any and all continuation statements and other amendments to such financing statements, as Lender shall reasonably deem necessary or appropriate to perfect and maintain the perfection and priority of its security interest. Each Loan Party shall notify Lender in writing at least 10 days before any change in: (a) such Loan Party's principal residence; (b) the name of such Loan Party (and, if such Loan Party is a trust or a trustee acting with respect to property held in trust, the name provided for the trust in the organic documents or, if no name is specified, the name of the settlor or settlors and the name of the trustee or trustees); (c) the mailing address for such Loan Party.



21. Additional Collateral Provisions

(a) Pledgor shall at all times maintain Eligible Collateral with a Loan Value of Collateral that equals or exceeds the greater of (i) the Minimum Loan Value of Collateral, and (ii) the Outstanding Loans. Lender may require Pledgor to add Eligible Collateral to the Pledged Account at any time during the term of this Agreement. Lender's requirement that Pledgor increase the Eligible Collateral in the Pledged Account does not limit or alter Lender's right to make a Demand at any time.

(b) The Loan Parties acknowledge that Lender in its sole discretion will determine what Collateral will be Eligible Collateral and the Loan Value of Collateral. Certain types of Collateral may not constitute Eligible Collateral, and Lender shall have the right to change any Eligible Collateral criteria and to establish any new Eligible Collateral criteria, without prior notice.

22. Control, Delivery and Possession of Collateral

Pledgor irrevocably authorizes and directs Broker to: (a) identify Lender in Broker's records as the person holding the Pledged Account and the entitlement holder of the security entitlements credited or to be credited thereto, (b) reflect Lender's security interest in the Pledged Account and such security entitlements in Broker's records, and (c) accept entitlement orders and instructions from Lender with respect to the Pledged Account and such security entitlements without the further consent of Pledgor. After a Demand, Lender may at any time and from time to time exercise its exclusive control over the Pledged Account ("Period of Exclusive Control"). Lender hereby appoints Broker as, and Pledgor acknowledges that Broker is, the agent of Lender for purposes of perfecting Lender's security interest in any Collateral as to which Lender's security interest is or may be perfected by possession or delivery.

23. The Pledged Account; Prohibitions and Withdrawals

Except with the prior written consent of Lender, Pledgor may not directly or indirectly suffer, cause or permit: (a) any Withdrawals from the Pledged Account; (b) any borrowing on margin using any Collateral as security; or (c) any Collateral to be subject to any lien, encumbrance or security interest, other than the security interest created by this Agreement and any security interest of Broker securing payment for assets purchased for the Pledged Account or for commissions and fees payable to Broker with respect thereto or otherwise with respect to the Pledged Account. Notwithstanding anything to the contrary herein, all Withdrawals from the Pledged Account shall be subject to such conditions and restrictions as Lender may establish in its discretion from time to time. Without limiting the generality of the foregoing, the Pledged Account will not have any check

writing, debit card or bill pay privileges. The following types of assets shall not be held in the Pledged Account: (i) assets held in accounts designated as retirement accounts; (ii) securities issued by affiliates of Lender (other than mutual funds and non-leveraged exchange-traded funds); (iii) options; (iv) securities that have not been duly authorized and validly issued or are not fully paid and non-assessable; (v) securities that are not freely and fully marketable by Pledgor or Lender, as pledgee, without regard to any holding period, manner of sale, volume limitation, public information or notice requirement; (vi) securities issued or sponsored by The Charles Schwab Corporation (NYSE: SCHW); and (vii) other securities identified from time to time by Lender.

Notwithstanding the foregoing, unless and until Lender, in its sole discretion, notifies Pledgor otherwise, Pledgor shall be permitted to make Withdrawals from the Pledged Account so long as

- (a) Lender has not informed Broker that it is exercising exclusive control over the Pledged Account,
- (b) no Demand has occurred, and
- (c) after giving effect to such Withdrawal, the Loan Value of Collateral would not be less than the greater of (i) Outstanding Loans, or (ii) the Minimum Loan Value of Collateral.

24. Powers of Lender

Pledgor irrevocably appoints Lender as Pledgor's true and lawful attorney-in-fact with full power of substitution to take any action and execute any documentation that Lender considers necessary or advisable to accomplish the purposes of this Agreement, including, but not limited to, to endorse, receive and deposit proceeds of Collateral and, during a Period of Exclusive Control or after a Demand, to exercise rights in respect to the Collateral in the name of Pledgor. So long as no Demand or Period of Exclusive Control has occurred, Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral. After Demand, Lender may, in its discretion, exercise any and all such rights in its own name or in the name of Pledgor, except with respect to corporate reorganization offers.

25. Indemnification

Each Loan Party will indemnify and hold harmless Lender, and its affiliates, officers, directors, employees and agents, from and against any and all loss, liability, damages, judgments and costs (including attorneys' fees) of any kind relating to or arising directly or indirectly out of:

- (a) this Agreement and the other Loan Documents;
- (b) any Loan made;
- (c) any Claim, whether well founded or otherwise, that there has been a failure to comply with any law, rule or regulation pertaining to any

Loan Party, this Agreement, the other Loan Documents or matters contemplated hereby or thereby; or

- (d) any litigation or proceeding related to or arising out of this Agreement, the other Loan Documents or any such Claim.

This indemnity shall survive termination of the Agreement or payment of the Obligations.

26. Change in Terms

Lender may amend or change any provision of this Agreement or the other Loan Documents, including provisions relating to any charges, or add to or remove provisions of this Agreement or the other Loan Documents (including adding new provisions of the same or a different nature as the existing provisions of this Agreement or the other Loan Documents) at any time. If Lender does so, it will give the Loan Parties notice of such amendment or change if required by applicable law. Any such notice will be provided as set forth in Section 30.

27. AUTHORIZATION TO OBTAIN AND SHARE FINANCIAL AND OTHER INFORMATION

(a) Delivery of Financial Information. Within 15 days of any request, each Loan Party shall deliver to Lender or cause such other Loan Party to deliver to Lender any financial information reasonably requested by Lender related to such Loan Party, respectively.

(b) Sharing of Financial and Other Information. Each Loan Party hereby authorizes Lender, from time to time, until the full and final payment of all Obligations and termination of this Agreement, to: (i) inquire, at Lender's discretion, from any source including a consumer reporting agency as to the identity (as required by federal or other applicable law) and creditworthiness of the Loan Parties, for all purposes, including the current and ongoing eligibility for extension of credit under the terms of this Agreement, and investigative purposes in connection with enforcing this Agreement, the other Loan Documents and collecting the Obligations; (ii) share with and among Broker and each Loan Party, without further notice or consent of the other Loan Parties (A) any information regarding this Agreement, the other Loan Documents, the Obligations, the PAL Account, the Pledged Accounts and the Collateral, and (B) any information about the Loan Parties to facilitate the approval and servicing of this credit and this Agreement and the other Loan Documents, enforcement of this Agreement and the other Loan Documents, and collection of the Obligations; and (iii) share with any investment advisor, accountant or attorney of any Loan Party information regarding this Agreement, the other Loan Documents, the Obligations, the PAL Account, the Pledged Accounts and the Collateral, upon Lender's receipt of such Loan Party's further consent, as applicable, in form and substance acceptable to Lender.

Please refer to the Charles Schwab publication "Facts: What Does the Charles Schwab Corporation Do With Your Personal Information?" (or any successor publication) for additional information



about other categories of information Lender may share and Loan Party's ability to opt out of certain information sharing.

28. Miscellaneous

(a) **Rights of the Parties; No Waiver.** The rights of Lender under this Agreement and the other Loan Documents are absolute and unconditional, and nothing that Lender does or fails to do shall affect such rights. Lender may waive or delay enforcing any or all of its rights herein at any time without limiting, restricting or precluding its exercise of any or all of them in the future. Any waiver of any one of Lender's rights hereunder shall not act as a waiver of any other right Lender may have. Each Loan Party acknowledges and agrees that notwithstanding any affiliation between Lender and Broker and the agency relationship of Broker to Lender hereunder, neither Broker nor any of its employees are authorized to waive on behalf of Lender any provision of this Agreement or the other Loan Documents, or consent on behalf of Lender to any action or inaction by such Loan Party or otherwise bind Lender.

(b) **Titles.** Titles of sections and paragraphs in this Agreement or the other Loan Documents are for convenience only and shall not be considered in the interpretation thereof.

(c) **Binding Agreement; Assignment.** This Agreement and the other Loan Documents shall be binding upon each of the parties thereto and upon each of their respective successors, assigns, heirs and personal representatives and shall inure to the benefit of Lender and its successors and assigns (provided, however, that no person other than Lender may assign any of its rights or obligations under this Agreement or the other Loan Documents without the prior written consent of Lender, and any such attempted assignment without prior written consent shall be null and void).

(d) **Severability.** If any provision of this Agreement or the other Loan Documents to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

(e) **INTEGRATION. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS AMONG THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES WITH RESPECT TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS MAY BE MODIFIED ONLY (I) BY LENDER PURSUANT TO SECTION 26, OR (II) BY A WRITTEN INSTRUMENT EXECUTED BY LENDER AND THE APPLICABLE LOAN PARTIES.**

(f) **Effect of Release of Collateral.** Regardless of consideration, Lender may release any part of

such Collateral without in any way impairing or affecting the effectiveness or priority of its lien or security interest with respect to the remainder of such Collateral.

(g) **Electronic Execution; Counterparts.** This Agreement and the other Loan Documents may be executed electronically and in any number of counterparts, but any set of counterparts shall be construed as one and the same document.

(h) **Rules of Construction.** The following rules of construction shall apply, unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter; (ii) the term "or" is not exclusive; (iii) the term "including" (or any form thereof) is not limiting or exclusive; (iv) references to "you" are references to the applicable Loan Party and references to "we" or "us" are references to Lender; and (v) unless otherwise defined herein, all terms defined in the Uniform Commercial Code have the respective meaning given to those terms in the Uniform Commercial Code.

29. Joint and Several Liability

If more than one person or entity comprises a Loan Party, or more than one Loan Party is a party to this Agreement or the other Loan Documents, their obligations will be joint and several.

30. Notices

Except as otherwise provided in this Agreement and the other Loan Documents, whenever it is provided herein or therein that notice shall or may be given to any of the parties with respect to this Agreement and other Loan Documents, each such notice shall be deemed to have been validly provided upon: (a) the earlier of actual receipt and three (3) days after deposit in the United States mail, registered or certified mail, return receipt requested, with proper postage prepaid; (b) one (1) business day after deposit with a reputable overnight courier with all charges prepaid; (c) delivery, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent (i) with respect to the Lender, to the following address: Charles Schwab Bank, 4750 E. Francisco Drive, Phoenix, AZ 85044, or to such other address as may be substituted by notice given as provided in this Agreement and the other Loan Documents; and (ii) with respect to each Loan Party, to the last billing address for such Loan Party indicated in Lender's records for this Agreement or the other Loan Documents; or (d) by email to the email address listed in the Application, or to such other email address as may be substituted by notice given as provided in this Agreement, so long as the sender does not receive back a notification that the email was undeliverable. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice.

31. Costs and Attorneys' Fees

Each Loan Party agrees to reimburse Lender for any reasonable costs and attorneys' fees

incurred by Lender in connection with the enforcement or preservation of any rights or remedies under this Agreement and the other Loan Documents, including any broker's commissions and fees and costs incurred liquidating any Collateral, and in connection with any amendment, waiver, "workout" or restructuring. In the event of a lawsuit or arbitration proceeding, the prevailing party is entitled to recover costs and reasonable attorneys' fees incurred in connection with the lawsuit or arbitration proceeding, as determined by the court or arbitrator. If any case is commenced by or against any Loan Party under the United States Bankruptcy Code, Lender shall be entitled to recover costs and reasonable attorneys' fees incurred by Lender related to the preservation, protection or enforcement of any rights of Lender in such case.

32. GOVERNING LAW, CONSENT TO JURISDICTION AND VENUE

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ANY OF THE LOAN DOCUMENTS, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICT OF LAWS, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. SUBJECT TO AGREEMENT OF THE PARTIES TO ARBITRATE PURSUANT TO SECTION 33, EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE STATE OF NEVADA SHALL HAVE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES PERTAINING TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT; PROVIDED, THAT NOTHING IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE DEEMED OR SHALL OPERATE TO PRECLUDE LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO COLLECT THE LOANS OR OTHER OBLIGATIONS, TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE LOANS OR OTHER OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF LENDER. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY HERETO AS SET FORTH IN SECTION 30.

33. MUTUAL WAIVER OF JURY TRIAL; ARBITRATION

(a) **WAIVER OF JURY TRIAL.** BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON, THE PARTIES DESIRE THAT THEIR DISPUTES BE



RESOLVED BY A NEUTRAL ARBITRATOR APPLYING APPLICABLE LAW. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN THE PARTIES ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS HEREUNDER OR THEREUNDER (COLLECTIVELY, "CLAIMS"). THIS WAIVER EXTENDS TO ALL CLAIMS, INCLUDING CLAIMS THAT INVOLVE PERSONS OTHER THAN THE PARTIES, CLAIMS THAT ARISE OUT OF OR ARE IN ANY WAY CONNECTED TO THE RELATIONSHIP BETWEEN THE PARTIES, AND CLAIMS FOR DAMAGES OR BREACH OF CONTRACT ARISING OUT OF THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, SPECIFIC PERFORMANCE, OR ANY EQUITABLE OR LEGAL RELIEF OF ANY KIND.

(b) **Arbitration.** Any Arbitrable Claim shall be resolved by final, binding, non-appealable arbitration in Clark County, Nevada before one arbitrator in accordance with the United States Arbitration Act, 9 U.S.C. §§1–16, as amended. The arbitration shall be administered by either the American Arbitration Association, under its Commercial Arbitration Rules or Consumer Arbitration Rules, as applicable, or JAMS under its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules. Lender, in its sole discretion, shall select the American Arbitration Association or JAMS as the administrator for any arbitration. Judgment on the award by such arbitrator may be entered in any court having jurisdiction. Arbitration shall be the exclusive remedy to resolve any Arbitrable Claim; provided, that nothing in this Agreement to arbitrate shall preclude parties from seeking provisional or equitable remedies before, after or during the pendency of arbitration from a court of appropriate jurisdiction. The arbitrator shall be a retired judge or justice, selected by mutual agreement of the parties; provided, that if the parties are unable to agree on an arbitrator, the American Arbitration Association or JAMS, as the case may be, shall select the arbitrator. All proceedings conducted before the arbitrator, except for the substantive hearing, shall be conducted without a court reporter, except that when a party so requests, a court reporter shall be used at any hearing before the arbitrator, and the arbitrator will be provided a courtesy copy of the transcript. The party making any such request shall have the obligation to arrange for and pay the court reporter. Subject to the arbitrator's power to award costs to the prevailing party or any contrary provision included in the applicable rules of the arbitration forum in which a claim is filed, the parties will equally share (A) the cost of the arbitrator, and (B) the cost of the court reporter at the substantive hearing. The arbitrator shall determine all issues in accordance with the existing case law and statutory

laws of the State of Nevada and applicable Federal law. The rules of evidence applicable to judicial proceedings in the State of Nevada shall apply to the substantive hearing. The arbitrator shall be empowered to provide equitable as well as legal relief, and rule on any motion that would be authorized in a trial, including motions for summary judgment or summary adjudication. The arbitrator shall not have the power to award, and the parties waive any and all rights to recover, punitive, exemplary, or consequential damages in connection with any Arbitrable Claim. EACH OF THE PARTIES CONFIRMS AND AGREES THAT THEY HAVE CONSULTED (OR HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE REGARDING THE ARBITRATION PROCEDURES AND REQUIREMENTS DESCRIBED ABOVE, AND THAT THIS AGREEMENT TO ARBITRATE SHALL APPLY TO ANY CONTROVERSY, DISPUTE, OR CLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS OTHER THAN THE CONTROL AGREEMENT. This Section 33(b) may be amended or otherwise modified by Lender from time to time. However, any such modification shall be applicable only to Claims arising after the date of such modification.

34. Errors or Questions about Your Bill; Keep This Notice for Future Use

Notify us in case of errors or questions about your bill. If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

After we receive your written notice

We will acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we will either correct the error or explain why we believe the bill was correct. After we receive your letter, we will not try to collect any amount you question, or report you as delinquent on that amount. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your obligations. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent.

If you receive our explanation, but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we will tell anyone we report you to that you have a question about your bill. We will tell you the name of anyone we reported you to and will tell those organizations that the matter has been settled between us when it finally is.

35. Conflicts Among Loan Documents

In the event of any conflict or inconsistency between this Agreement and the Control Agreement, the terms and conditions of the Control Agreement shall prevail over the terms of this Agreement only with respect to the matters in conflict associated with such Control Agreement, otherwise the terms of this Agreement shall prevail and control over any other Loan Document.

36. Definitions

As used in this Agreement the following terms shall have the following meanings:

"Agreement" has the meaning set forth in the introductory paragraph.

"Annual Percentage Rate" means the Annual Percentage Rate as calculated in Section 4(a) if no Index Change has occurred, and as calculated in Section 4(e) if an Index Change has occurred; except that, pursuant to Section 4(d), the Annual Percentage Rate will not be less than zero on any date or collectively throughout the term of this Agreement.

"Application" means, individually and collectively, any application submitted to Lender by the Loan Parties in connection with this Agreement, including all information and regulatory reporting forms required to be delivered in connection with such applications, including without limitation, the Statement of Purpose.

"Arbitrable Claim" means any controversy, dispute, or claim between the parties arising out of or connected or relating to this Agreement or the breach, termination, enforcement, interpretation or validity of this Agreement, whether sounding in contract, tort, or otherwise, including the determination of the scope or applicability of this agreement to arbitrate and any lawsuit commenced by Lender to collect the Obligations or the Guaranty Obligations; provided, that notwithstanding the foregoing, an "Arbitrable Claim" does not include Lender's exercise or enforcement of its remedies set forth in this Agreement or the other Loan Documents, including pursuant to the Uniform Commercial Code (including judicial and non-judicial foreclosure).

"Authorized Representative" has the meaning given such term in Section 9.

"Borrower" means Borrower as identified in the Application or any Pledged Asset Line® Addendum, and if Borrower is comprised of more than one person, includes each such person, and if Borrower is comprised of any revocable trust, includes each trustee, trustor, settlor or grantor of any such revocable trust.

"Broker" means Charles Schwab & Co., Inc., and its successors and assigns.



"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed, or (c) a day on which the Federal Reserve Bank of San Francisco or Lender is not open for the transaction of ordinary business.

"Claims" has the meaning given such term in Section 33(a).

"Collateral" shall mean all right, title and interest of Pledgor in the following, whether now owned or hereafter acquired: (a) the Pledged Account and all securities entitlements therein, including, without limitation, all stocks, bonds, securities, certificates of deposit, credit balances or other assets of any kind now or hereafter held or carried in, or credited to, the Pledged Account; (b) all other investment property and deposit accounts in which Lender is or may be granted a security interest pursuant to this Agreement; and (c) all dividends, interest, distributions and other proceeds of any of the foregoing.

"Control Agreement" means that certain Pledged Asset Line® Collateral Control Agreement between Pledgor, Lender and Broker identified in the Application or any Pledged Asset Line Addendum.

"Daily Periodic Rate" has the meaning given such term in Section 4(c).

"Daily Principal Balance" has the meaning given such term in Section 4(c).

"Demand" means the Lender's demand of payment of all or any portion of the Obligations.

"Effective Date" has the meaning given such term in Section 11(a).

"Eligible Collateral" means such Collateral as shall be acceptable to Lender from time to time in the exercise of its sole discretion for purposes of this Agreement.

"Finance Charge(s)" means the variable interest that Lender charges on Loans pursuant to this Agreement calculated based on the Annual Percentage Rate, as described in Section 4(c).

"Finance Charge Loan" has the meaning given such term in Section 4(b).

"Guarantor" means the Guarantor as identified in the Application or any Pledged Asset Line Addendum, and if Guarantor is comprised of more than one person, includes each such person, and if Guarantor is comprised of any revocable trust, includes each trustee, trustor, settlor or grantor of any such revocable trust.

"Guaranty Obligations" means Guarantor's obligations under this Agreement (a) to pay the Obligations, and (b) all indebtedness, liabilities, and obligations of Guarantor to Lender whether now existing or hereafter arising under this Agreement.

"Index" means, (a) unless an Index Change has occurred, the median rate of the daily Secured Overnight Financing Rate ("SOFR") as published on the Reset Date by (i) the Federal Reserve Bank of New York, or (ii) any other Federal Reserve Bank, United States governmental body, or other entity in the business of

calculating SOFR, as selected by Lender; or (b) if an Index Change has occurred, a new Index selected by Lender pursuant to Section 4(e).

"Index Change" has the meaning given to such term in Section 4(e).

"Index Rate" means the rate for the applicable Index as obtained from a third party in the business of providing such rates and chosen by Lender in its sole discretion from time to time, at the time such Index Rate is obtained and without regard to any intraday changes in such Index Rate, if any.

"Initial Minimum Loan Request Amount" means \$70,000, or such other amount established by Lender, from time to time, in its sole discretion.

"Insolvency Event" has the meaning given such term in Section 16.

"Interest Rate Spread" means the amount identified as the "Interest Rate Spread" by Lender from time to time.

"Lender" has the meaning given such term in the preamble to the Agreement, and any successor or assign of Lender.

"Loan" or "Loans" has the meaning given such term in Section 1.

"Loan Documents" means this Agreement, the Applications, the Control Agreement, the Pledged Asset Line Addendum (if applicable), any financing statement(s) filed or to be filed by Lender to perfect its security interest, and any other documents, agreements, certificates or other information executed, authenticated or otherwise approved electronically by a Loan Party or delivered to Lender by Loan Party evidencing, securing or relating to the Obligations, the Guaranty Obligations, the Collateral or the Control Agreement.

"Loan Party" or "Loan Parties" means Borrower, Pledgor, or Guarantor as identified on the Application or any Pledged Asset Line Addendum.

"Loan Request" means Borrower's request for a Loan from Lender made in writing or in a manner otherwise acceptable to Lender, by check, wire transfer, electronic funds transfer or such other means acceptable to Lender, in its sole discretion, and, subject to such other terms and conditions established by Lender.

"Loan Value of Collateral" means, with respect to Eligible Collateral, the loan value assigned thereto by Lender, in its sole discretion.

"Market Value" means, with respect to any item of Collateral, the market value assigned thereto by Broker in accordance with its standard valuation procedures.

"Minimum Loan Value of Collateral" means \$100,000, or such other amount established by Lender, from time to time, in its sole discretion.

"Obligations" means, as of any date of determination, all Loans, advances, over advances, debts, liabilities and obligations for the performance of agreements, terms or other duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by Borrower of

any kind or nature, present or future, whether or not evidenced by any agreement or other instrument, arising under this Agreement or the other Loan Documents. This term includes all principal, Finance Charges (including all Finance Charges that accrue after the commencement of any case or proceeding by or against Borrower in bankruptcy, whether or not allowed in such case or proceeding), fees, charges, costs, expenses, attorneys' fees and any other sum chargeable to Borrower under this Agreement or the other Loan Documents, including those costs and attorneys' fees set forth in Section 31.

"Outstanding Loans" means, at any time, the aggregate principal amount of all then outstanding Loans.

"PAL Account" means that certain account established by Lender with respect to the Pledged Asset Line described under this Agreement.

"Payment Due Date" has the meaning given such term in Section 4(b).

"Period of Exclusive Control" has the meaning given such term in Section 22.

"Pledged Account" means each, and collectively if more than one, of those certain securities accounts of Pledgor with Broker that are pledged to Lender and identified in a Loan Document executed, authenticated or otherwise approved electronically by Pledgor as being a "Pledged Account" for purposes of this Agreement, and any successor to any such account, irrespective of whether any such successor account has a different account name or number.

"Pledged Asset Line Addendum" means that certain Pledged Asset Line Addendum or Amendment and Restatement Pledged Asset Line Addendum, as applicable, of the Loan Parties provided for the benefit of Lender and Broker identifying the names of the Loan Parties and acknowledging, among other things, the terms of this Agreement and the Control Agreement.

"Pledgor" means (i) a Loan Party pledging Collateral, including Borrower or Guarantor in connection with the pledge of Collateral, (ii) identified in the Application or any Pledged Asset Line Addendum as Pledgor, and (iii) if Pledgor is comprised of more than one person, includes each such person, and if Pledgor is comprised of any revocable trust, includes each trustee, trustor, settlor or grantor of any such revocable trust.

"Post-Demand Spread" means a rate per annum equal to 3% that Lender may, in its discretion, add to the Interest Rate Spread after a Demand.

"Reset Date" has the meaning given such term in Section 4(a).

"Statement of Purpose" refers to a Statement of Purpose for an Extension of Credit Secured by Margin Stock promulgated and required by the Board of Governors of the Federal Reserve.

"Uniform Commercial Code" has the meaning given such term in Section 18(c).

"Withdrawal" shall mean any disbursement of cash or securities, or both, out of the Pledged Account.



NOTICE TO COSIGNER (Traducción en Inglés Se Requiere Por La Ley)

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the borrower does not pay.

You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of *your* credit record.

This notice is not the contract that makes you liable for the debt.

AVISO PARA EL FIADOR (Spanish Translation Required By Law)

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Esté seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, más los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos métodos de cobranza que pueden usarse contra el deudor, podrán usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de crédito *de usted*.

Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad de la deuda.

