
June 2006

Please read this important information
carefully.

Terms and Conditions for the Schwab *BillPay*[®] Service

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Introduction

These Terms and Conditions govern the use of the Schwab *BillPay*[®] Service. This Service permits you to receive bills and make payments online using a personal computer. This Service is available only to consumers. When you enroll in or use our Schwab *BillPay* Service, you agree to these Terms and Conditions.

Throughout these Terms and Conditions, the words “you,” “your” and “yours” refer to each person who enrolls in or uses the Schwab *BillPay* Service. “Schwab,” “we,” “us” and “our” refer to Charles Schwab & Co., Inc. and any vendor we may, in our sole discretion, involve in providing the Service. “Payee” means any individual, organization or business to which you wish to send payments or receive bills through the Service. “Business Days” means Monday through Friday, except for Federal Reserve bank holidays. “Schwab Business Days” means Monday through Friday, except for U.S. stock exchange holidays. “Service” means the Schwab *BillPay* Service for electronic bill presentation and bill payment.

1. The Service

You may receive bills online and electronically direct us to make payments from your designated Schwab account to Payees you select, as provided in these Terms and Conditions. To access the Service, you’re required to have a browser with the capacity for secure encryption. Currently, we require you to access the Internet via a 128-bit browser that supports SSL (“Secure Sockets Layer”) protocols. The browsers that meet our current requirements include: Microsoft[®] Internet Explorer[®] 3.02 or higher, Netscape Navigator[™] 3.0 or higher, and AOL for Windows[®]. To use the Service, you need a Schwab One[®] account with checking. This Service is available only to consumers. It is not available for certain accounts, such as business, corporate, trust (except living trust), estate, custodial, international or IRA accounts. For more information about the Service, refer to the Schwab *BillPay* website.

2. User Information

You must follow the procedures described in these Terms and Conditions and any applicable user information we may provide you in using the Service.

Microsoft and Windows are registered trademarks of Microsoft Corporation. All other third-party trademarks are the property of their respective owners.

3. Bill Payment

By directing us to make a payment through the Service, you authorize us:

- To act on and honor all of your instructions made with the Service, including, without limit, to debit your Schwab account to complete your bill payment.
- To act as your representative or agent when following your payment instructions or researching any payment that results.
- To disclose information about your accounts to third parties (including, without limit, your Payees) to complete the transactions using the Service or as otherwise provided in these Terms and Conditions.

You also authorize your Payee to disclose to us information regarding any of your accounts with this Payee (your "Payee Account") to complete transactions using the Service, or to resolve questions regarding these transactions. In order to process your payments more efficiently and effectively, we may edit or alter payment data formats or Payee address information in accordance with instructions from the Payee.

Payments may be made only to Payees within the United States or its territories and only in U.S. dollars. You may make payments in any amount not exceeding \$999,999.99. Tax payments and court-ordered payments may be scheduled through the Service; however, such payments are discouraged and are scheduled at your own risk. In no event shall we be liable for any claims or damages resulting from your scheduling of these types of payments. We have no obligation to research or resolve any claim resulting from such payments. You are solely responsible for all research and resolution for any misapplied, misposted or misdirected tax or court-ordered payment. We also may refuse to pay any person or entity to whom you direct a payment.

4. Your Payee Information

You must provide us with the name and address of the Payee, your account number with that Payee, and any other information we require to properly debit your designated payment account and credit your account with the Payee.

5. Your Password

The initial password sent to you under separate cover (where it was referred to as a Personal Security Code) will allow you to access the Service. After the first use, you'll be prompted to change your password. Your new password will be case-sensitive, so you must enter the password exactly as you created it to access the Service.

You agree that you won't make your password available to anyone who isn't authorized to access your Service. If you forget your password, call Schwab *BillPay*[®] Customer Service toll-free at 1-888-297-7535. About seven (7) days after you notify us, you'll receive your previously defined password in the mail.

6. Protecting Your Password

You agree that we may send notices and other communications, including password confirmations, to the current address shown in our records, whether or not that address includes a designation for delivery to the attention of any particular individual. You further agree that we will not be responsible or liable to you in any way if information is intercepted by an unauthorized person, either in transit or at your address. You agree to (1) keep your password secure and strictly confidential; and (2) immediately notify us and select a new password if you believe your password may have become known to an unauthorized person. We may suspend or cancel your password even without receiving such notice from you, if we suspect your password is being used in an unauthorized or fraudulent manner.

7. Scheduling Payments

You must schedule all payments by 8:00 p.m. eastern time at least four (4) Business Days before the actual due date of the payment, not its late date or grace period. We won't be responsible for any loss you may incur as a result of a late payment if you don't schedule the payment at least four (4) Business Days before its actual due date. You can schedule payments up to one year in advance, including payments you make regularly for the same amount.

Please note: For recurring payments (that is, payments in which the amount, date and frequency stay the same), holidays, weekends and the varying number of days in a month can reduce the number of Business Days between the day for which you've scheduled the payment and your payment due date. To ensure that your recurring payments are always initiated at least four (4) Business Days before your payment due date, we recommend that you schedule the recurring payment to occur more than a week before your payment due date.

8. Delivery of Your Payments

We reserve the right to select the method in which to remit funds on your behalf to your Payee. These payment methods may include, but are not limited to, an electronic payment, an electronic-to-check payment, or a laser draft

payment. For a laser draft payment, we issue a check to debit your designated Schwab account. For an electronic payment or an electronic-to-check payment, we may transfer funds from your designated Schwab account to a trust or other account we maintain for this purpose. We then remit your payment by electronic funds transfer or by mailing your Payee a check drawn on the account we maintain for payment purposes, or by other transfer from that account. You acknowledge and agree that we (and not you) may benefit from these assets pending completion of your payment to the Payee.

Generally, we transfer funds from your designated Schwab account on the scheduled payment date. The "scheduled payment date" is the date when the payment should arrive at the Payee and when your Schwab account is generally debited, unless the scheduled payment date falls on a non-Business Day, in which case it will be considered to be the previous Business Day. For laser draft payments, however, the payment amount is debited from your account when the check is paid.

You agree that you will instruct us to make a payment only when a sufficient collected balance is or will be available in your designated Schwab account at the time of debit. If you do not have sufficient collected balances in your Schwab account, we may either complete the payment—creating an overdraft—or refuse to complete payment. In any event, you are responsible for the amount of the overdraft, as well as any non-sufficient funds (NSF) and overdraft charges that may apply. The fact that we previously allowed an overdraft to occur does not obligate us to do so in the future, and we may, without notice to you, stop making bill payments if you have insufficient funds in your account.

Please note: There will be a time delay before a payment completed through the Service will be reflected in any information, report or statement we may provide to you regarding your Schwab account activity. You should deduct the amount of any payment from your account balance when you make your payment request.

9. Canceling Payments

You may cancel a payment transaction before 8:00 p.m. eastern time up to five (5) Business Days before the scheduled payment date by following the directions on the Schwab *BillPay*[®] website or by calling Schwab *BillPay* Customer Service at 1-888-297-7535.

Alternative Method: The following method of canceling payments is an exception process. The easiest, most convenient and least costly way to cancel a payment is through the method described above. You may request to

stop a payment scheduled through the Service by calling us at 1-888-297-7535 or writing to us at Charles Schwab & Co., Inc. M.S. DEN2 03-607, 9601 E. Panorama Circle, Englewood, CO 80112-3441. We must receive your request three (3) Schwab Business Days or more before the transaction is scheduled for processing. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. If you call or write to stop a payment, you will be charged for a stop payment in accordance with the agreement for the applicable account.

If you attempt to cancel a transfer or payment in accordance with the above instructions and we do not do so, we will be liable for your losses or damages.

10. Electronic Bill Presentment

When you enroll for electronic bill presentment, you provide certain information that will be forwarded to the Payee to complete your enrollment. Upon enrollment, you authorize us to receive electronic bills and related information from your Payees. We act solely as an intermediary to make enrollment and billing information available to or from you and your Payee. You may wish to contact your Payee to determine whether they have a privacy policy. Each Payee may accept or reject your enrollment request to receive electronic bills based on its own criteria. We do not participate in this decision. These Terms and Conditions do not alter your liability or obligations between you and your Payee.

The presentment of your first electronic bill may vary from Payee to Payee and may take up to 60 days, depending on the billing cycle of each Payee. Additionally, the decision to discontinue paper bills is at the sole discretion of the Payee. We are not responsible if a Payee does not provide the necessary information to forward an electronic bill in a timely manner. It is your sole responsibility to contact your Payees directly if you do not receive your bills. We are not responsible for any late charges or other adverse consequences. You are responsible for ensuring timely payment of all bills.

We will use reasonable efforts to present your electronic bills promptly after receipt from the Payee. Upon receipt of your electronic bill from the Payee, we may send an email notification to the email address you provided for the Service. It is your sole responsibility to ensure that your email address is accurate. If you do not receive notification, it is your responsibility to periodically log on to the Schwab *BillPay*[®] website and check on the delivery of new electronic bills. The timing for notification may vary from Payee to Payee and depends on when the Payee delivers the electronic bill to us.

You and the Payee have the right to cancel electronic bill presentment at any time. The time frame for cancellation of your electronic bill presentment may vary from Payee to Payee. It may take up to 60 days, depending on the billing cycle of each Payee. We will notify your Payee if you cancel electronic bill presentment. It is your sole responsibility to make arrangements for an alternative form of bill delivery. We are not responsible for canceling delivery of any electronic bills that are already in process at the time of cancellation.

We are not responsible for the accuracy or completeness of any electronic bills or other information that we receive. We are only responsible for presenting the information we receive from the Payee. Any discrepancies or disputes or questions regarding the accuracy of your bill summary or bill details must be addressed to the Payee directly. Copies of previously delivered bills must be requested from the Payee directly.

If you want to update or change your personal information (including, but not limited to, name, address, phone numbers and email addresses) with the Payee, you need to contact the Payee directly with your changes. We are not responsible for updating or changing your personal information with your Payees.

When using this Service, you may be asked to provide your Login ID and password for your Payee's website, and you may do so solely at your option. If you elect to provide this information, you authorize us, and our vendor for this service, to use the Login ID and password you provide to access your Payee's website or other third-party website you specify, to retrieve your billing information on your behalf, and to deliver the information to you on the Schwab *BillPay*[®] website. We are not responsible for the accuracy and completeness of the information we receive from any third-party websites. We do not use your Login ID and password or other information we obtain, other than for purposes of providing the Service.

11. Reviewing Payments

You can verify that a payment has been scheduled, or review your payment requests, through the Schwab *BillPay* website. You may wish to also keep a record of your payment requests on your computer or elsewhere for backup purposes.

12. Data Recording

When you use the Service, we may record the payment and any other information you enter. By using this Service, you consent to such recording.

13. Our Liability for Failing to Complete Transactions

If we don't complete a payment on time or in the correct amount according to these Terms and Conditions, we may be liable for your losses and damages. However, there are some exceptions. For example, we won't be liable if:

- Through no fault of ours, you don't have enough collected and available funds in your Schwab account to make the payment.
- You have enough collected and available funds in your Schwab account to make the payment, but some or all of these funds are subject to legal process or other encumbrance, including any lien that we may have, restricting their transfer.
- Your computer or modem isn't working properly or you were advised that the Schwab *BillPay*[®] Service wasn't working properly when you started the payment or, in the case of a recurring payment, at the time such payment should have occurred.
- Your Payee mishandles or delays in handling a payment sent by the Service or is unable or unwilling to accept a payment made through the Service.
- You haven't provided us with the correct Payee information or payment amount.
- Circumstances beyond our control (such as a fire, flood, computer system failure, telephone service failure, interference from an outside force, or mail delivery delay or processing delay by the Payee) prevent the proper completion of the payment despite our reasonable precautions.
- There may be other exceptions not specifically mentioned here.

For payment requests from business accounts, which are subject to Article 4A of the Uniform Commercial Code ("UCC 4A"), we are liable only for damages required to be paid under UCC 4A. In no event will we be liable for any special indirect or consequential loss, damage, cost or expense of any nature, including (without limitation) lost profits, even if we have been informed of the possibility of such damages, except as may be required by applicable law.

We aren't responsible for any home banking, bill payment, Internet access, Internet Service Provider, financial software or other product or service relating to your computer or the World Wide Web or your telephone or

telephone service, other than those products and services specified in these Terms and Conditions. We also aren't responsible for any damage to your computer, software, modem, telephone or other property resulting from your use of the Service. Without limiting the generality of the wording above, we aren't responsible for any loss, damage or injury resulting from an interruption in your electrical power or telephone service; the disconnecting of your telephone service by your local telephone company or from deficiencies in your line quality; or any defect or malfunction of your computer, modem or telephone service.

14. Exclusions of Warranties

The service and related documentation are provided "as is" without any warranty of any kind, either expressed or implied, including (but not limited to) the implied warranties of merchantability and fitness for a particular purpose.

15. Indemnity

You will indemnify us against and hold us harmless from and defend us against any and all liabilities, claims, costs, expenses and damages of any nature (including reasonable attorneys' fees and expenses of litigation) arising out of or relating to disputes or legal actions by parties other than you and us concerning the Service. The obligations contained in the preceding sentence will continue after this Service is terminated. This section does not apply to any cost or damage attributable to our gross negligence or intentional misconduct.

16. Statements

Your monthly Schwab account statement will itemize any payments made through the Service.

17. Fees

Any payment returned for insufficient funds is subject to a non-sufficient funds (NSF) fee based on how the payment was to be made from the account. If the payment was sent as a paper laser draft payment (i.e., a check drawn on your account), we will charge a \$25 NSF fee each time the check is returned. If the payment from your account was made electronically, we will charge a \$25 NSF fee each time the item is returned.

You agree to pay such fees and authorize us to charge your designated Schwab account each month for these amounts and any additional charges that you may incur. These Service fees are in addition to any other fees imposed on your Schwab account and to any costs you

incur for which you are responsible, such as the fees charged by your Internet Service Provider and the telephone company.

18. Business Days and Hours of Operation

Payments can be processed only on Business Days, but the Service is available day or night, seven (7) days a week (except during maintenance periods), for the scheduling, modification or review of payment instructions and recent activity inquiries.

You may send email inquiries anytime. These inquiries will be considered delivered on the day received if it is a Business Day or on the next Business Day if the day it is received is not a Business Day.

Schwab *BillPay*[®] Customer Service will be available from 8:30 a.m. to 11:00 p.m. eastern time, Monday through Friday, and from 9:00 a.m. to 10:30 p.m. eastern time on Saturday and Sunday, except for U.S. stock exchange holidays. Customer Service hours may differ on or around scheduled holidays.

19. Notice of Your Rights and Liabilities

Tell us at once if you believe that your password has been lost or stolen or that someone has or may attempt to use your Service without your permission. We recommend that you call us immediately at Schwab *BillPay* Customer Service (toll-free at 1-888-297-7535), as you can minimize your losses if we receive prompt notification. The unauthorized use of your Schwab *BillPay* Service could cause you to lose all of your money in your account. You may also write to us at Charles Schwab & Co., Inc. M.S. DEN2 03-607, 9601 E. Panorama Circle, Englewood, CO 80112-3441.

If you tell us within two (2) Schwab Business Days after you learn of the loss, theft or unauthorized payment, you can lose no more than \$50 if someone used your password or made a payment without your permission.

However, if you do not tell us within two (2) Schwab Business Days, and we can prove we could have stopped someone from using your password or making a payment without your permission had you told us, you could lose up to \$500.

Also, tell us at once if your statement shows payments that you didn't make or authorize. If you don't tell us within 60 days after we mail you the statement, and if we can prove that we could have stopped someone from taking the money had you told us in time, you may not get back any of the money you lost after the 60 days.

If a good reason—such as a long trip or hospital stay—kept you from telling us, we may extend the time periods.

When you give someone your Schwab *BillPay*® password, you are authorizing that person to use your Service, and you are responsible for all transactions the person performs using your Service. All transactions that person performs, even those transactions you did not intend or want performed, are authorized transactions. Transactions that you or someone acting with you initiates with fraudulent intent are also authorized transactions. For your protection, sign off after every session and close your browser to ensure confidentiality.

20. Errors or Questions About Your Payments

Contact us at once if you think a payment shown on your statement is incorrect or you need more information. Email us by using the email form provided on the Schwab *BillPay* website. Call us toll-free at Schwab *BillPay* Customer Service at 1-888-297-7535. Or you may write to us at Charles Schwab & Co., Inc. M.S. DEN2 03-607, 9601 E. Panorama Circle, Englewood, CO 80112-3441.

We must hear from you no later than 60 days after we sent the first statement on which the problem or error appeared. We'll need the following information:

- Your name and Schwab account number.
- Name of Payee.
- Date, type and dollar amount of the suspected error or payment.
- Description of the problem or error. Explain as clearly as you can why you believe there is an error or why you need more information.

If you tell us orally, we may ask you to send us your complaint or question in writing within 10 Schwab Business Days.

We'll tell you the results of our investigation within 10 Schwab Business Days after we hear from you, and we'll correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question.

If you are a new customer and the error or question concerns a transaction that occurred within 30 days after the first deposit to your Schwab account was made, we will tell you the results of our investigation within 20 Schwab Business Days after we hear from you. If we need more time, we may take up to 90 days to investigate.

If we decide we need the additional time to investigate your complaint or question, we will provisionally credit your Schwab account within 10 Schwab Business Days (or 20 Schwab Business Days for errors or questions relating to payments that occurred within 30 days after the first deposit to the Schwab account was made) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we don't receive your letter within 10 Schwab Business Days (or 20 Schwab Business Days, if applicable), we may not credit your Schwab account.

We will tell you the results within three (3) Schwab Business Days after we finish our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents used in our investigation.

21. Disclosing Information to Third Parties

We'll disclose information to third parties about your Schwab account or the payments you make:

- When it's necessary to complete a transaction or present an electronic bill or to otherwise provide the Service.
- To verify the existence and condition of your Schwab account for a third party, such as a credit bureau or merchant.
- To comply with a government agency or court order or with the request of a federal regulator.
- If we reasonably believe you mishandled a closed account.
- With your written permission, to a consumer reporting agency for research purposes.

22. Authorization to Obtain Information

You agree that we may obtain and review your credit report, or other information about you, from an authorized credit bureau or other person. You also agree that we may obtain information regarding your Payee accounts to facilitate proper handling and crediting of your payments or to resolve payment posting problems.

23. Changes to Your Address or Payee Account

You agree to notify us promptly of any change to your address or Payee information. You can notify us of changes to your address and Payee information online

using the Schwab *BillPay*[®] Service. For address changes, you can also call us at 1-888-297-7535 or write to us at Charles Schwab & Co., Inc. M.S. DEN2 03-607, 9601 E. Panorama Circle, Englewood, CO 80112-3441. You authorize us to make any changes requested by you or any person having access through the Schwab *BillPay* website.

(Note: If you make changes to your address or other personal information online using the Schwab *BillPay* Service, this will update your information only for the Service. If you want to update your information for your Schwab account, you must log on to schwab.com.)

24. Excessive Use

If you use your Service excessively, we may assess additional fees, terminate your Service or take other action we consider appropriate in our sole discretion.

25. Terminating the Service

You may terminate your use of the Service anytime by writing to us at Charles Schwab & Co., Inc. M.S. DEN2 03-607, 9601 E. Panorama Circle, Englewood, CO 80112-3441, or by calling us at 1-888-297-7535.

We may terminate your use of any or all of the Service anytime and for any reason, without advance notice. For example, your access to the Service may be terminated if you repeatedly overdraw your account, if your Schwab account is closed, if access to your Schwab account is restricted for any reason, or if you don't initiate payments for a period of time. If you do not initiate any payments or receive any bills for six (6) consecutive months or more, we may terminate your Service, without further notice to you. In addition, if you enroll in the Service but do not initiate a payment within 90 days after enrollment, we may automatically terminate the Service, effective at the end of the 90 days, without further notice to you.

Any payments we have already processed before the cancellation date will be completed. We recommend that you cancel any scheduled payments prior to notifying us that you are canceling the Service. If you cancel your Service by notifying us by telephone, you may provide us with cancellation instructions for your payments at that time. You are responsible for any payments scheduled by you prior to termination that you have not canceled. Termination won't affect your liability or obligations under these Terms and Conditions for payments we've processed on your behalf.

26. Privacy

At Schwab, we respect our client's right to privacy. Please see Schwab's privacy policy, which can be found at <http://www.schwab.com/privacy>, for more specific terms and conditions.

27. Joint Accounts

If you are using a joint account as your designated payment account, we may act on the verbal, written or electronic instructions of any authorized signer regarding your Service.

28. Email Communications

When you enroll in the Service, you must designate an email address for receipt of notices regarding the Service. If for any reason your email address changes or becomes disabled, please notify us immediately so that we can continue to provide you with your messages. You may update your email address online using the Schwab *BillPay*[®] Service. (This will update your email address only for the Service. If you wish to update your email address for your Schwab accounts, you must log on to schwab.com.)

For security reasons, we recommend you do not send confidential personal or financial information from an external email address. Instead, you should log on to the Schwab *BillPay* website to send to us any email messages identifying your account, or any other confidential personal or financial information.

29. Arbitration

You agree to settle by arbitration any dispute between you and Schwab relating to this Service as provided in your Account Agreement with us. Please note that your Account Agreement with Schwab contains a predispute arbitration clause. Contact us to obtain a copy.

30. Other Agreements

Your use of the Service may also be affected by the agreements between us for your Schwab accounts. When you specify a Schwab account as your payment account for the Service, this does not change the agreements you already have with us on those accounts. You should review those agreements for any applicable fees, for limitations on the number of transfers you can make, and for other restrictions that might affect your use of an account with the Service.

31. Waivers

We won't be considered to have waived any of our rights or remedies described in these Terms and Conditions unless the waiver is in writing and signed by us. No delay or omission by us in exercising any rights or remedies under these Terms and Conditions will impair or be construed as a waiver of these rights and remedies. Any single or partial exercise of a right or remedy won't preclude further exercise of that right or remedy or the exercise of any other right or remedy.

32. Assignment

You may not assign these Terms and Conditions, or any of your rights or responsibilities under these Terms and Conditions, to any other party. We may assign these Terms and Conditions, or any or all of our rights and/or responsibilities under these Terms and Conditions, or delegate any or all of such rights and responsibilities, to any third party or parties.

33. Governing Law

These Terms and Conditions will be governed by California law without reference to its principles of conflicts of law.

34. Amendments

We may change any of these Terms and Conditions at any time. For example, we may add, delete or amend terms or services. These terms include fees and charges for our Service. We will notify you of such changes by mail or by electronic message. If you continue to use your Service after the effective date of a change, you indicate your agreement with the change. Further, we may, from time to time, revise or update the applications, services and/or related materials that may render all prior versions obsolete.

35. Severability

If any provision of these Terms and Conditions is determined to be void or invalid, the remainder of these Terms and Conditions will remain in full force.

36. Captions

The captions of sections used in these Terms and Conditions are for convenience only and won't control or affect the meaning or construction of any of the terms of these Terms and Conditions.

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FTA 01907 (0606-6358) REG21793-05 (06/06)

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