

NOTICE TO ADVISOR

A Flexible Capital Line of Credit offered by U.S. Bank National Association (“U.S. Bank”) is secured by a pledge of assets in a securities account owned by the borrower or a third party pledgor (in either case to be referred to herein as the “Account Owner”). If a Flexible Capital Line of Credit is established, any amounts advanced on the line of credit must be repaid upon the demand of U.S. Bank, which may happen at any time.

The Flexible Capital Line of Credit is an example of a type of financing commonly referred to as a “Securities Backed Demand Line of Credit.”

This Notice is being provided by U.S. Bank to inform you that (i) there are certain risks associated with Securities Backed Demand Lines of Credit and (ii) there are certain limitations that would apply to the Account Owner’s (and your) use and availability of the assets held in the account serving as collateral therefor (the “Pledged Account”).

Risks Associated with Securities Backed Demand Lines of Credit

- Amounts outstanding under the line of credit will bear interest at a rate that incorporates a fluctuating index. As a result, the interest rate may vary from time to time and U.S. Bank will not be obligated to notify the loan parties or you, as advisor thereto, of any change in the applicable rate resulting from those fluctuations.
- U.S. Bank has prescribed certain types of assets that it deems acceptable collateral for this type of line of credit (“Acceptable Assets”). U.S. Bank may change the types of assets it deems Acceptable Assets from time to time in its sole discretion. Thus, some assets held in the Pledged Account may be deemed unacceptable from time to time and receive no value from U.S. Bank for lending purposes.
- The market value of the Acceptable Assets in the Pledged Account must always equal or exceed certain prescribed values (which would be set forth in the loan documents establishing the line of credit). These requirements are referred to as “Minimum Value Requirements”.
- If the Acceptable Assets in the Pledged Account decline in value, or U.S. Bank changes its criteria as to what constitutes Acceptable Assets, the applicable Minimum Value Requirements may not be met. If the applicable Minimum Value Requirements are not met, the borrower will need to pledge (or have pledged by a third party) additional Acceptable Assets or the borrower will need to make a payment to U.S. Bank to reduce the amount outstanding under the line of credit.
- If the borrower fails to remedy any non-compliance with the applicable Minimum Value Requirements within timeframes contained in the applicable loan documents, U.S. Bank will be authorized to sell assets in the Pledged Account. Unless otherwise provided in such loan documents, this may be done without notification to the Account Owner. If U.S. Bank decides to sell assets in the Pledged Account, U.S. Bank will not be required to consult with any party as to what specific assets to sell and the sale may generate adverse tax consequences to the Account Owner.
- The borrower’s liability for amounts advanced from the line of credit will not be limited to the assets in the Pledged Account. If U.S. Bank demands repayment of the amount outstanding and the borrower fails to repay U.S. Bank, and the assets in the Pledged Account do not repay U.S. Bank in full, U.S. Bank can pursue the borrower to collect other assets as repayment.

Limitations on Use and Availability of Collateral

- Unless and until U.S. Bank otherwise directs or notifies you or the Account Owner, (i) cash dividends and interest will be transferable from the Pledged Account to the Account Owner and (ii) you may withdraw advisory or management fees from the Pledged Account pursuant to an agreement otherwise entered into between you and the Account Owner. Otherwise, neither the Account Owner nor you may direct sales, trades or transfers that would or might result in the transfer or withdrawal of assets from the Pledged Account without U.S. Bank’s prior written consent.

- The acquisition of a “new issue” (as that term is described in Section 11(d)(1) of the Securities Exchange Act of 1934) will not be considered by U.S. Bank in determining compliance with the applicable Minimum Value Requirements. If the Account Owner or you uses, allows, or authorizes any assets in the Pledged Account to fund the purchase of “new issues”, the Account Owner may no longer comply with the applicable Minimum Value Requirements. If the Account Owner no longer complies with the applicable Minimum Value Requirements, the borrower will need to reduce the amount outstanding under the line of credit and/or pledge (or have pledged) additional collateral to reinstate compliance.

The foregoing lists are meant to be illustrative, but not exhaustive, lists of the applicable risks and limitations described above.

If you have any questions about any of the information contained in this Notice, please contact a representative of U.S. Bank Wealth Banking Services at 844-203-7551.