

## IMPORTANT CUSTOMER INFORMATION

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**Please thoroughly read the information in this (blue) tearout section. Detach the entire section from the rest of the account booklet and retain this section for your records.**

**Please acknowledge that you have read and understood the information in this section by signing the risk disclosure acknowledgment at the beginning of the white section in your account booklet.**



PO Box 64089  
MS 290  
St. Paul, MN 55164  
1-800-328-6530  
1-800-814-0505 (Accounting)

# RISK DISCLOSURE STATEMENT FOR FUTURES AND OPTIONS

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*This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.*

## **Futures**

### **1. Effect of 'Leverage' or 'Gearing'**

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are 'leveraged' or 'geared.' A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

### **2. Risk-reducing orders or strategies**

The placing of certain orders (e.g. 'stop-loss' orders, where permitted under local law, or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

## **Options**

### **3. Variable degree of risk**

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the option to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ('writing' or 'granting') an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section of Futures above). If the option is 'covered' by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

## **Additional risks common to futures and options.**

### **4. Terms and conditions of contracts**

You should ask the firm with which you deal about the terms and conditions of the specific futures or option which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

**5. Suspension or restriction of trading and pricing relationships**

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair” value.

**6. Deposited cash and property**

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be prorated in the same manner as cash for purposes of distribution in the event of a shortfall.

**7. Commission and other charges**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

**8. Transactions in other jurisdictions**

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should inquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

**9. Currency risks**

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuation in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

**10. Trading facilities**

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

**11. Electronic trading**

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

**12. Off-exchange**

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transaction. The firm with which you deal may be acting as your counterparty to the transactions. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

# CUSTOMER AGREEMENT

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In consideration of Country Hedging, Inc. (CHI) carrying one or more accounts of the undersigned (Customer) as its broker for the execution of orders on various commodity exchanges, Customer hereby agrees, represents and consents to the following:

1. All transactions executed for Customer's account(s) shall be subject to the constitution, rules, regulations, and customs, as they may be amended, of the exchange and its clearing house, if any, where executed and to the provisions of the Commodity Exchange Act, as it may be amended, and to the rules and regulations promulgated from time to time. Customer agrees to pay commission rates in effect from time to time and all other costs, fees, and other service charges arising out of CHI providing services to Customer.

## 2. Type of Account

(A) If Customer is an individual: Individual has total and sole interest in the account(s) with CHI. Individual is not now an employee of any corporation in which any exchange owns a majority of the capital stock, nor a member of any exchange, nor of any firm registered on any exchange, nor of any bank, trust company or insurance company, nor of any corporation, firm, or individual engaged in the business dealing either as a broker or as a principal, in securities, bill of exchange, acceptances or other forms of commercial paper.

(B) If Customer is a corporation: Trading in commodities, futures, and options is within the power of the corporation and the corporation is organized and existing under the laws of the State of \_\_\_\_\_. The undersigned has full authority to enter into this agreement on behalf of the corporation as attested in the resolution of the Board of Directors of the corporation in the form annexed hereto, which designates who is authorized to manage the account(s) and another officer who will receive reports concerning the account(s).

(C) If Customer is a general partnership: All partners have signed this agreement and all partners are authorized to trade this account or accounts unless CHI is notified otherwise in writing.

(D) If Customer is a joint account: All of the undersigned Customers agree to be jointly and severally liable for this account(s). We understand that by setting up this account(s), we are responsible for each other's transactions. All individuals have signed this agreement and CHI is authorized to accept instructions from any individual listed including, but not limited to, instructions to release funds.

(E) If this account(s) is held by more than one person or entity or held in trust, joint ownership or partnership, all of the undersigned Customers agree to be jointly and severally liable for and also agree to jointly and severally defend, save and hold harmless CHI from and against the obligations assumed in this Agreement. If this account(s) is held in trust, joint ownership, or partnership, the undersigned Customers hereby agree to jointly and severally indemnify, defend, save and hold harmless CHI from and against any losses resulting from breach of any fiduciary duty of the undersigned to the other holders of this account(s).

3. Customer will at all times, without notice or demand from CHI, maintain such margins in their account(s) as CHI will require and will daily meet all margin calls. Customer understands and agrees that failure to meet any margin call will result in CHI liquidating their futures and/or option positions. This liquidation does not release Customer from any liability previously incurred. Customer will hold CHI harmless against any losses in their account(s). Any and all commodities, contracts or funds relating thereto, now and hereafter held or carried by CHI for Customer, shall apply and/or transfer interchangeably between any of Customer's accounts (other than regulated commodity accounts).

4. Whenever CHI deems it necessary or advisable for its protection, CHI is authorized in its sole discretion and for Customer's account(s), to cover any short position or liquidate any long position Customer may have with CHI through purchase or sale on any Exchange; and to sell as best CHI deems appropriate any collateral deposited with CHI, whether or not Customer has actually received notice of CHI's intention to effect the foregoing; it being understood that a prior tender, demand or call of any kind from CHI, or prior notice from CHI, of the time and place of such sale or purchase shall not be considered a waiver of CHI's right to sell or buy any position or collateral at any time as heretofore provided. After deducting all costs and expenses in connection with any such transaction, CHI may apply any remaining proceeds to the payment of any liabilities Customer may have to CHI, and in the event such proceeds are insufficient for the payment of all liabilities, Customer shall promptly, upon demand, pay to CHI the deficit, together with interest thereon and all costs of collection (including attorney's fees, should CHI refer the matter to legal counsel).

5. Customer understands that, unless the contract specifications state to the contrary, every futures contract contemplates delivery and Customer shall promptly advise CHI if he intends to make or take delivery. When Customer intends to take delivery, he shall deposit with CHI the full value of the commodity immediately upon receipt of notice of delivery. CHI is authorized at its discretion to borrow or

buy any property necessary to honor such a Customer obligation, and Customer shall pay and indemnify CHI for any costs, loss, penalties or damages which CHI might incur in fulfilling this responsibility.

6. Reports of the execution of orders and statements of Customer account(s) shall be conclusive if not objected to in writing within five days after transmittal to Customer by mail or otherwise. Communications will be sent to Customer at the address given, or at such address as may hereafter be given to CHI in writing. All communication sent, whether by mail, messenger, facsimile, or otherwise, shall be deemed given whether actually received or not. Customer understands that CHI will not be responsible for delays or inaccuracies in the electronic preparation of statements or the distribution of market information. Nor will CHI be responsible for any failure beyond its control, including (but not limited to) government restrictions, exchange reporting problems, contract market ruling, strikes, suspension of trading, war, or acts of God. CHI's liability on order executions is limited to any damages only as result of its own gross negligence or willful misconduct.
7. In the event that Customer directs CHI to enter into any commodity contract on an exchange on which such transactions are effected in a foreign currency; (A) Any profit or loss arising as a result of the fluctuation in the exchange rate affecting such currency will be entirely for the account and risk of Customer; (B) All initial and subsequent deposits for margin purposes shall be made in U.S. dollars, in such amount as CHI may in its sole discretion require; and (C) CHI is authorized to convert funds in Customer's account(s) into and from such foreign currency at a rate of exchange determined by CHI in its sole discretion on the basis of then prevailing money markets.
8. The information given by Customer to CHI in connection with the opening of Customer's account(s) with CHI is full and complete and CHI is entitled to rely on such information until it receives written notice from Customer of any changes.
9. Customer recognizes that all parties are afforded protection by the recording of telephone conversations, and authorizes and consents to the recording of conversations by electronic equipment, whether such conversations occur between partners, officers, employees, agents, or independent contractors of CHI or introducing broker, if applicable. Customer agrees to the use of such recordings as evidence by any party in any dispute between the parties, subject to proper authentication. This paragraph authorizes all parties to record, but does not require any party to do so. Any recording may be made without an otherwise required beep.
10. Customer agrees that any market recommendations or information communicated to Customer by CHI, although based upon information obtained from sources believed by CHI to be reliable, are opinions only and may be inaccurate, incomplete and unverified. CHI makes no representation, warranty or guarantee as to, and shall not be responsible for the accuracy or completeness of, or Customer's reliance upon, any such recommendations or information.
11. Futures and option orders are good for one day only unless specified as being "open," in which case they will not be cancelled until the contract month expires or the Customer so specifies. The price at which an order is actually executed shall be binding, even if incorrectly reported; an order actually executed, but in error reported as not executed, is also binding.
12. The customer hereby acknowledges and agrees that a situation may arise whereby an officer, director, affiliate, associate, employee, floor broker or floor trader associated with CHI may be the opposing broker for a trade entered for the Customer's account(s). The customer hereby consents to any such transaction, subject to the limitations and conditions, if any, contained in the Rules or Regulations of the CFTC, NFA or any exchange.
13. In the event of Customer's death, incompetency, dissolution or termination, CHI is hereby authorized to close Customer's account(s) and proceed in accordance with Paragraph 4 hereof without prior notice to Customer's heirs, assigns, executors, administrators, conservators or successors.
14. This agreement shall be binding upon Customer's heirs, assigns, executors, administrators, conservators and successors; no employee of CHI has any authority to waive, modify, or alter in any respect any of the terms of this Agreement; no waiver, modification or alteration of the terms of this Agreement and no supplemental or special agreement or understanding of any kind shall be binding on CHI unless one of CHI's officers shall have consented thereto in writing. This Agreement and its enforcement shall be governed by the laws of the State of Minnesota and its provisions shall be continuous, shall cover individually and collectively all accounts which Customer may open or reopen with CHI, and shall inure to the benefit of CHI's successors, by merger, consolidation or otherwise, and assigns and CHI may transfer Customer's account(s) to any successor or assigns. This Agreement becomes effective upon approval by CHI as evidenced by the signatures of an authorized representative of CHI.

15. CHI is authorized to transfer among Customer's regulated commodity account(s) and any other account(s), including foreign secured account(s) and non-regulated account(s), and vice versa, such excess funds as may be required for any reason deemed appropriate in its sole discretion. Any

such transfer shall be in compliance with the Commodity Exchange Act. It is understood that within a reasonable time after making such transfer, CHI will provide written confirmation of the same to the Customer in writing, in accordance with Paragraph 6 hereof.

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## MARGIN CALL POLICY

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Margin is a good faith deposit for performance of futures contracts; therefore, customers must make margin deposits in a timely manner. Exchange Rules require customers deposit margin call funds IMMEDIATELY upon notice of the margin call. If margin funds are not received in CHI's St. Paul office within 7 business days, CHI will require a wire transfer for the full amount of the margin call. Additionally, customers will be required to wire funds for any margin call which is \$10,000 or greater. Until the required margin deposit has been received, it is CHI's policy not to permit any customer to withdraw funds from their account, even in the case of favorable market movement. Failure to meet a margin call will preclude customer from initiating new positions and will ultimately result in the closing of the account.

CHI will not cancel any margin calls except in cases of: (1) total liquidation or (2) error. Failure to promptly deposit adequate margin funds shall entitle CHI to liquidate any position customer may have with CHI without prior notification to the customer. This liquidation does not release customer from any liability previously incurred. In the event liquidation proceeds are insufficient for the payment of all

liabilities, Customer shall promptly, upon demand, pay to CHI the deficit, together with interest equal to 1<sup>1</sup>/<sub>2</sub> % per month and all costs of collection (including attorney's fees, should CHI refer the matter to legal counsel).

### Customers may use one of the following methods to meet margin calls:

- (1) **Bank wire** to Wells Fargo Bank of Minneapolis (ABA #0910-0001-9) for credit to Country Hedging, Inc., customer segregated account #57-429. For further credit to \_\_\_\_\_ (Customer name), or
- (2) **Check** made payable to Country Hedging, Inc. CHI cannot accept cash or credit cards. In addition, funds coming into the account must match the name on the account.

**Security Loan Agreement:**

Third party loan agreements between Customer, CHI, and your bank are available. For more information contact CHI's Compliance Supervisor at 800/814-0505.

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## ARBITRATION AGREEMENT

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The following arbitration clause will be deemed a part of and incorporated into the entire Customer Agreement ONLY when signed by the Customer, agreeing to abide by and consenting to the clause (all terms used herein will unless otherwise indicated have the same meaning as in the Customer Agreement, and this Arbitration Agreement will be deemed part of the Customer Agreement as if included therein):

Any controversy among Country Hedging, Inc. or any of their affiliates (collectively Broker) and the customer (Customer) arising out of or relating to Customer's Account(s) shall be, except as provided below, resolved by arbitration at the commodity exchange on which the transaction which is the subject of controversy was or was to have been executed, or if such controversy is not arbitrable pursuant to the rules of the commodity exchange, then it shall be arbitrated in accordance with the rules then in effect of the registered futures association

having jurisdiction over the transaction which in the subject of controversy (i.e. National Futures Association), or if such controversy is not arbitrable pursuant to the rules of any registered futures association, then in accordance with the rules then in effect of the American Arbitration Association,. If, by reason of any applicable statute, regulation, exchange rule or otherwise, other than Customer's entitlement to commence reparations proceedings under Section 14 of the Commodity Exchange Act and Part 12 of the regulations promulgated thereunder (17 CFR Section 12 et seq.), Customer's advance agreement to submit a controversy to arbitration would not be enforceable by Broker, this provision shall not permit Customer to enforce Broker's advance agreement to submit to arbitration. Any awards rendered in such arbitration shall be final and binding on and enforceable against Customer in accordance with the laws of Minnesota.

**Customer Copy – Retain for Your Records A-6**

At such time that Customer notifies Broker that Customer intends to submit a claim to arbitration or at such time that Broker notifies Customer of Broker's intent to submit a claim to arbitration, Customer will have the opportunity to elect a qualified forum for conducting the proceeding. Within ten (10) business days after receipt of such notice from Customer or at the time Broker so notifies Customer, Broker must provide Customer with a list of three or more organizations whose procedures qualify them to conduct arbitration in accordance with Part 180 of the regulations promulgated under the Commodity Exchange Act, together with a copy of the rules of each forum listed. One of these organizations will be the National Futures Association.

Broker will pay any incremental fees which may be assessed by a qualified forum for provision of a mixed panel, unless the arbitrators in a particular proceeding determine that Customer has acted in bad faith in initiating or conducting that proceeding.

THREE FORUMS EXIST FOR THE RESOLUTION OF COMMODITY DISPUTES: CIVIL COURT LITIGATION, REPARATIONS AT THE COMMODITY FUTURES TRADING COMMISSION (CFTC), AND ARBITRATION CONDUCTED BY A SELF-REGULATORY OR OTHER PRIVATE ORGANIZATION.

THE CFTC RECOGNIZES THAT THE OPPORTUNITY TO SETTLE DISPUTES BY ARBITRATION MAY IN SOME CASES PROVIDE MANY BENEFITS TO CUSTOMERS, INCLUDING THE ABILITY TO OBTAIN AN EXPEDITIOUS AND FINAL RESOLUTION OF DISPUTES WITHOUT INCURRING SUBSTANTIAL COSTS. THE CFTC REQUIRES, HOWEVER, THAT EACH CUSTOMER INDIVIDUALLY EXAMINE THE RELATIVE MERITS OR ARBITRATION AND THAT YOUR CONSENT TO THIS ARBITRATION AGREEMENT BE VOLUNTARY.

BY SIGNING THIS AGREEMENT, YOU: (1) MAY BE WAIVING YOUR RIGHT TO SUE IN A COURT OF LAW; AND (2) ARE AGREEING TO BE BOUND BY ARBITRATION OF ANY CLAIMS OR COUNTERCLAIMS WHICH YOU OR CHI MAY SUBMIT TO ARBITRATION UNDER THIS AGREEMENT. YOU ARE NOT, HOWEVER, WAIVING YOUR RIGHT TO ELECT INSTEAD TO PETITION THE CFTC TO INSTITUTE REPARATIONS PROCEEDING UNDER SECTION 14 OF THE COMMODITY EXCHANGE ACT WITH RESPECT TO ANY DISPUTE WHICH MAY BE ARBITRATED PURSUANT TO THIS AGREEMENT. IN THE EVENT A DISPUTE ARISES, YOU WILL BE NOTIFIED IF CHI INTENDS TO SUBMIT THE DISPUTE TO ARBITRATION. IF YOU BELIEVE A VIOLATION OF THE COMMODITY EXCHANGE ACT IS INVOLVED AND IF YOU PREFER TO REQUEST A SECTION 14 "REPARATIONS" PROCEEDING BEFORE THE CFTC, YOU WILL HAVE 45 DAYS FROM THE DATE OF SUCH NOTICE IN WHICH TO MAKE THAT ELECTION.

YOU NEED NOT SIGN THIS AGREEMENT TO OPEN AN ACCOUNT WITH COUNTRY HEDGING, INC., (SEE 17 CFR 180.1-180.5)

Customer is advised that if Customer seeks reparations under Section 14 of the Commodity Exchange Act and Part 12 of the regulations promulgated thereunder and the CFTC declines to institute reparation proceedings, the claim or grievance will be subjected to the preexisting arbitration agreement and aspects of the claim or grievance that are not subject to the reparations procedure may be required to be submitted to the arbitration or other dispute settlement procedures set forth in the preexisting arbitration agreement.

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## NOTICE TO PROSPECTIVE MEMBERS

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Please take notice that Country Hedging, Inc. has adopted a "Consent Bylaw" as Article XII of its Amended and Restated Bylaws, effective as of June 1, 1989. A copy of the Consent Bylaw that has been adopted by Country Hedging, Inc. is set out below.

### **ARTICLE XII. CONSENT**

**"Section 1. Consent to Take Patronage Distributions into Income.** Each person or entity who hereafter applies for and is accepted for membership in this Corporation and each member of this Corporation on the effective date of this Bylaw who continues as a member after such date shall, by these acts alone, consent that the amount of any distributions with respect

to patronage which are made in written notices of allocation (as defined in 26 U.S.C. Section 1388), and which are received by the member from this Corporation, will be taken into account by the member at their stated dollar amounts in the manner provided in 26 U.S.C. Section 1385(a) in the taxable year in which the written notices of allocation are received.

**Section 2. Consent Notification to Members and Prospective Members.** Written notification of the adoption of this Consent Bylaw, a copy of this Consent Bylaw and a statement of its significance shall be given to each member and prospective member before they become members of this Corporation."

**STATEMENT OF THE TAX SIGNIFICANCE  
OF THE CONSENT BYLAW**

The adoption of the Consent Bylaw by Country Hedging, Inc. means that by becoming a member of Country Hedging, Inc., you will be consenting to take into income on your federal income tax return the full amount of the distributions made to you by Country Hedging, Inc. on the basis of your patronage with Country Hedging, Inc., in a manner consistent with 26 U.S.C. Section 1385. This means that you will be consenting

to take both the cash and the non-cash portions of your patronage distributions from Country Hedging, Inc. into income in a manner consistent with 26 U.S.C. Section 1385. (The non-cash portions of your patronage distributions may also be referred to as written notices of allocation). You will be consenting to take these cash and non-cash patronage distributions into income in the tax year in which you receive them from Country Hedging, Inc.

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**EXERCISE AND ASSIGNMENT POLICY**

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With regard to options transactions, Customer understands that some exchange clearing houses have established exercise requirements for the tender of exercise instructions and that options will become worthless in the event that Customer does not deliver instructions by such expiration time. Customer will give CHI timely instructions to liquidate, exercise or allow expiration of options and will deliver sufficient funds in connection with the exercise. Certain exchanges and clearing houses automatically exercise some "in-the-money" options unless instructed otherwise.

Customer has full responsibility for taking action either to exercise or to prevent exercise of an option contract. CHI is not required to take any action with respect to an option, including exercising a valuable option contract prior to its expiration or to prevent automatic exercise of an option, except upon Customer's express instructions. CHI randomly assigns exercise notices and all short option positions are subject to assignment at any time, including positions established on the same day that exercises are assigned.