

**STANDARD OPTION AGREEMENT
INSTITUTIONAL ACCOUNTS ONLY**

To: Lek Securities Corporation (“LSC”):

In connection with any transaction executed by you on our behalf for the purchase and sale of put and call options, we agree as follows (for the remainder of this Agreement, the terms “you,” “your,” “we,” “our,” or any other variation of such shall represent the Client(s) of LSC):

1. All transactions shall be subject to the constitution, rules, regulations, customs, and usages of the exchange, or market and its clearing house, if any, where executed. We further agree that we will not, either alone or in concert with others, violate the position or exercise limits which the Exchanges or marketplace where executed, may establish from time to time as set forth in “Characteristics and Risks of Standardized Options”.
2. In the case of options sold or written by us in a cash account:
 - (a) With respect to a call option which if exercised against us will require the delivery of securities sold, we will keep such securities in our account with you, or with a custodian bank acceptable to you which is authorized to issue either escrow receipts, option guarantee letters or depository receipts, until the expiration of the option period, and will not sell or withdraw such securities. If the option is exercised, you may deliver such securities to the purchaser without previous notice to us.
 - (b) With respect to any put option which if exercised against us will require payment for securities purchased, we will keep in our account sufficient funds for such payment until the expiration of the option period, or with a bank acceptable to you which is authorized to issue put option guaranty letters and will not withdraw such funds or utilize them for any purpose. If the option is exercised you may use such funds for the purchase of such securities without previous notice to us.
3. We have received a copy of “Characteristics and Risks of Standardized Options” and have forwarded a copy to the beneficial owner if we acted as agent.
4. **As option transactions involve a high degree of risk, we understand that:**
 - (a) **We should not purchase an option unless we are able to sustain a total loss of the premium and transaction costs, and we should not write a call option unless we either own the underlying security (or a security convertible, exchangeable, or exercisable into such underlying security) or are able to sustain substantial financial losses, and that we should not write a put option unless we are able to sustain substantial financial losses.**
 - (b) **We may not be able to close a position in the event that a secondary market in the option ceases to exist or the listing exchange restricts or suspends trading in the option.**
5. We have been advised of and agree to abide by LSC’s policies and federal regulations regarding margining of options and related transactions.
6. We agree to advise LSC of any changes in our financial situation and needs, experience, or investment objectives.

7. In case of our insolvency or attachment of our property, LSC may, with respect to any pending options, take such steps as you consider necessary to protect itself against loss.
8. Any agreement by us with LSC, whether previously or hereafter made applicable to any account of ours with LSC, shall also apply to such option transactions except to the extent which it conflicts with this agreement. In the event of a conflict, this agreement shall control, and where there is no conflict, each provision of each agreement shall apply.

9. ARBITRATION IS FINAL AND BINDING ON THE PARTIES.

- **THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL.**
- **PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS.**
- **THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED.**
- **THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**

WE AGREE THAT ALL CONTROVERSIES WHICH MAY ARISE BETWEEN US AND LSC, INCLUDING, BUT NOT LIMITED TO, THOSE INVOLVING ANY TRANSACTION OR THE CONSTRUCTION, PERFORMANCE, OR BREACH OF THIS OR ANY OTHER AGREEMENT BETWEEN US AND LSC, WHETHER ENTERED INTO PRIOR, ON OR SUBSEQUENT TO THE DATE HEREOF, SHALL BE DETERMINED BY ARBITRATION. ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE CONDUCTED ONLY BEFORE THE NEW YORK STOCK EXCHANGE, INC., THE AMERICAN STOCK EXCHANGE, INC., OR AN ARBITRATION FACILITY PROVIDED BY ANY OTHER EXCHANGE, FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) OR THE MUNICIPAL SECURITIES RULEMAKING BOARD, AND IN ACCORDANCE WITH ITS ARBITRATION RULES THEN IN FORCE. WE MAY ELECT IN THE FIRST INSTANCE WHETHER ARBITRATION SHALL BE CONDUCTED BEFORE THE NEW YORK STOCK EXCHANGE, INC., THE NASDAQ/AMEX EXCHANGE, INC., OTHER EXCHANGES, FINRA, OR THE MUNICIPAL SECURITIES RULEMAKING BOARD. BUT IF WE FAIL TO MAKE SUCH ELECTION, BY REGISTERED LETTER OR TELEGRAM ADDRESSED TO LSC AT THE OFFICE WHERE WE MAINTAIN OUR ACCOUNT, BEFORE THE EXPIRATION OF FIVE DAYS AFTER RECEIPT OF A WRITTEN REQUEST FROM LSC TO MAKE SUCH ELECTION, THEN LSC MAY MAKE SUCH ELECTION. JUDGEMENT UPON THE AWARD OF ARBITRATORS MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION.

NO PERSON SHALL BRING A PUNITIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUNITIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUNITIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUNITIVE CLASS ACTION UNTIL:

i. THE CLASS CERTIFICATION IS DENIED; OR

ii. THE CLASS IS DECERTIFIED; OR

**iii. THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT.
SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT
CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO
THE EXTENT STATED HEREIN.**

10. Exercises. If we exercise a long options contract, we agree to pay the full aggregate exercise price provided for by the option contract. Exercise instructions are accepted for same day execution on business days prior to 4 p.m. Eastern Standard Time for index option contracts and prior to 5 p.m. Eastern Standard Time for equity option contracts. On the business day preceding the expiration date for any particular option contract, LSC will accept exercise instructions until 5:30 p.m. Eastern Standard Time. We acknowledge that the Options Clearing Corporation (OCC) and the national securities exchanges have established cut-off times for delivering exercise instructions. Our long options contracts may expire worthless if we don't deliver our instructions by LSC's exercise cut-off time. LSC is not obligated to give us prior notice of option expiration dates, and we have the sole responsibility for taking action to exercise an option contract. However, if we hold in our account long U.S. equity option contracts that are greater than or equal to the current OCC option expiration thresholds at the close of business prior to expiration date, and LSC does not receive exercise instructions from us on the business day prior to expiration, LSC may at its discretion (but are not required to) take action. LSC may place a market order to sell the long option position at the market close on the business day prior to expiration, or may exercise valuable option contracts for our account, and in the absence of instructions from us, new positions LSC creates in this way may be closed out at the opening of the next business day. LSC may exercise for cash settlement, long index option contracts that are greater than or equal to \$.01 in-the-money. If we do not instruct LSC to exercise a valuable option contract by the prescribed time, and the right to exercise expires, we agree to waive and to release LSC and its officers, employees, and agents from any and all claims of damage or loss then or at later times sustained as a result of an option contract not being exercised.
11. Absent the written designation of an agent to transact business on our behalf (power of attorney), we alone may make trading decisions in our account; however, unless we give specific instructions to the contrary, LSC may exercise discretion in the selection of the exchange or marketplace of the execution of options traded on more than one exchange.

12. We have read and understood the following Special Statement for Uncovered Option Writers:

There are special risks associated with uncovered option writing, which expose the investor to potentially significant losses. Therefore this type of strategy may not be suitable for all customers approved for options transactions.

- a. The potential loss of uncovered call option writing is unlimited. The writer of an uncovered call is in an extremely risky position, and must understand that he/she can incur large losses if the value of the underlying instrument increases above the exercise price.**
- b. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.**
- c. Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially**

substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's Clearing Firm may request significant additional margin payments, the Clearing Firm may liquidate stock or options positions in the investor's account with little or no prior notice in accordance with the investor's margin agreement.

- d. For combination and/or straddle writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
- e. If a secondary market in options were to become available, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
- f. The writer of an American-style option is subject to being assigned an exercise at any time after he/she has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

We understand this special statement for uncovered option writers is not intended to enumerate all the risks entailed in writing uncovered options. We have read and fully understood the booklet entitled "Characteristics and Risks of Standardized Options" and we have directed special attention to the chapter entitled "Risks of Buying and Writing Options".

- 13. We are aware that index options allow investors or speculators to profit from, or hedge against overall market moves. Past events have, however, demonstrated that market moves can be both rapid and unexpected and may create a situation whereby severe losses could be incurred. By signing this agreement, we acknowledge our understanding of the risks, and willingness to accept these risks.
- 14. **THIS AGREEMENT SHALL BE SUBJECT TO THE LAWS OF THE STATE OF NEW YORK AND THE EXCLUSIVE JURISDICTION OF THE COURTS AND ARBITRATION FORUMS LOCATED IN NEW YORK COUNTY, NEW YORK. IF ANY PROCEEDING IS BROUGHT IN ANY FORUM OTHER THAN THE COURTS OR ARBITRATION FORUMS LOCATED IN NEW YORK COUNTY, NEW YORK, THE PARTIES AGREE THAT THAT PROCEEDING WILL BE TRANSFERRED TO THE COURTS OR ARBITRATION FORUMS LOCATED IN NEW YORK COUNTY, NEW YORK. FURTHER, THIS AGREEMENT SHALL COVER INDIVIDUALLY AND COLLECTIVELY ALL ACCOUNTS WHICH THE UNDERSIGNED MAY OPEN OR REOPEN WITH YOU; OR WHICH MAY BE INTRODUCED TO YOU, INCLUDING YOUR SUBSIDIARIES AND AFFILIATES, THROUGH THE COURTESY OF THE AFOREMENTIONED INTRODUCING FIRM; SHALL INURE TO THE BENEFIT OF YOUR AFFILIATES AND YOUR SUCCESSORS, AND THOSE OF THE AFOREMENTIONED INTRODUCING FIRM, WHETHER BY MERGER, CONSOLIDATION OR OTHERWISE, AND ASSIGNEES, AND THEIR RESPECTIVE EMPLOYEES AND AGENTS; YOU MAY TRANSFER ACCOUNTS OF THE UNDERSIGNED TO YOUR SUCCESSORS AND ASSIGNEES AND THOSE OF THE AFOREMENTIONED INTRODUCING FIRM; AND THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS AND ASSIGNEES OF THE UNDERSIGNED.**
- 15. Exercise assignment notices for option contracts are allocated among customer short positions pursuant to a computerized procedure which randomly selects from all customer short option positions, including positions established on the day of assignment, those contracts which are subject to exercise. A more detailed description of LSC's random allocation procedure is available upon request.

To be completed by the Client:

Type of Option Trading Desired (strike appropriately):

- Equity
- Index
- Foreign Exchange (FX)
- Spreads
- Uncovered Call Writing*
- Uncovered Put Writing*
- Straddles and Combinations*
- Buy Calls
- Buy Puts
- Covered Writing

* Please refer to the Special Statement for Uncovered Option Writers and Acknowledgement found in section 12

Is the Client a Qualified Institutional Buyer (QIB)? Yes No

Please provide the following finance information:

Liquid Net Worth (assets readily convertible into cash minus liabilities) \$ _____

Investment Objectives:

Income Growth Total Return

Investment Experience:

Investment Experience Must be Completed by all Customers:

Options for _____ Yrs. Indices for _____ Yrs. Stock for _____ Yrs.
 Commodities for _____ Yrs. Bonds for _____ Yrs. Other for _____ Yrs.

Describe Other: _____

Note: The Investment Experience Section applies to the person(s) that are authorized to place trades on behalf of the entity.

BY SIGNING THIS AGREEMENT, WE ACKNOWLEDGE (1) THAT, IN ACCORDANCE WITH PARAGRAPH 9, WE AGREE IN ADVANCE TO ARBITRATE ANY CONTROVERSIES WHICH MAY ARISE WITH LSC, OR BETWEEN US AND THE ORGANIZATION THAT HAS INTRODUCED OUR ACCOUNT CARRIED BY YOU AND, (2) RECEIPT OF A COPY OF THIS AGREEMENT.

Name of Client

By: _____

Date: _____

Print Name

Title: _____

To be completed by Introducing Broker:

Types of Transactions for Which Account is Approved:

- Level 1 - writing covered listed call options
- Level 2 - level 1, plus buying listed puts and calls
- Level 3 - level 1 and level 2, plus spreading listed options; buying straddles and combinations; writing puts
- Level 4 - level 1, level 2, and level 3, plus all other types of transactions (listed and OTC) selling of uncovered call options including variable (ratio) hedging, straddles and combinations

Registered Options Principal:

By: _____

Date: ___ / ___ / _____

Signature

Print Name

Title: _____