

IMPORTANT INFORMATION ON MARGIN LOANS

Introduction

If you are interested in borrowing money from Baird in order to finance purchases of securities (otherwise known as establishing a margin account), please contact your Baird Financial Advisor. You must be approved by Baird and sign a Baird Margin Account Agreement before Baird will extend credit to you. Baird will determine the amount of money to be loaned to you and the amount of equity you need to deposit and maintain in your margin account (otherwise known as initial margin and margin maintenance requirements), subject to applicable regulations. The maximum amount that Baird can loan generally may not exceed 50% of the value of the securities that are deposited as collateral for the loan. Thereafter, the amount of equity you maintain in your margin account (i.e., the value of the margined securities less the outstanding loan amount) must meet ongoing maintenance requirements as determined by Baird, which can change at any time without advance notice to you. If the equity value in your margin account falls below a certain percentage of the value of the securities in your margin account, you will be notified and required to provide additional equity so that the equity value is at or above that percentage. Baird has the right to sell securities in your margin account in order to cover any margin deficiency. A margin loan made to you will be secured by a pledge of the securities and other assets in your margin account, and you will be charged interest on the amount Baird loans to you. In return for our extension of credit to you, you agree that the securities in your account may be loaned to Baird or loaned to others to the extent permitted by applicable law.

Interest Rate on Margin Loans

The annual rate of interest you will be charged on your Baird loan (i.e., your “net debit balance”) will be equal to a “Base Rate” plus or minus a “Specified Percentage,” which will vary based on the highest net debit balance in any margin account among your Baird “household accounts” and the aggregate value of your Baird household accounts. The term “household accounts” means your individual and joint accounts and accounts related to you that share the same address and, at your request, are consolidated for statement mailing purposes.

The Base Rate is set by Baird by reference to a number of factors, which may include commercially recognized interest rates (such as the broker call rate, the prime rate, the fed funds rate and/or LIBOR), Baird’s cost of capital, industry conditions relating to extension of margin credit, and general market and competitive considerations. Baird may change the Base Rate at any time without specific notice to you. A change in the Base Rate will generally be reflected in the daily interest that is charged to your account beginning on the first business day following the change and will be disclosed on your Baird client statement. The current Base Rate is available on Baird's Web site at <http://www.rwbaird.com/loanrates>.

As previously mentioned, the interest rate applicable to a particular margin account is equal to the Base Rate as adjusted by a Specified Percentage. The Specified Percentage is determined monthly by reference to the highest net debit balance in any of the margin accounts among your Baird household accounts and aggregate value of your Baird household accounts as of the end of the previous month. The following table shows the Specified Percentages:

Specified Percentage Above/Below Base Rate

Highest Debit Balance	Household Account Value			
	\$0-\$249,999	\$250,000-\$999,999	\$1,000,000-\$1,999,999	\$2,000,000 & above
\$0 - \$19,999	2.750%	2.125%	1.375%	0.750%
\$20,000-\$49,999	2.250%	1.625%	1.000%	0.625%
\$50,000-\$99,999	1.625%	1.125%	0.625%	0.250%
\$100,000-\$249,999	1.000%	0.625%	0.250%	0.125%
\$250,000-\$499,999	N/A	0.375%	0.125%	-0.125%
\$500,000-999,999	N/A	0.125%	-0.125%	-0.375%
\$1,000,000-\$1,999,999	N/A	N/A	-0.375%	-0.625%
\$2,000,000 and above	N/A	N/A	N/A	-0.750%

As an example, if you have four Baird household accounts with values of \$800,000, \$500,000, \$100,000 and \$25,000, and two of those accounts are margin accounts with outstanding debit balances of \$400,000 and \$150,000, respectively, the Specified Percentage for the two margin accounts would be 0.125% and assuming a Base Rate equal to 6.0%, the interest rate charged on the debit balances in each margin account would be 6.125%. The Specified Percentage was determined by using the highest debit balance (\$400,000) and a household account value of \$1,425,000.

Interest on your balances accrues daily based on the outstanding debit balance at the start of each day, and is posted monthly. Your account statement will indicate the interest rate applied to your debit balance, your average daily debit balance, the number of days during which a debit balance was outstanding, and the actual interest charged for the period. If the Base Rate changes during the period covered by your statement, your statement will itemize separately information with respect to each rate of interest that was applied to your account during the period.

Your rate of interest will be subject to change at any time without notice in accordance with changes made by Baird to the Base Rate. Because the Specified Percentage is determined at the beginning of each month based on your highest net debit balance in your margin accounts and the aggregate value of your Baird household accounts at the end of the previous month, the Specified Percentage may vary from month to month without notice to you. However, if Baird changes the Specified Percentage table, Baird will provide you and other affected clients with written notice at least 30 days prior to the effective date of such change.