
Margin and Short Account Agreement

When you buy securities on margin, or enter into short sales or short options, you are borrowing money from Schwab for part of your transactions. All securities and other assets in your Schwab accounts are pledged as collateral to secure this loan. These margin transactions are riskier and involve the possibility of greater loss than transactions where you are not borrowing money. If the value of your securities and other assets falls, you may be required to deposit more assets (a "margin call") to secure your loan or your securities, and other assets may be sold to pay down or pay off your loan without prior notice and at a loss or at lower prices than under other circumstances.

You agree to carefully consider your own financial condition, tolerance for risk and investment objectives, as well as market conditions, before you decide to use margin credit or short account features. By applying for a margin account and/or placing an order on margin, you acknowledge

that you have, along with the terms of the margin agreement, carefully considered all of these factors and have decided that margin financing is appropriate for you.

All securities and other assets now or hereafter held in this account may be pledged, replugged or otherwise used.

Therefore, before you utilize the Margin and Short Account Feature, you must carefully consider market conditions and your financial position and investment objectives. By applying for a margin account and/or placing an order on margin, you acknowledge that you have carefully considered your financial condition, investment objectives and tolerance for risk, along with the terms of the margin agreement, and have determined that margin financing is appropriate for you.