

Margin addendum to account agreement (continued)

The rights of DBSI and Pershing shall include the right to buy all Securities and Other Property which may be short in such account, to cancel any open orders and to close any or all outstanding contracts, all without demand for margin or additional margin, notice of sale or purchase or other notice or advertisement, each of which is expressly waived. Upon a default, Client will also bear the cost of preserving the value of collateral, including hedging transactions that may be executed at DBSI or Pershing's discretion. Any sales or purchases hereunder may be made at on any exchange or other market where such business is usually transacted, or at public auction or private sale, and DBSI or Pershing may be the purchaser for its own account. Client understands that any prior demand, or call or prior notice of the time and place of such sale or purchase shall not be considered a waiver of the right to sell or buy without demand or notice as provided herein. Client further understands and agrees that if DBSI or Pershing permits Client a period of time in which to satisfy a call, the granting of that period of time shall not in any way waive or diminish the right of DBSI or Pershing to shorten the time period in which Client must satisfy the call, including an outstanding call, or to demand that a call be satisfied immediately. Client further understands that liquidations may involve sales of positions in Client's Account(s) that are as great as the full indebtedness owed by Client.

8. **Reg T Extensions.** Client authorizes DBSI, at its discretion, to request and obtain extension(s) of Client's time to make payment for securities Client purchases, as provided for by Federal Reserve Bank Regulation T.
9. **Short Sales of Securities.** Client understands that before executing a Short Sale, DBSI or Pershing is generally required to make an affirmative determination as to whether DBSI or Pershing will receive delivery of the securities from the Client or that the securities can be borrowed by the settlement date. This process is commonly referred to as "obtaining a locate." If a sufficient quantity of securities is not available from inventory, DBSI or Pershing may, among other things, contact third-party lenders to ascertain whether they have securities available for lending. If a sufficient quantity of securities appears borrowable, DBSI or Pershing may proceed to execute the short sale on Client's behalf. A locate is simply an indication that, as of the time the locate is obtained, it appears that securities will be available for borrowing on the settlement date. A locate is not a guarantee that securities will actually be available for lending and delivery on the settlement date or that the lender will not thereafter require the return of the borrowed securities. If the securities are not available for borrowing for any reason by the settlement date, Client (as the seller) will "fail to deliver" to the purchaser. In that circumstance, a buy-in of the securities that were not timely delivered will occur on the morning of the third business day after normal settlement date and Client will be responsible for all losses and costs of the buy-in. See "Mandatory Close-Out of Short Sales" below. Client is ultimately responsible for the delivery of securities on the settlement date and for the consequences of a failure to deliver and the timely return of securities borrowed on Client's behalf including any losses incurred by DBSI or Pershing relating to such short sales. Short positions will be "marked to the market" weekly. If the aggregate value of all securities sold by Client appreciates, an amount equal to such appreciation will be transferred from Client's Margin Account to Client's short Account resulting in a debit entry in the Margin Account. If the aggregate value of all the securities sold short depreciates, an amount equal to such decline will be transferred from the cash account to the Margin Account resulting in a credit entry in the Margin Account. The closing price from the previous business day is used to determine any appreciation or depreciation in the market value of any security sold short. Please note, from time to time, DBSI or Pershing may be prohibited from effecting a short sale in accordance with Applicable Law whether or not a "locate" is obtained.
10. **Mandatory Close-Out of Short Sales.** Applicable Law generally requires that short sales of equity securities be closed by no later than the beginning of regular trading hours on the first business day following the settlement date if delivery of the securities has not occurred. The close-out is effected by DBSI or Pershing purchasing the securities for cash or guaranteed delivery of like kind and quantity. The requirement generally applies to undelivered equity securities that, on the date of the short sale, appeared on the "restricted list" of FINRA or a national securities exchange of which DBSI or Pershing is a member (i.e. those securities that have a clearing short position of 10,000 shares or more and that are equal to at least 1/2 of 1% of the issue's total shares outstanding) ("Threshold Securities"). DBSI or Pershing will be required to effect a close-out mandated by Applicable Law whether or not a "locate" was obtained and whether or not a buy-in notice was issued by a purchaser or securities lender.
11. **Tax Treatment of Earnings on Pledged Municipal Securities.** Client will consult with a tax adviser prior to depositing municipal securities to satisfy margin requirements as there may be tax consequences of doing so.
12. **Rehypothecation and Tax Treatment of Payments in Lieu of Dividends.** The Internal Revenue Code generally provides that, subject to certain requirements, dividends paid to a U.S. individual shareholder from domestic corporations and certain foreign corporations are subject to tax at the reduced rates applicable to long-term capital gains. Payments in lieu of dividends are not eligible for the reduced rate of tax for dividends and are taxed at ordinary income tax rates. DBSI and Pershing have the right to rehypothecate margined shares in Client's Margin Account. Accordingly, Client hereby agrees that Client's Account may receive payments in lieu of dividends, which unlike actual dividends are taxed at ordinary income tax rates. Client further agrees that neither DBSI nor Pershing shall be responsible to Client for any additional taxes or other costs Client incurs for receipt of such payments in lieu of dividends. Client also agrees to consult with Client's tax adviser if Client has any questions relating to payments in lieu of dividends.
13. **Additional Risks.** The use of margin may enable Client to increase the size of the trades and/or volume of trading in the account which may result in an increase in the amount of commissions being paid to DBSI or Pershing by Client.
14. **Restricted Securities.** Client will not post Restricted Securities as collateral for margin transactions without the prior approval of DBSI.
15. **Collection Remedies.** DBSI reserves the right to assert any other remedies available under Applicable Law to collect any and all amount(s) due to DBSI or Pershing.
16. **Receipt of Margin Disclosure.** Client hereby acknowledges receipt of the Margin Disclosure and Client acknowledges Client's understanding of and agreement to the contents thereof.