

# Graystone Consulting Institutional Services Agreement

The undersigned on behalf of the **City of Margate Employees Benefit Trust Fund** (“Client” or “you”), having opened an account or accounts (the “Account”) with Morgan Stanley Smith Barney LLC (“MSSB”, “we” or “us”) through its Graystone Consulting business unit (“Graystone”), hereby retains Graystone, under the terms and conditions set forth herein, to perform the services set forth below and in the respective Exhibits attached.

This Agreement includes information required to be disclosed under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including the direct compensation that MSSB will receive, as well as the services MSSB will provide, pursuant to the relationship created by this document. In providing services under this Agreement, MSSB reasonably expects to provide services as a fiduciary under ERISA (within the meaning of Section 3(21) of ERISA and the regulations thereunder), as well as an investment advisor registered under the Investment Advisers Act of 1940 (“Advisers Act”). The applicable Morgan Stanley ADV brochure includes additional information which will help the Client understand its relationship with MSSB, the services MSSB provides and the compensation MSSB receives. A copy of that document will be delivered in accordance with applicable legal requirements, and is available upon request from the Client’s MSSB financial advisor (“Financial Advisor”).

## 1. Consulting Services

Graystone shall perform all of the following consulting services in accordance with the investing principles as outlined in the Client’s Investment Policy Statement:

**A. Assistance in the Preparation of Investment Objectives and Policies.** Graystone shall assist the Client in Client’s review, evaluation and preparation of investment policies and objectives for the Account. As set forth in “Performance Reporting” below, Graystone shall assist the Client in developing benchmarks for the performance of the Account. Graystone also will provide the performance of the total account so as to assist the Client with the ability to determine progress toward investment objectives. Graystone has been retained as a non-discretionary investment consultant. Accordingly, the Client shall be responsible for monitoring compliance with their investment policies and guidelines and Graystone shall assist Client with fulfilling that responsibility.

**B. Asset Allocation.** Graystone shall review Account asset allocation and recommend any changes deemed appropriate by Graystone from time to time.

**C. Performance Reporting.** Graystone shall provide Client with a periodic Performance Evaluation Report (a “Report”) of the Account and of the portion of the Account managed by each Advisor, Exchange Traded Fund or Index Fund (collectively referred to hereinafter as “ETF”) who may be retained by Client for the Account. The Advisor or ETF may not be affiliated with MSSB. The Report shall show historical performance and asset allocation of the Account, and of the portion of the Account managed by each Advisor. The Report will be based solely on information requested by Graystone and (i) provided by Client, or (ii) provided by the custodian of the assets in the Account, at Client’s direction, or (iii) (if MSSB is the custodian) shown on the records maintained by MSSB as custodian. In circumstances where MSSB is not the custodian, Graystone shall not be responsible for the accuracy of the information supplied by the custodian, including the valuation of securities and other investments, or for any reports derived from such information.

**D. Identification of Investment Advisors.** Graystone shall assist Client with identifying investment advisors which have historically performed in a manner generally consistent with Client’s investment policies and objectives. Graystone shall identify such investment advisors from the universe of managers that have been profiled, reviewed and approved for inclusion in Graystone’s Manager Assessment Program (“MAP”) and MSSB’s Consulting and Evaluation Services Program (“CES”) (collectively “Advisors”). Client understands that Graystone and MSSB do not evaluate and make no representations concerning any Advisor chosen by Client outside of those Programs including, but not limited to any Advisor Client selects through MSSB’s Investment Management Services Program (“IMS”), nor shall Graystone or MSSB assume any liability for any loss, claim, damage or expense attributable to Client’s selection of any Advisor outside of those Programs, including but not limited to any Advisor Client selects through IMS.

**E. Investment Options.** While certain of the (i) ETFs, (ii) Funds (as defined below) or (iii) Advisors (collectively “Investment Products”) available under this Agreement may be affiliated with MSSB, Graystone shall not recommend any affiliated Investment Products. Additional information about this investment options is contained in the applicable Morgan Stanley ADV brochure for Graystone.

**F. Fund Search.** Graystone shall assist Client with identifying mutual funds and other commingled funds (“Funds”) that are generally consistent with the Client’s investment policies and objectives. Graystone shall identify such Funds from the universe of Funds that have been profiled, reviewed and approved by MSSB’s Global Investment Manager Analysis

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Group (“GIMA”). Client understands that MSSB does not evaluate, and Graystone will not recommend, and makes no representations concerning, any Fund chosen by Client outside of those covered by GIMA, nor shall Graystone or MSSB assume any liability for any loss, claim, damage or expense attributable to Client’s selection of any Fund outside of those covered by GIMA.

**G. Identification of Exchange Traded Funds and Index Funds.** Graystone shall assist Client with identifying ETFs that are consistent with Client’s investment policies and objectives. Graystone shall, identify such ETFs from the universe of ETFs that have been approved for inclusion in MSSB’s ETF Program. Client understands that Graystone and MSSB do not evaluate and make no representations concerning any ETF chosen by Client outside of that Program, nor shall Graystone or MSSB assume any liability for any loss, claim, damage or expense attributable to Client’s selection of any ETF outside of that Program.

**H. Advisor Review.** Graystone shall conduct a periodic review of each current Advisor. Such review will include, among other factors, historical composite investment performance as provided by the Advisor, methodology, organization and personnel. For Advisors that participate in CES, such review shall consist of a research-based evaluation of the Advisor and the factors described above.

In the event that Graystone makes a determination that an Advisor or ETF previously recommended to, and chosen by Client, is no longer approved for MAP, CES or the ETF Program (“Unapproved Manager”), Graystone will notify Client. It shall be Client’s option to change or retain the Unapproved Manager. In the event that Client wishes to continue to retain an Unapproved Manager, all terms of Sections 1(D) (F) & (G) shall be null and void with respect to such Unapproved Manager, and Graystone will (i) make no further representations concerning the Unapproved Manager, (ii) not assume any further liability for any loss, claim, damage or expense attributable to Client’s determination and (iii) not continue to review or make any recommendations regarding such Unapproved Manager. However, Client shall continue to pay Graystone the Fee described in Section 4 below.

**Investment products sold through Graystone and MSSB are not insured by the FDIC; are not a deposit or other obligation of a depository institution; are not guaranteed by a depository institution; and are subject to investment risks, including the possible loss of the principal amount invested.**

## 2. Trading and Execution Services

Client has appointed each Advisor as its agent and attorney-in-fact to buy and sell securities or other investments for the Account at Client’s risk. Client hereby agrees to indemnify and

hold Graystone, MSSB, and its officers, directors, agents, employees and affiliates harmless from all loss, cost, indebtedness and liabilities arising there from. In all such purchases and sales, Graystone is authorized to follow the instructions of the Advisor in every respect concerning the Account and, except as herein otherwise provided, the Advisor is authorized to act for Client in the same manner and with the same force and effect as Client might or could do with respect to such purchases and sales as well as with respect to all other things necessary or incidental thereto, except that the Advisor is not authorized to withdraw any money, securities or other property either in the name of Client or otherwise. This authorization is a continuing one and shall remain in full force and effect until terminated in writing. The termination of this authorization shall constitute a termination of this Agreement.

In the absence of written instructions to the contrary from Client, transactions for the purchase and/or sale of securities and other investments shall be placed by the Advisor with brokers or dealers, including MSSB or its affiliates, as the Advisor in its sole discretion deems appropriate. Where transactions are effected through MSSB or its affiliates, they may act, in the absence of instructions to the contrary, on an agency or principal basis, to the extent permitted by law and subject to applicable restrictions, and will be entitled to compensation for its or their services.

In connection with transactions effected for the Account, Client authorizes the Advisor to establish and trade Accounts in Client’s, MSSB’s or the Advisor’s name with members of national or regional securities exchanges and the Financial Industry Regulatory Authority, Inc. including “omnibus” accounts established for the purpose of combining orders from more than one client.

Client consents that some or all executions for the Account may be aggregated with executions effected for other clients of MSSB and be subsequently allocated to the Account at an average price, and that MSSB may from time to time and at its discretion act as principal (to the extent permitted by law) with respect to aggregated orders that result in allocations to the Account at an average price. Client’s confirmations will identify when a transaction was effected at an average price and the average price at which it was effected, and if so, whether MSSB acted as principal or agent for the transaction. Client may only rescind this consent by written instruction to MSSB.

Client hereby grants MSSB and its affiliates the authorization to effect “agency cross” transactions (i.e. transactions in which MSSB, or any person controlling, controlled by or under common control with MSSB, acts as broker for the party or parties on both sides of the transaction) with respect to the Account to the extent permitted by law. Client acknowledges

that (i) MSSB or its affiliates may receive compensation from the other party to such transactions (ii) as such, MSSB will have a potentially conflicting business of loyalties and responsibilities and (iii) this consent to “agency cross” transactions can be revoked at any time by written notice to MSSB.

In no event will Graystone be obligated to effect any transaction for Client which it believes would be violative of any applicable state or federal law, rule or regulation, or of the rules or regulations of any regulatory or self-regulatory body.

### 3. Custody Services and Valuation

#### A. MSSB Will Act as Custodian

Unless Client instructs MSSB not to maintain custody, MSSB will maintain custody of all cash, securities and other assets held in the Account. MSSB will credit the Account with dividends and interest paid on securities held in the Account and with the principal paid on called or matured securities in the Account. Client warrants that any securities delivered to MSSB are free of any encumbrances, including constructive liens. MSSB shall provide at least each calendar quarter a statement of all assets in the Account in MSSB custody.

Client authorizes Graystone to deduct any and all fees when due from the assets contained in the Account, including fees charged by an Advisor, and pay them to the Advisor on behalf of Client. If required pursuant to the terms of the investment management agreement entered into between Client and the Advisor, Graystone will debit the Advisor's fee from the Account upon Graystone's receipt of an invoice from the Advisor. Graystone will pay the amount shown to be due on the invoice and will not verify the rate, computation, or timing of the Advisor's fee or the value of the assets used in this connection.

For accounts where MSSB is the custodian, in computing the fair market value of any security or other investment in the Account, a security listed on a national securities exchange shall be valued, as of the valuation date, at the closing composite price (the consolidated tape price). Generally, the prices of bonds, particularly municipal bonds, are obtained from third-party quotation services, whose prices are based either on closing prices, the most recent trades of round lots of \$1 million, the mean between the bid and asking price of these lots, or a matrix based on interest rates for similar securities. As such, pricing may not reflect round lot/odd lot differentials (Odd lots are anything smaller than \$1 million and can be as small as \$5,000 or \$10,000.) On average, odd lot prices are lower than round lot prices. Accounts which are charged an asset-based fee should note that such fees are based upon round lot valuations. Where prices are not available from quotation services, MSSB may use such prices that in MSSB's judgment best reflect the

market prices of the securities. In either case, MSSB does not guarantee the accuracy of such prices. These prices should not be considered firm bids or offers, and may be subject to fluctuations due to lot size and market conditions. Any other securities or investments in the Account shall be valued in a manner determined in good faith by MSSB, in its sole discretion, to reflect market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in the Account.

#### a. Sweep Investments

All uninvested cash and allocations to cash in your Account will automatically “sweep” into interest-bearing bank deposit accounts (“Deposit Accounts”) established under a Bank Deposit Program (the “Bank Deposit Program”) and/or money market mutual funds (to the extent we make such funds available) including but not limited to those managed by Morgan Stanley Investment Management Inc., or another one of our affiliates (each, a “Money Market Fund” and, together with Deposit Accounts, “Sweep Investments”). Allocations to cash that are part of an overall asset allocation will be limited to investments in either Deposit Accounts or an alternative Money Market Fund (if available). Uninvested cash and allocations to cash including assets invested in Sweep Investments are included in the Fee calculation hereunder.

**The Bank Deposit Program is the default Sweep Investment for all accounts. As discussed below, uninvested cash balances will sweep into the Bank Deposit Program unless you affirmatively elect an alternative, if available for your Account.**

You further acknowledge that MSSB may with 30 days written notice (i) make changes to these sweep terms; (ii) make changes to the terms and conditions of any available sweep investment; (iii) change, add or delete the products available as a sweep option; (iv) transfer your sweep investment from one sweep product to another.

#### b. The Bank Deposit Program

Through the Bank Deposit Program, Deposit Accounts are established for you at one or more of the following banks (individually and collectively, the “Sweep Banks”): (i) Morgan Stanley Bank, N.A. and/or (ii) Morgan Stanley Private Bank, National Association. The Sweep Banks are affiliated with MSSB. The Sweep Banks pay interest on the Deposit Accounts established under the Bank Deposit Program. Your deposits at the Sweep Banks will be insured by the Federal Deposit Insurance Corporation (“FDIC”) up to applicable limits, in accordance with FDIC rules, and subject to aggregation of all the accounts (including, without limitation, certificates of deposit) that you hold at the Sweep Banks in the same capacity.

Bank deposits held through the Bank Deposit Program are not covered by SIPC or excess coverage.

If the Bank Deposit Program is your Sweep Investment, you authorize us, as your agent, to establish the Deposit Accounts for you, and to make deposits into, withdrawals from and transfers among the Deposit Accounts.

Terms of the Bank Deposit Program are further described in the Bank Deposit Program Disclosure Statement, which will be provided to you upon your first investment in the Bank Deposit Program. You may also obtain the Bank Deposit Program Disclosure Statement as well as current interest rates applicable to your Account, by contacting your MSSB financial advisor ("Financial Advisor") or through MSSB's web site at <http://www.morganstanley.com/wealth/services/bankdepositprogram.asp>. You acknowledge and understand that we may amend the list of Sweep Banks at any time with 30 days written notice to you. If you are participating in the Bank Deposit Program, please read the Bank Deposit Program Disclosure Statement carefully.

You acknowledge (i) that you are responsible to monitor the total amount of deposits you have at each Sweep Bank in order to determine the extent of FDIC insurance coverage available to you, and (ii) that MSSB is not responsible for any insured or uninsured portion of your deposits at any of the Sweep Banks.

Unless otherwise specifically disclosed to you in writing, such as in connection with the Bank Deposit Program noted above, investments and services offered through MSSB are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, the Sweep Banks, and involve investment risks, including possible loss of the principal invested.

#### c. Money Market Funds

We may, in our sole discretion, offer Money Market Funds as Sweep Investments. The Money Market Funds may or may not be affiliated with MSSB. You understand that purchases and redemptions of Money Market Fund shares may be effected only through MSSB and that you may not directly access the Money Market Fund.

If a Money Market Fund is your Sweep Investment, you authorize us, as your agent, to make investments in, and redemptions from, the Money Market Fund.

Each of these Money Market Funds is a separate investment with different investment objectives. Their fees, expenses, minimum investment requirements, dividend policies and procedures may vary. Before you invest in any Money Market Fund, read its prospectus carefully. Money Market Fund shares are neither insured nor protected by the FDIC. Investment in

any money market fund is a purchase of securities issued by the money market fund, not a bank deposit.

Certain of the Money Market Funds described above have minimum investment requirements. In addition, MSSB may require a minimum initial investment to activate some or all of the Sweep Investments. If you do not meet the minimum initial investment, uninvested cash and allocations to cash in eligible Accounts will remain uninvested or be invested in the Bank Deposit Program.

In addition, certain of the Money Market Funds have minimum balance requirements. For eligible Accounts, if your investment falls below the minimum balance requirement, MSSB may redeem and reinvest all of your shares in the Bank Deposit Program. Once your sweep option has been changed, we will not automatically change it back to your previous Sweep Investment even if you meet the minimum initial investment and/or balance requirements. You must contact your Financial Advisor to do so. However, if a pattern develops of falling below the minimum balance requirement, we may preclude you from investing in that Sweep Investment in the future.

We may offer other money market funds as a non-sweep investment choice. You may purchase shares in these money market funds by giving specific orders for each purchase to your Financial Advisor. However, uninvested cash in your Account will not be swept into these money market funds.

#### d. Alternatives to the Bank Deposit Program

All accounts that are eligible can choose from among certain Sweep Investments as alternatives to the Bank Deposit Program.

Please contact your Financial Advisor for more information about choosing an alternative Sweep Investment. In addition, you may obtain information with respect to the current yields and interest rates on the available Sweep Investments by contacting your Financial Advisor or through MSSB's web site at <http://www.morganstanley.com/wealth/services/bankdepositprogram.asp>.

#### e. Miscellaneous

You acknowledge that the rate of return on a default Sweep Investment may be higher or lower than the rate of return available in other Sweep Investments. Neither MSSB nor any affiliate is responsible to you if the default Sweep Investment has a lower rate of return than the other available Sweep Investments. We may, in our sole discretion determine and change the Sweep Investments available in your account. We may, at any time, discontinue offering any available Sweep Investment and, upon notice to you, cease offering your Sweep Investment. If we cease offering your Sweep Investment and

you do not select a new Sweep Investment, your new Sweep Investment will be the default Sweep Investment as designated by us for such account.

Generally, temporary “sweep” transactions of all uninvested cash balances, allocations to cash and cash equivalents, if any, in the Account will commence, to the extent permitted by applicable law, on the next business day, with dividends credited to the client on the second business day. (If cash is deposited after normal business hours, the deposit may be credited on our recordkeeping system, for purposes of the preceding sentence, as having been received on the following business day.) (For certain accounts — namely accounts established as Basic Security Accounts that have less than \$1,000 in the Sweep Investment — amounts awaiting investment will sweep weekly.)

Neither MSSB nor any affiliate will be responsible for any losses resulting from a delay in the investment of cash balances.

You authorize us to invest your funds in your Sweep Investment and to satisfy debits in your Account by redeeming shares or withdrawing funds, as applicable, from your Sweep Investment. Upon any such sale, gains on your position may be taxable.

You may change your Sweep Investment to another Sweep Investment, if available for your Account, by contacting your Financial Advisor. You agree that upon selection of a new Sweep Investment we may, as applicable, sell your shares in, or withdraw your funds from, your current Sweep Investment and, as applicable, purchase shares or deposit funds in your new Sweep Investment. There may be a delay between the time we sell shares or withdraw funds from your current Sweep Investment and the time we purchase shares or deposit funds in your new Sweep Investment. You may not earn interest or dividends during the time your funds are not invested.

f. Conflicts of Interest Regarding Sweep Investments

If your Sweep Investment is a Money Market Fund, as available, then the Account, as well as other shareholders of the Money Market Fund, will bear a proportionate share of the other expenses of the Money Market Fund in which the Account’s assets are invested.

If your Sweep Investment is a Money Market Fund, you understand that Morgan Stanley Investment Management Inc. (or another MSSB affiliate) may receive an investment management fee for managing the Money Market Fund and that Morgan Stanley Distributors Inc., or another one of our affiliates, may receive compensation in connection with the operation and/or sale of shares of the Money Market Fund, which may include a distribution fee pursuant to Rule 12b-1

under the Investment Company Act of 1940, to the extent permitted by applicable law.

You understand that the Fee will not be reduced by the amount of the Money Market Fund management fee or any shareholder servicing and/or distribution or other fees we or our affiliates may receive in connection with the assets invested in the Money Market Fund. For additional information about the Money Market Fund and applicable fees, you should refer to each Money Market Fund’s prospectus.

If your Sweep Investment is the Bank Deposit Program, you should be aware that, the Sweep Banks will pay MSSB an annual account-based flat fee for the services performed by MSSB with respect to the Bank Deposit Program. MSSB and the Sweep Banks will review such fee annually and, if applicable, mutually agree upon any changes to the fee to reflect any changes in costs incurred by MSSB. Your Financial Advisor will not receive a portion of the fee. Affiliates of MSSB may receive a financial benefit in the form of credit allocations made for financial reporting purposes. The amount of this benefit will vary and will be based on the average daily deposit balances in the Deposit Accounts at each Sweep Bank. Generally, these benefits will increase as more funds are deposited through the Bank Deposit Program. No separate charges, fees or commissions will be imposed on your Account as a result of or otherwise in connection with the Bank Deposit Program.

In addition, MSSB, the Sweep Banks and their affiliates receive other financial benefits in connection with the Bank Deposit Program. Through the Bank Deposit Program, each Sweep Bank will receive a stable, cost-effective source of funding. Each Sweep Bank intends to use deposits in the Deposit Accounts at the Sweep Bank to fund current and new businesses, including lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or “spread,” between the interest rate paid on the Deposit Accounts at the Sweep Banks and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by the Sweep Banks on those loans and investments made with the funds in the Deposit Accounts. The income that a Sweep Bank will have the opportunity to earn through its lending and investing activities is expected to be greater than the fees earned by us and our affiliates from managing and distributing the money market funds available to you as a sweep investment.

**B. MSSB Will Not Act as Custodian**

In the event Client retains a custodian other than MSSB, Client shall advise Graystone of the name and address of the custodian and of Client’s account number at the custodian. Fees of a custodian other than MSSB shall be paid by Client and are not included in the fees set forth in this Agreement.

MSSB will NOT maintain custody, and the Graystone Consulting Fee will be billed to Client. Please sign below if applicable.

Client's Signature \_\_\_\_\_

Date \_\_\_\_\_

MSSB will NOT maintain custody, and the Graystone Consulting Fee will be billed to the outside custodian. Please sign below if applicable.

Client's Signature \_\_\_\_\_

Date \_\_\_\_\_

#### 4. Fees

Client shall pay Graystone for its services hereunder a fee as set forth in Exhibit A, which is attached to, and made a part of, this Agreement (the "Fee"). Graystone represents and warrants that Graystone shall receive no other Fee for the services provided in this Agreement than the Fee set forth in Exhibit A. Compensation that MSSB receives related to sweep funds (not advisory) services is described above in Section 3.

The Fee may be modified or changed by Graystone only with written Client consent. Graystone shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of Client. Notwithstanding the foregoing sentence, Graystone may be compensated based upon the total value of the Account as of definite dates.

Fees charged may be negotiated. Such fees may differ based upon a number of factors, including, but not limited to, the type of Account, the size of the Account, the historical or projected nature of trading for the Account, and the number and range of advisory and client-related services to be provided by Graystone to the Account.

A portion of the Fee is paid to financial advisors and other employees of MSSB and its affiliates in connection with the provision of supplemental and client-related services. Such payments are made for the duration of this Agreement.

If an open or closed-end mutual fund or an exchange traded fund is utilized by MSSB as an Investment Product, any such Fund may pay its own separate investment advisory fees and other expenses to the fund manager or other service provider. In addition, an open end mutual fund may charge distribution or servicing fees. In both cases, these fees or expenses,

although not received by Graystone or MSSB, will be in addition to the Fee paid by Client on the Account.

MSSB receives payments and fees from certain Funds for data collection, recordkeeping and related services. For more information, please refer to the applicable MSSB ADV Brochure which is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) or to the document "Mutual Fund Share Classes and Compensation", which is available at [http://www.morganstanley.com/wealth/investmentsolutions/pdfs/MF\\_share\\_classes.pdf](http://www.morganstanley.com/wealth/investmentsolutions/pdfs/MF_share_classes.pdf). Both these documents are also available from your Financial Advisor upon request.

#### 5. Client Authority

If this Agreement is entered into by a Trustee or other fiduciary, such Trustee or other fiduciary represents that the terms of this Agreement are authorized by the governing instruments of, and/or laws and regulations applicable to Client, the services to be provided under this Agreement are within the scope of the services and investments authorized by the governing instruments of, and/or laws and regulations applicable to Client, and that said Trustee or fiduciary is duly authorized to enter into this Agreement. If Client is a corporation, the signatory on behalf of Client represents that the execution of this Agreement has been duly authorized by all necessary and appropriate corporate action. Client undertakes to advise Graystone of any event which might affect Client's authority to participate in, or the propriety of, this Agreement.

**A.** The Client represents that neither it nor another person who has an ownership interest in or authority over this Account knowingly owns, operates or is associated with a business that uses, at least in part, the Internet to receive or send information that could be seen as placing, receiving or otherwise knowingly transmitting a bet or wager.

**B.** The Client understands that, in order to open and continue to provide services to the Account, Graystone is required to obtain certain information from the Client. If this information is not provided by you fully or in a timely manner, Graystone may suspend trading in your Account until the information is provided and/or terminate the Account. The Client will deliver to Graystone, in writing, information that Graystone may require or reasonably request to perform its duties hereunder without violating or causing any violation of applicable law.

#### **USA PATRIOT ACT NOTICE: IMPORTANT INFORMATION ABOUT OUR PROCEDURES FOR OPENING A NEW ACCOUNT OR ESTABLISHING A NEW CUSTOMER RELATIONSHIP.**

**C.** You further understand that to help the government fight the funding of terrorism and money laundering activities, federal law may require all financial institutions to obtain, verify and record information that identifies each individual or institution

that opens an account or establishes a customer relationship with MSSB. Therefore, before entering into a new client relationship with you, MSSB will ask for your name, address, date of birth (as applicable) and other identification information. If all required documentation or information is not provided, MSSB may be unable to open an account or maintain a relationship with you.

6. If you, or any other account owner, or authorized person on your account(s) is, or has been, a “Politically Exposed Person” (“PEP”), or is a corporation, business or entity that is closely aligned with a PEP such that it is subject to due diligence as a PEP (“PEP Entity”), you confirm that you have disclosed this fact to MSSB and have provided the necessary information required by law to open and/or to service your account(s). You also agree that you will not use your account(s), or permit them to be used, for any transactions (i) with, involving or for the benefit of, any Sanctioned Person (excluding legally permissible transactions in debt or equity issued by an entity designated on OFAC’s Sectoral Sanctions Identifications List), or (ii) in any other manner that would cause either you or MSSB to violate any Sanctions. **Further Representations Applicable to Retirement Plans**

The provisions of this Section 6 shall apply if you are an employee benefit plan as defined in Section 3(3) of ERISA, a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the “IRC”) or a plan or other arrangement subject to fiduciary and prohibited transaction requirements of substantially similar state, local or foreign law (each, a “Plan”). The Account is being opened on behalf of the Plan pursuant to proper authorization from the named fiduciary or other responsible fiduciary or agent of the Plan. The representations, authorizations, certifications and warranties required of you in this Agreement shall be made by the Plan’s fiduciary acting solely in its capacity as such.

- a. By managing assets of a Plan subject to ERISA and/or Section 4975 of the IRC hereunder, each Advisor will be deemed to acknowledge to MSSB and to you that it will be acting as a “fiduciary,” as that term is defined in Section 3(21)(A) of ERISA and has accepted appointment as an “investment manager” as that term is defined in Section 3(38) of ERISA, with respect to the assets it manages hereunder. MSSB represents to a Client that is a Plan subject to ERISA and/or Section 4975 of the IRC that, with respect to the performance of its duties under this Agreement, MSSB is a “fiduciary” as that term is defined in ERISA and/or Section 4975 of the IRC with respect to the Account.
- b. You represent and warrant that: (i) with respect to the control and management of the assets in the Account, you are either (A) the named fiduciary in the case of a Plan defined in Section 3(3) of ERISA (or the person

authorized by the named fiduciary to select investment managers) or (B) in the case of any other Plan, either the person for whose benefit the Plan was established or that person’s authorized agent; (ii) the Plan and its governing instruments provide for the appointment of an “investment manager” as that term is defined in Section 3(38) of ERISA and permit the investment by the Plan in Funds through the Program; (iii) the execution, delivery and performance of this Agreement will not violate any provisions or result in any default under the plan, the trust, the investment policy or other equivalent constituent documents, any contract or other agreement to which you are a party or by which you, the Plan or its assets may be bound or any statute or any rule, regulation or order of any government agency or body; and (iv) you are independent of MSSB, the Investment Products, and their affiliates, are capable of making independent decisions regarding the investment of Plan assets and the selection of Investment Products, are knowledgeable with respect to the Plan in administrative matters and funding matters related thereto, and are able to make an informed decision concerning the signing of this Agreement and maintenance of the Account.

- c. Unless you inform MSSB otherwise in writing, you represent that any company sponsoring the Plan is not a public company and does not have any affiliates that are public companies. You will notify MSSB, in writing, within twenty-four hours if any of the foregoing representations become inaccurate or if the identity of any of the Plan’s named fiduciaries with respect to the Account changes.
- d. You have concluded that: (i) the Account Fees and other charges as set forth in this Section 6 payable hereunder are reasonable in light of the services to be provided by MSSB under this Agreement, and that paying such amounts to MSSB is in the best interests of the Plan, its participants and beneficiaries; (ii) participation in the Program is prudent; and (iii) the Portfolio and each Investment Product selected by you is suitable for the Plan. You also understand that due to regulatory constraints until further notice, your selection of available Investment Products will not include those that are, or are managed by, affiliates of MSSB, except the Money Market Fund. Therefore, as a Plan, your selection of Investment Products may be more limited than for Program accounts that are not Plans.
- e. You understand that with respect to assets invested in the Money Market Fund managed by an affiliate, MSSB will, to the extent necessary, comply with ERISA Prohibited Transaction Exemption 77-4, ERISA Prohibited Transaction Exemption 84-24, or other applicable exemptions. You acknowledge that you have received the “Affiliated Money Market Funds Fee Disclosure Statement” in Exhibit A of the applicable Morgan Stanley

ADV brochure and, if you are a Plan defined in Section 3(3) of ERISA, the prospectus for the Money Market Fund. Based on these disclosures you have concluded that an investment in the Money Market Fund is appropriate. You also acknowledge that the Money Market Fund may pay a 12b-1 fee to MSSB, which fee will be rebated to your Account as soon as practicable but in no event longer than 30 days, and you acknowledge that any benefit from that use of the 12b-1 fee until the rebate is part of our compensation hereunder. You also understand that the Account may include cash balances uninvested pending investment, pending distribution or as otherwise necessary or appropriate for the Account's administration. You agree that we may retain as compensation for our provision of services your Account's proportionate share of any interest earned on such uninvested cash balances held by us or an affiliate. See the "Float Disclosure Statement" in Exhibit A of the applicable Morgan Stanley ADV brochure for further details.

- f. Further, to the extent that you have investments in Funds other than the Money Market Fund in the Account, you acknowledge that (i) you have determined that the offer of Funds as an investment within the Account complies with the terms of the Plan and any of its constituent documents, (ii) as of the effective date of this Amended and Restated Agreement, no affiliated Fund other than the Money Market Fund will be available for purchase in the Account unless subsequently agreed to by the parties and (iii) notwithstanding the provisions of Section 6.j above, to the extent unaffiliated Funds are held in the Account, we will either (a) credit your Account with the amount of any shareholder services/distribution fees, revenue-sharing payments and recordkeeping fees received by MSSB or its affiliates from Funds that are not affiliated with MSSB that are retained by MSSB or such affiliate and that do not constitute "direct expenses" (as defined under regulations issued pursuant to ERISA) or (b) not collect any shareholder services/distribution fees, revenue-sharing payments or recordkeeping fees with respect to such Fund.
- g. You represent that signing this Agreement and any instruction you give with regard to the Account is, and will be, consistent with applicable Plan documents, adopted and pending, including any investment policies, guidelines, or restrictions. You agree to provide MSSB with a copy of all such documents upon the request of MSSB. You represent that except as communicated in writing to MSSB, there are no limitations on securities under the Plan that may be purchased or held as assets in the Account. You will notify MSSB promptly in writing of any modifications to the Plan's investment policies, guidelines, or restrictions and of any modifications to any other Plan documents pertaining to investments by the Plan. If the assets in the Account constitute only a part of the assets of the Plan, you will provide MSSB with a written description of which of the Plan's investment policies or guidelines are applicable to the Account. Unless otherwise agreed, the compliance of any investment that an Advisor (or MSSB, if you selected Firm Discretion or FA Discretion) makes for the Account with any such investment policies or guidelines shall be determined on the date of purchase only, based upon the price and characteristics of the investment on the date of purchase compared to the value of the Account as of the most recently preceding valuation date. No investment guidelines, policies, or other instructions shall be deemed breached as a result of changes in value or status of an investment occurring after purchase. It will be your responsibility to provide MSSB with prompt written notice if you deem any investments made for the Account to be inconsistent with such guidelines, policies, restrictions, or instructions. You agree promptly to furnish MSSB with such documents as MSSB or any Advisor may reasonably request to verify the foregoing and to advise MSSB promptly of any event that may affect this authority or the validity of this Agreement.
- h. Unless you notify MSSB otherwise in writing, you acknowledge that the Account is only a part of the Plan's assets. The services provided under this Agreement will have no effect on the assets of the Plan that are not in the Account, and neither MSSB nor the Advisors will have any responsibility (fiduciary or otherwise) for such other assets. Neither MSSB nor any Advisor are responsible for Plan administration or for performing any duties not expressly set forth in this Agreement and, therefore, we are not responsible for diversifying all of the investments of the Plan and you agree that the only responsibility that we shall have with respect to diversification will be to diversify the assets of the Account, within the provisions of the Program's guidelines and restrictions, so as to reduce the risk of large losses without regard to or consideration of any other assets which may be held by the Plan.
- i. If you are a Plan subject to ERISA or analogous local or state law, you agree to obtain and maintain for the period of this Agreement any bond required pursuant to the provisions of ERISA or other applicable law and to include within the coverage of such bond MSSB, and any of its officers, directors and employees whose inclusion is required by law, and not otherwise exempt from such bonding requirement, and to provide MSSB with appropriate documentation evidencing such coverage upon request.
- j. Generally, securities transactions for the Account are effected for Plans on an agency basis, with no additional

transaction-based compensation. In addition, to the degree applicable, you specifically authorize us to effect “agency cross” securities transactions on behalf of the Plan with our affiliated broker-dealers, in accordance with the requirements of ERISA Prohibited Transaction Class Exemption 86-128 (“PTCE 86-128”) and/or ERISA. You acknowledge that you can receive a copy of PTCE 86-128 upon request, and you understand that the authorization to utilize such exemption is terminable by you at will and that you have the right to request such information regarding such agency cross trading (if any) as MSSB is required to provide under the provisions of ERISA or other applicable law. You acknowledge that, consistent with the provisions of Section 5.a above, you specifically authorize us to use ECNs and ATs (including ECNs and ATs that are affiliates of MSSB, or in which MSSB or its affiliates may have an ownership interest) to effect trades on behalf of the Account.

- k. **Special Representations With Respect to Plan Clients Who Selected Firm Discretion or FA Discretion:** To the extent that the signatory on behalf of the Plan Client selects Firm Discretion or FA Discretion, such signatory, as the “named fiduciary” for the Plan within the meaning of ERISA (or other responsible fiduciary or agent of the Plan), such party (i) hereby appoints MSSB, as well as any sub-advisor, to serve as investment managers for the Client with respect to assets in the Account; and (ii) pursuant to such signatory’s authorization under the terms of the Client’s Plan documents, hereby further appoints MSSB as a “named fiduciary” within the meaning of ERISA to the extent MSSB has been granted discretion under this Agreement to select or change Advisors on behalf of the Plan Client.
- l. You also understand that the Account may, from time to time, include cash balances temporarily uninvested pending investment, pending distribution or as otherwise necessary or appropriate for the Account’s administration. You agree that we may retain as compensation for its provision of services your Account’s proportionate share of any interest earned on such uninvested cash balances held in your Account, otherwise known as “float.” This amount is earned by us through investment in a number of short-term investment products and strategies, with the amount of such earnings retained by us, due to the short-term nature of the investments, being generally at the prevailing Federal Funds interest rate. The timing of sweep with respect to an Account (and thus the amount of “float” that may be earned by us) may depend, in part, on the underlying coding of the Account on our brokerage recordkeeping system — in particular, whether or not an Employee Benefit Trust (“EBT”) is

coded as a “Basic Security Account” (“BSA”), the brokerage platform for new EBT accounts, or on the Active Assets Account (“AAA”), the platform for older EBT accounts. On the AAA platform, with respect to such assets awaiting investment in excess of \$1: (i) where such assets are received for your Account on a day generally on which the New York Stock Exchange and/or the federal reserve banks are open (“Business Day”), float shall be earned by us through the end of that Business Day (known as the “Sweep Date”), with the client credited interest/dividends in such funds as of the next Business Day following the Sweep Date; (ii) where such assets are received on a Business Day that is not followed by another Business Day, or on a day which is not a Business Day, float shall be earned by us as broker through the end of the next Business Day. On the BSA platform, the sweep depends on the size of cash balances held in the account. For Accounts on BSA with \$1,000 or more available cash that qualifies as assets awaiting investment: (i) such interest shall be earned by us through the end of that Sweep Date, with the client credited interest/dividends in such funds as of the next Business Day following the Sweep Date; (ii) where such assets are received on a Business Day that is not followed by another Business Day, or on a day which is not a Business Day, such interest shall be earned by us through the next Business Day. For BSA Accounts with less than \$1,000 available cash, generally, if such assets are received for your Account on a Business Day that is a Monday through Friday, float shall be earned by us as broker through the following Monday. If such Monday is not a Business Day, float will be earned through the next Business Day. See the “Float Disclosure Statement” that you received in or with the applicable Morgan Stanley ADV brochure for further details.

## **7. Proxies and Other Legal Notices**

Graystone shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the Account, nor shall it be obligated to render any advice or take any action on behalf of Client with respect to securities or other investments held in the Account, or the issuers thereof, which become the subject of any legal proceedings, including bankruptcies. Client hereby expressly retains the right and obligation to vote any proxies or take action relating to securities held in the Account; provided, however, Client may delegate said rights and obligations to an Advisor or other properly authorized agent.

## **8. Termination of Agreement; Share Conversion**

This Agreement may be terminated at any time upon written notice by either party to the other and termination will become effective upon receipt of such notice. Such termination will not, however, affect the liabilities or obligations of the parties

incurred, or arising from transactions initiated, under this Agreement prior to such termination, including the provisions regarding arbitration, which shall be deemed to survive any expiration or termination of the Agreement. Upon the termination of this Agreement, Graystone shall not be under any obligation whatsoever to recommend any action with regard to, or to liquidate, the securities or other investments in the Account. Graystone retains the right, however, to complete any transactions open as of the termination date and to retain amounts in the Account sufficient to effect such completion. Upon termination, it shall be Client's exclusive responsibility to issue instructions in writing regarding any assets held in the Account. Client is responsible for providing Graystone with the name of another custodian at the time the Agreement is terminated if MSSB is providing custody services and Client chooses not to maintain custody of the Account with MSSB.

Client authorizes MSSB (without notice to Client) to convert shares of any Fund in the Account to a share class of the same Fund which is a load-waived or no-load share class such as an Institutional share or Financial Intermediary share, or to a share class that is available only to investment advisory clients (collectively, an "Investment Advisory Share"), to the extent available. Upon termination of this Agreement for any reason or the transfer of Fund shares out of the Account into another account including a MSSB retail brokerage account, Client hereby authorizes MSSB to convert any Investment Advisory shares to the corresponding Fund's appropriate non-Investment Advisory share class, or to redeem the Investment Advisory Shares. Client acknowledges that the appropriate non-Investment Advisory Share class generally has higher operating expenses than the corresponding Investment Advisory Share class, which may negatively impact investment performance.

## **9. Potential Conflicts of Interest**

Client understands that MSSB is affiliated with Morgan Stanley & Co LLC ("MS&Co") (formerly known as "Morgan Stanley & Co Incorporated") and thus Graystone shall not recommend MS&Co affiliated mutual funds or other investment products.

Client understands that MSSB and its affiliates may perform, among other things, investment banking, research, brokerage, and investment advisory services for other clients. Client recognizes that Graystone may give advice and take action in the performance of its duties to other clients (including those who may also be participants in the Graystone Consulting Institutional Services Program) which may differ from advice given, or in the timing and nature of action taken, with respect to Client. Moreover, MSSB or any of its affiliates may advise or take action with respect to itself or themselves differently than with respect to Client.

Nothing in this Agreement shall be deemed to impose on Graystone any obligation to recommend any investment for purchase or sale, for Client any investment which Graystone may recommend for purchase or sale, for its own account, or for the account of any other client, nor shall anything on this Agreement be deemed to impose upon Graystone any obligation to give Client the same advice as may be given to any other clients.

MSSB may have trading, investment banking or other business relationships with an Advisor, including an Advisor recommended to clients. By reason of its investment banking or other activities, MSSB and its affiliates may from time to time acquire confidential information and information about corporations and other entities and their securities. Client acknowledges and agrees that MSSB will not be free to divulge to Client or to act upon, such information with respect to its or their activities, including its or their activities with respect to this Agreement.

## **10. Liability of MSSB**

Client acknowledges that an investment advisor's past performance is not necessarily indicative of future performance. MSSB makes no representations or warranty under this Agreement with respect to the present or future level of risk or volatility in the Account, or any Advisor's future performance or activities. Client understands that Graystone will perform no discretionary trading acts with respect to the Account, that pursuant to this Agreement Graystone shall effect only such transactions as it is instructed to by Client or any Advisor, and that the Advisor is solely responsible for the management of Client's portfolio. Accordingly, Client understands that Advisor, not Graystone, is Client's investment advisor with respect to each transaction.

## **11. Non-assignability**

This Agreement shall not be assignable by Graystone without the prior consent of Client. This Agreement and its terms shall be binding upon Client's successors, administrators, heirs, executors, committee and/or conservators.

## **12. Governing Law**

This Agreement, including the arbitration provision contained herein, is made and shall be construed under the laws of the State of Florida without reference to the choice of law or conflict of laws provisions thereof. This choice of law clause shall not govern the choice of statutes of limitations applicable to claims and controversies described in the arbitration provision, and the statute of limitations applicable to any such claim or controversy shall be that which would be applied by the federal district court for the district in which Client resides. If Client does not reside in the United States, the statute of limitations

shall be that which would be applied by the courts in the state where the MSSB office servicing Client's account(s) is located.

### 13. Entire Agreement and Amendment

Client may execute a client agreement (the "Client Agreement") with MSSB. This Agreement and the Client Agreement (if applicable) represent the entire agreement between the parties with regard to the services described herein and therein. This Agreement (including language on fees and other charges) may be amended by either of the following methods: (a) MSSB unilaterally amending the Agreement by giving you written notice of the amendment, or (b) MSSB signing a written amendment in cases where you request or agree to the change.

This Agreement and the Client Agreement (if applicable) supersede all previous agreements and understandings between the parties hereto with respect to the subject matter hereof. Notwithstanding the terms of the Client Agreement, the terms of this Agreement shall govern with respect to the fees and advisory services described herein.

### 14. Severability

If any provision of this Agreement shall be held or made invalid by a statute, rule, regulation, decision of the tribunal or otherwise, the remainder of the Agreement shall not be affected thereby and, to this extent, the provisions of the Agreement shall be deemed to be severable.

### 15. Miscellaneous

Graystone reserves the right to refuse to accept or renew this Agreement in its sole discretion and for any reason.

In connection with the services being provided to Client under this Agreement, Graystone and each Advisor shall be entitled to rely on the financial and other information provided by Client to Graystone, in writing from time to time. Client agrees to inform Graystone promptly in writing of any material change in Client's circumstances which might affect the manner in which Client's assets should be invested or the services provided by Graystone to Client under this Agreement. Client will provide Graystone with any such information as Graystone shall reasonably request.

MSSB represents that it is registered as an investment advisor under the Investment Advisers Act of 1940.

For the purpose of referring to this Agreement, the date of this Agreement shall be the date of acceptance by Graystone.

Client acknowledges that MSSB may withhold any tax to the extent required by law, and may remit such taxes to the appropriate government authority.

All written communication to Graystone pursuant to this Agreement shall be sent to Graystone at the address referenced below, unless Graystone designates otherwise in writing. All written communication to Client shall be sent to the address referenced below, unless Client designated otherwise in writing.

If you elect to use a third party custodian, you acknowledge that, notwithstanding anything to the contrary in any agreement between you and such custodian, the authority of MSSB to instruct the custodian with respect to disbursing or transferring funds and securities in your account is limited to instructing the custodian in connection with the purchase and sale of securities in your account and, if applicable, the payment of the MSSB fees.

As used herein, reference to persons in the masculine gender shall include persons of the feminine gender. References in the singular shall, as and if appropriate, include the plural.

All paragraph headings are for convenience of reference only, do not form part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

All information, recommendations and advice furnished to Client pursuant to the Institutional Services Program shall be treated as confidential by Client.

If MSSB maintains custody, a portion of the Account may be held in cash or cash equivalents including securities issued by money market mutual funds. Client authorizes MSSB to automatically deposit or "sweep" all free credit balances in the Account into such money market mutual funds.

Client understands that Graystone may choose not to accept this Agreement until such time as Client delivers the securities and other investments that will comprise the Account into MSSB's custody. Client assets will remain in the form delivered prior to the acceptance of the contract by Graystone. Collection and processing of the required documentation may delay the acceptance of the contract.

Client acknowledges receipt of a copy of this Agreement (including all Exhibits checked below), and of the applicable Morgan Stanley ADV brochure. Notwithstanding anything to the contrary herein, Client shall have the right to terminate this Agreement without penalty within five business days after entering into, and acceptance by Graystone of, this Agreement.

### VOLCKER RULE ATTESTATION (For Entity Clients Only)

On July 21, 2015, the law and related regulations known as the "Volcker Rule" went into effect. As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Volcker Rule focuses on the relationships between financial institutions, like Morgan Stanley, and entities called "covered funds," which

include private equity funds and hedge funds as well as other types of similar investment vehicles.

By signing below on behalf of the entity client listed below, you are confirming that the entity is not a covered fund because:

- (i) The entity is not an issuer of securities;
- (ii) The entity does not hold itself out as an entity that raises funds from investors primarily for the purposes of investing in securities; and
- (iii) You affirm the entity is not
  - a. a hedge fund;
  - b. a private equity fund;
  - c. a venture capital fund;
  - d. a commodity pool that has a commodity pool operator registered with the Commodity Futures Trading Commission; or
  - e. a similar investment vehicle that would be considered a “covered fund” under the Volcker Rule law and regulations.

Please note that non-US entities with all non-US owners are exempt from the definition of a “covered fund.”

If any of these statements is not accurate (or will no longer apply at any time in the future), please contact your Financial Advisor at your earliest convenience.

## U.S. Special Resolution Regime

In the event that Morgan Stanley becomes subject to a proceeding under a U.S. Special Resolution Regime,<sup>[1]</sup> if this Agreement, including any interest and obligation under this Agreement, and any property securing this Agreement, is transferred from Morgan Stanley, such transfer will be effective under the U.S. Special Resolution Regime to the same extent as if the transfer of the Agreement, including any interest and obligation in or under the Agreement, and any property securing, were governed by the laws of the United States or a state of the United States.

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<sup>[1]</sup> “U.S. Special Resolution Regime” means each of (i) The Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

In the event that Morgan Stanley or a Covered Affiliate<sup>[2]</sup> becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights<sup>[3]</sup> under the Agreement that may be exercised against Morgan Stanley are permitted to be exercised under the U.S. Special Resolution Regime to no greater extent than such Default Rights could be exercised if the Agreement were governed by the laws of the United States or a state of the United States.

## 16. Arbitration

This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party’s ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

You agree that all claims or controversies, whether such claims or controversies arose prior, on or subsequent to the date hereof, between you and MSSB and/or any of its present or former officers, directors, or employees concerning or arising from (i) any account maintained by

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<sup>[2]</sup> “Covered Affiliate” means an affiliate of Morgan Stanley. The term “affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. §1841(k) or 1813(w), as applicable.

<sup>[3]</sup> “Default Rights” means certain rights that you may have under the Agreement, and has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§252.81, 47.2 or 382.1, as applicable.

you with MSSB individually or jointly with others in any capacity; (ii) any transaction involving MSSB or any predecessor or successor firms by merger, acquisition or other business combination and you, whether or not such transaction occurred in such account or accounts; or (iii) the construction, performance or breach of this or any other agreement between you and us, any duty arising from the business of MSSB or otherwise, shall be determined by arbitration before, and only before, any self-regulatory organization or exchange of which MSSB is a member. You may elect which of these arbitration forums shall hear the matter by sending a registered letter or other written communication addressed to Morgan Stanley Smith Barney LLC at 485 Lexington Avenue, 11th Floor, New York, NY 10017, Attn: Legal and Compliance Division. If you fail to make such election before the expiration of five (5) days after receipt of a written request from MSSB to make such election, MSSB shall have the right to choose the forum.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the person 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.

The statute of limitations applicable to any claim, whether brought in arbitration or in a court of competent jurisdiction shall be that which would be applied by the courts in the state in which you reside or if you do not reside in the United States, the statute of limitations shall be that which would be applied by the courts in the state where the MSSB office servicing your Account is located.

## 17. Attachments

The following Exhibit(s) are attached to, and made a part of, this Agreement:

- ☐ Exhibit A. Asset Based Fee
- ☐ Exhibit B. Advisor Letter
- ☐ Exhibit C. Alternative Investments
- ☐ Exhibit D. Select UMA

**Proxies and Waivers.** Graystone shall NOT be obligated to take any action or render any advice with respect to the voting of proxies with respect to issuers of securities held in the Account or the taking of any action relating to such Issuers which become the subject of any legal proceedings including bankruptcies.

By initialing below, I delegate all proxy voting rights to each Advisor and designate such Advisor to receive all proxies including proxy soliciting material and related material including interim reports, annual reports and any other issuer mailings ("Related Material").

**PROXY WAIVER:** (Client may initial): \_\_\_\_\_

**Client who fails to initial above shall be solely responsible for voting all proxies, and expressly retains such right and obligation.**

**Trade Confirmation:** To the extent permitted by law do you want to receive confirmation of transactions on or with your monthly statement instead of individual trade confirmations following each transaction. You will not pay a different fee if you select this option. Selecting this option is not a condition to entering into (or continuing to participate in) the Program.

You may choose to receive from us, at no additional cost, trade confirmations for any period in which you elected not to receive individual trade confirmations. You can also revoke your authorization at any time by giving us written notice in accordance with this Agreement.

☐ Yes ☐ No

**Representative Client List.** Graystone publishes materials which, in addition to describing the nature of its investment advisory services, may also provide a representative listing of Graystone's institutional clients ("Representative Client List"). Such a listing will generally provide the name of the Client and or the logo but will not provide any specific Account information. By signing below, Client consents to the inclusion of its name on Graystone's Representative Client List.

**Client's Signature** \_\_\_\_\_

## **YOUR CONSENT TO ELECTRONIC DELIVERY OF ADV BROCHURES, PRIVACY NOTICES AND OTHER DOCUMENTS**

- a. **Electronic delivery:** By signing below, you authorize us to deliver any type of document relating to your existing and future investment advisory accounts and relationships with MSSB (including MSSB's ADV brochures and privacy notices), instead of paper copies, either by email to an email address you give us, by giving you a CD-ROM to read on a computer, or by referring you to a website. Your consent to Electronic Delivery in the previous sentence does not apply to delivery of documents such as account statements, trade confirmations and tax documents (such as 1099 forms). If you would like to have these documents delivered electronically, please visit [www.morganstanley.com/online/edelivery](http://www.morganstanley.com/online/edelivery) or contact your Financial Advisor.
- b. **Website address:** MSSB's ADV brochures and privacy notices, and the Advisors' profiles, for your Account are available now at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV). Please review them.
- c. **Your computer access:** You acknowledge that you have access to a computer which can access these documents (including PDF software, available free of charge at Adobe's website [www.adobe.com](http://www.adobe.com), and a CD-ROM drive), and that you may incur costs accessing or printing the documents (e.g. online provider fees and printing costs). We are not liable for these costs or any computer problems (including viruses) you incur in accessing the documents.
- d. **How to get paper copies:** This consent remains in place until you give written notice to your Financial Advisor that you are revoking it. You may also, without revoking this consent, ask your Financial Advisor for a paper copy of any document that we deliver electronically under this consent.
- e. **Other document deliveries:** Sometimes we may deliver paper copies of documents relating to an account. Also, some documents that we can deliver electronically are not covered by this consent and have separate procedures for enrollment and unenrollment in electronic delivery and for obtaining paper copies.

This Agreement may be executed in counterparts and shall be binding on the parties hereto as if executed in one document.

**Note:** This Agreement contains a pre-dispute arbitration clause which is located in Section 15 on page 10 of this Agreement.

**BY SIGNING THIS AGREEMENT, THE UNDERSIGNED CLIENT ACKNOWLEDGES: (A) RECEIPT OF A COPY OF THE AGREEMENT; (B) RECEIPT AND REVIEW OF THE APPLICABLE MORGAN STANLEY ADVS AND PRIVACY NOTICES; (C) THAT CLIENT CONSENTS TO ELECTRONIC DELIVERY OF ADV BROCHURES, PRIVACY NOTICES AND OTHER DOCUMENTS, AS PROVIDED ABOVE.**

**AGREED** to this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**Title of Account:** City of Margate Employees Benefit Trust Fund

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**ACCEPTED** as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**MORGAN STANLEY SMITH BARNEY LLC** through its **GRAYSTONE CONSULTING** business unit

**By:** \_\_\_\_\_

Managing Director  
Graystone Consulting  
2000 Westchester Avenue 2nd Floor  
Purchase, New York 10577

**Exhibit A**  
**to**  
**Contract Institutional Services Agreement**

**Asset Based Tiered Rate**

Client shall pay Graystone for its services quarterly (on a calendar quarter basis) in advance an annual fee as a percent of the market value of the Account based on the following schedule (the "Fee"). The Fee includes all fees or charges of Graystone and MSSB (including brokerage commissions, compensation to Graystone Consulting and MSSB custodial charges) other than those costs imposed by law or regulation. The initial Fee shall be due in full on the date the Account is opened at Graystone (the "opening date") and shall be based on the market value of the Account on that date. The initial Fee payment will cover the period from the opening date through the last business day of the next full calendar quarter and shall be pro-rated accordingly. Thereafter, the Fee shall be paid quarterly in advance based on the Account's market value on the last business day of the previous calendar quarter and shall become due the following business day.

Additional assets received into the Account during any period may be charged a pro-rata fee based on the number of days remaining in the billing period as against the total number of days in the billing period. No adjustments will be made to the Fee for appreciation or depreciation in the market value of securities held in the Account, or with respect to partial withdrawals by Client, during any billing period for which such Fee is charged. In the event this Agreement is terminated by either party prior to the end of a billing period, a pro-rata refund of the Fee will be made.

In computing the market value of any securities or other investments in the Account, securities listed on any national securities exchange shall be valued, as of the valuation date, at the composite closing price (at the consolidated trade price). Any other securities or investments in the Account shall be valued in a manner determined in good faith by MSSB, in its sole discretion, to reflect market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in the Account.

FEE SCHEDULE

	Breakpoint	Rate
First	\$5,000,000	0.80%
Next	\$5,000,000	0.50%
Over	\$10,000,000	0.40%

**Exhibit B**  
**to**  
**Institutional Services Agreement (Fee-based accounts only)**

\_\_\_\_\_  
INVESTMENT ADVISOR NAME

\_\_\_\_\_  
CLIENT NAME

\_\_\_\_\_  
INVESTMENT ADVISOR ADDRESS

\_\_\_\_\_  
ACCOUNT NUMBER

To Whom It May Concern:

We have entered into an Investment Advisory Agreement (“Agreement”) with Morgan Stanley Smith Barney LLC (“MSSB”), through its Graystone Consulting business (“Graystone”) to provide our account(s) with investment consulting and execution services. These services are outlined in our Agreement with Graystone.

Under the fee arrangement with Graystone, there are no separate or additional commission charges for transactions executed at MSSB. In light of the inclusion of execution and other services in the fee charged under our Agreement with Graystone, we hereby direct you to execute transaction orders for our account(s) through MSSB.

We understand that as a fiduciary you are obligated to execute transactions in a most efficient and beneficial manner on our behalf. If, in your sole judgment, MSSB is unable or unwilling to do so, or is not competitive in its pricing, you are hereby instructed and directed by us to use the services of another broker-dealer who can provide “best execution.”

It is understood and agreed that this letter of direction is to become part of our investment advisory agreement with you, and will remain in effect until revoked in writing.

You will be required to attest to your receipt of this letter and acknowledgement of your obligations set forth herein in Graystone’s INVESTMENT ADVISOR CERTIFICATION.

Sincerely yours,

\_\_\_\_\_  
CLIENT SIGNATURE AND TITLE

\_\_\_\_\_  
CLIENT SIGNATURE AND TITLE

\_\_\_\_\_  
DATE

**To the Client: Please sign and return this Exhibit to your Financial Advisor.**

**Exhibit C**  
**to**  
**Graystone Consulting Institutional Services Agreement**  
**Alternative Investments**

Addendum. The undersigned have executed an Institutional Services Agreement (“Agreement”) with Morgan Stanley Smith Barney, LLC (“MSSB”) through its Graystone Consulting (“Graystone Consulting”) business unit, dated \_\_\_\_\_, which is hereafter incorporated by reference as if fully set forth herein. In furtherance of that Agreement, the undersigned agree to the following terms and conditions of this Addendum.

**1. Additional Consulting Services provided by Graystone Consulting with respect to Alternative Investments.**

- (a) Graystone Consulting shall provide Client with a periodic review showing historical performance of each of Client’s holdings of one or more alternative investment vehicles covered by GIMA or a third party firm hired by MSSB, and identified below (“Alternative Investment”).

Client hereby consents to having each Alternative Investment, or its sponsor, investment manager or administrator, if applicable, provide MSSB with the following information concerning Client’s ownership in the Alternative Investment: (i) copies of any communications sent to Client including, but not limited to, capital account statements, monthly and/or quarterly Client materials, and any other Client materials that the manager and/or the administrator of the Alternative Investment or any of their affiliates provide to Client relating to such Alternative Investment in the format provided to the Client and at the same time or promptly after such information has been provided to the Client; and (ii) copies of any redemption requests provided by Client promptly after the receipt of such request. Client understands and acknowledges that the performance information provided in a periodic review is based upon information provided to Graystone Consulting by the Alternative Investment, or its sponsor, investment manager or administrator, and that Graystone Consulting does not independently verify such information. Graystone Consulting shall not be liable for any misstatement or omission made by an Alternative Investment, or its sponsor, investment manager or administrator, for any loss, liability, claim,

damage or expense arising out of such misstatement or omission.

- (b) Graystone Consulting shall assist Client with identifying and evaluating Alternative Investment(s) for the investment of funds held in the Account. Graystone Consulting or an affiliate or a third party firm hired by Graystone shall review, or shall cause to be reviewed, each Alternative Investment that Client selects and may or may not, in its sole discretion, create and make available a written report of such review. In doing so, Graystone Consulting and/or such other party (including, without limitation, MSSB) relies on the Alternative Investment, one or more entities in which the Alternative Investment invests, the manager of the Alternative Investment or one or more parties affiliated with the Alternative Investment or such manager (the “AI Parties”) to report information fairly and accurately when such parties share information about the investments and operations of the AI Parties with Graystone Consulting and/or such other party (including, without limitation, MSSB) in the review process. While Graystone Consulting and/or such other party (including, without limitation, MSSB) reviews the information it deems material that it receives from the AI Parties and endeavors to confirm its accuracy, there can be no assurance that the information it receives from the AI Parties is true, accurate and/or complete in all material respects. Graystone Consulting shall assist Client in selecting Alternative Investments based on information conveyed to Graystone Consulting in writing by Client and such additional information as is reasonably required by Graystone Consulting.
- (c) Client represents that it is (i) an “accredited investor” as defined in Regulation D of the U.S. Securities Act of 1933, as amended and (ii) a “qualified purchaser” as defined in the Investment Company Act of 1940, as amended. Both parties agree that Client shall be solely responsible for determining whether to invest in, subscribing and qualifying for a participation interest in each Alternative Investment Client selects for the Account.
- (d) In the case of Alternative Investments that permit redemptions, if Graystone Consulting makes a

determination that a particular Alternative Investment previously subscribed to by Client is no longer an appropriate investment (“Terminated Alternative Investment”) for Client, Graystone Consulting or an affiliate shall propose, or cause to be proposed, a replacement Alternative Investment for the Account pursuant to Section 1(b) above. Depending upon the specific circumstances, client may or may not have the option to change or continue to participate in the Terminated Alternative Investment. However, in the event Client is permitted and wishes to continue to participate in the Terminated Alternative Investment, all terms of Section 1(b) above shall be null and void, and Graystone Consulting will (i) make no further representations concerning the Terminated Alternative Investment and (ii) not continue to provide any proposal or services regarding such Terminated Alternative Investment. However, Client shall continue to pay Graystone Consulting the Fee contained in the Agreement in recognition of the services provided by Graystone Consulting in connection with the Client’s continued participation therein, such as reporting and the periodic review described in Section 1(c), unless Client’s investment is redeemed when the Alternative Investment terminates.

- (e) In the case of Alternative Investments that do not permit redemptions, Client should be aware that such investments may not be liquidated at the time of Client’s choosing due to restrictions imposed by the terms of the investment and the lack of a secondary market. These funds may restrict the liquidation or termination of the investment for periods of several years or for the life of the investment. Client hereby undertakes to review the offering materials for such illiquid investments in which the Client invests pursuant to this Agreement, in particular the terms of any restrictions on the premature termination or liquidation of Client’s investment. Client hereby holds MSSB, Graystone Consulting, and their officers, affiliates, agents, or directors, harmless for any liability, loss or damages resulting from the imposition of a “lock-up”, or liquidation restriction, by any Alternative Investments for the Account. However, Client shall continue to pay Graystone Consulting the Fee contained in the Agreement in recognition of the services provided by Graystone Consulting in connection with the Client’s continued participation therein, such as reporting and the periodic review described in Section 1(a), unless Client’s investment

is redeemed when the Alternative Investment terminates.

Client represents and warrants that the information provided to Graystone Consulting in connection with Alternative Investments is accurate and complete and acknowledges that Graystone Consulting has no responsibility to ensure that such information is accurate and remains current.

**2. Further Authorizations applicable when MSSB acts as Custodian for the Account.** As a condition for facilitating a subscription in each Alternative Investment, Client understands that the subscription amount must be available in the Account no later than three (3) business days prior to the last business day of the calendar month in which the subscription will be effective in accordance with the following:

- (a) If the subscription in the Alternative Investment is not accepted for any reason, the subscription amount will be returned to Client without interest to the Account from which the monies were originally debited.
- (b) Client agrees that MSSB is authorized to debit the Account for the amount of any capital contribution or other payment required to be made by Client in relation to each Alternative Investment for which the Client subscribes on the dates such amounts are due (without any further action required on the part of Client except as described in sub-paragraph (c) below). Client also agrees that MSSB is also authorized to receive distribution or redemption proceeds when paid for further credit to the Account.
- (c) Client hereby agrees to deposit sufficient available funds in the Account by the dates specified by MSSB in an amount equal to the applicable capital contribution or other required payment related to each Alternative Investment. Client acknowledges that no overdraft facility will be available to fund any such amounts.

**3. Fees.** The Fee charged to Client pursuant to this Agreement shall not include any fees or charges for services in connection with Client’s participation in any Alternative Investment not listed herein, for which Client shall be separately and solely responsible.

Client acknowledges and agrees that the market value of the Account shall be calculated based upon then currently information provided to Graystone Consulting by the Alternative Investment, or its sponsor,

investment manager or administrator, and that Graystone Consulting does not independently verify such information. Graystone Consulting shall not be liable for any mistake or miscalculation made by an Alternative Investment, its sponsor, investment manager or administrator in valuing client's investment in the Alternative Investment, or any loss, liability, claim, damage or expense arising out of such mistake or miscalculation. The Fee shall not be charged on capital committed, but not yet funded. Client acknowledges that the payment of the Fee will impact Client's overall return on investments, including Alternative Investments, held in the Client's account.

Client acknowledges and agrees that MSSB, in connection with its brokerage business, may enter into separate selling or participation agreements with certain Alternative Investments, their sponsors or their managers which Client selects for use with the Account. For the sale of Alternative Investments to MSSB brokerage clients, MSSB may receive compensation from such Alternative Investments, their sponsors or their managers. Client also acknowledges and agrees that MSSB may receive a portion of the management fee paid by Client to an Alternative Investment manager with respect to Account assets invested in such Alternative Investment. In the event that MSSB shares in the management fee or other compensation, paid by the Client, from the Alternative Investments, their sponsors or their managers under separate agreement, Graystone Consulting shall credit a Graystone Consulting account in the name of the Client by a corresponding amount in a one to one ratio.

Client acknowledges and agrees that MSSB may conduct other business with Alternative Investments, their sponsors or their managers including brokerage arrangements under which MSSB and its agents may receive additional compensation. Graystone Consulting does not participate in or receive additional compensation from such brokerage arrangements.

Client understands and acknowledges that when MSSB also acts as placement agent for Alternative Investments that such investments are available to MSSB brokerage clients on a non-advisory ("placement") basis. When an Alternative Investment is purchased on a placement basis, different terms and conditions, including different fee arrangements, may apply to those MSSB clients.

**4. Further Liability of Graystone Consulting, its officers, affiliates, agents, or directors.** Client acknowledges that an investment's past performance is not necessarily indicative of future performance.

Graystone Consulting makes no representations or warranty under this Agreement with respect to the present or future level of risk or volatility in the Account, or any Alternative Investment Product's future performance or activities. Client understands that Graystone Consulting will perform no discretionary trading acts with respect to the Alternative Investment.

**5. Additional Client Acknowledgements and Representations.** Client acknowledges, represents and understands, as applicable, the following:

- (a) Alternative Investments are not held in custody by MSSB or any affiliate, but MSSB will include reports of the Client's ownership of the Alternative Investments on the Client's Account statements.
- (b) Client has been previously furnished with a copy of the confidential offering memorandum of the Alternative Investment (including all applicable exhibits and appendices thereto, and all supplements and amendments to any of the foregoing, including any Morgan Stanley Wealth Management Supplement related to the Alternative Investment, the "Memorandum") and other materials related to the Alternative Investment. Such materials describe, among other things, certain of the fees and expenses that the Client will pay or bear directly, or indirectly, as an investor in the Alternative Investments. Client carefully reviewed the information contained therein, including in respect of certain risks and conflicts of interest relating to an investment in the Alternative Investment. Client has been furnished all of the information requested, including, if applicable, information about any related offerings for which Client is eligible, and has been given the opportunity to ask questions of representatives of the Alternative Investment concerning the terms and conditions of the offering of the interests in the Alternative Investment and to receive all advice necessary for Client to make an informed investment decision with respect to Client's investment in the Alternative Investment.
- (c) Omitted
- (d) Client represents and acknowledges that the applicable MSSB Form ADV brochure (which describes the consulting or advisory program) (the "MS ADV") has been delivered to Client and is also available online at [www.morganstanley.com/adv](http://www.morganstanley.com/adv), represents and acknowledges that Client has received and reviewed the MS ADV, acknowledges the

content of and disclosures within the MS ADV and understands that MSSB offers a variety of alternative investment options and that Client has been given information, as available, reflecting, among other things, the investment strategy, methodology, track record, risks and liquidity restrictions applicable to the alternative investments in which Client chooses to invest. Client represents that the alternative investment(s) are consistent with Client's investment objectives, risk parameters and liquidity needs as Client has described them to MSSB.

- (e) The Alternative Investment may reject some or all of Client's subscription for interests for any reason or no reason.
- (f) Client may be required to file state, local and/or non-U.S. tax returns, and pay applicable taxes, in each jurisdiction in which the Alternative Investments are located or in which the Alternative Investment is otherwise considered to have a taxable nexus.
- (g) Payments made (or otherwise treated as having been made) on account of the Fee or certain other fees and expenses associated with the Alternative Investment may not, in whole or in part, be deductible under current income tax law.
- (h) Client has considered issues relating to its eligibility to invest in the Alternative Investment and the accounting and tax treatments associated with such investment and has sought its own legal, accounting and/or tax advice as appropriate.
- (i) Client has carefully considered the amount that Client is proposing to invest in the Fund. The amount listed in the Client's subscription agreement for the Alternative Investment (the "Subscription Agreement"), together with any other investments Client has made in the Fund, is either: (i) no more than [5%] of Client's net worth; or (ii) more than [5%] of Client's net worth, but (a) Client has adequate means of providing for its current needs and contingencies and has no need for liquidity of this Alternative Investment or need to dispose of interests in the Alternative Investment to satisfy an existing or contemplated indebtedness or undertaking and Client understands the illiquid nature of an investment in the Alternative Investment; and (b) Client acknowledges that neither meeting the investor eligibility requirements set forth in this Addendum, the Memorandum and/or the Subscription Agreement for the Alternative Investment, nor being permitted to invest in the

Alternative Investment, in any way implies that such investment is appropriate for Client.

- (j) The Alternative Investment may engage in investment activities that will cause their investors that are generally exempt from U.S. federal income tax on certain categories of income (i.e., dividends, interest and capital gains realized from securities investments or trading activities) to realize "unrelated business taxable income".
- (k) If the Client is not a "United States person" for U.S. federal income tax purposes (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code")), or is a partnership, trust or other pass-through entity with any partners, beneficiaries or other owners that are not "United States persons", the Client acknowledges that the Client may be required to recognize income and gains that are or are deemed to be treated as "effectively connected" with a United States trade or business as a consequence of an investment in the Alternative Investment.
- (l) MSSB, the Alternative Investment and their affiliates are subject to legal and regulatory requirements, such as, but not limited to, requirements relating to the prevention of money laundering or market abuses which may, in certain circumstances, require that they obtain my information to comply with their obligations or with inquiries or orders from regulators and other competent authorities.
- (m) MSSB and the Alternative Investment and any other contracting party in respect of the Alternative Investment, is authorized to disclose such information, to and/or among each other and to any United States or other relevant country's governmental, regulatory, tax or court authority, as may be required (including name and proof of identity, and the name and proof of identity of the beneficial owners) by any such United States or other relevant country's governmental, regulatory, tax or court authority in accordance with the applicable law of such jurisdiction, or to comply with or to enable each other to comply with any rules or regulation established by any law or regulatory agency (including any self-regulatory organization) or any request applicable to any of the above-referenced parties. I hereby waive any right that I may have in any jurisdiction to maintain the confidentiality or secrecy of any such information disclosed under these circumstances.

- (n) The Alternative Investment will send or cause to be sent copies of the reports or account statements and any other correspondence relating to this investment, as they become available, to MSSB.
- (o) Receipt and understanding of Alternative Investment manager's Form ADV Part 2A.
- (p) The Alternative Investment, its manager and their respective affiliates are not affiliated with MSSB.
- (q) The interests in the Alternative Investment are not covered by the protections provided by the Securities Investor Protection Corporation.
- (r) In connection with the Alternative Investment and the products and services MSSB offers, neither MSSB nor any affiliate of MSSB under the common control of MSSB is acting as a municipal advisor.
- (s) If Client is an entity, the person signing this Addendum is authorized to so sign and makes all representations, warranties, covenants, confirmations and agreements contained herein on behalf of the entity.

Name(s) of Alternative Investments:

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This Addendum may be executed in counterparts and shall be binding on the parties hereto as if executed in one document.

**AGREED** to this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**Title of Account:** City of Margate Employees Benefit Trust Fund

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

(If more than one, all principals to the account must sign. If any signatory is a fiduciary, the capacity in which the fiduciary is acting must also be indicated.)

**Address:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**ACCEPTED** as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**MORGAN STANLEY SMITH BARNEY LLC** through its **GRAYSTONE CONSULTING** business unit

**By:** \_\_\_\_\_

Managing Director  
2000 Westchester Avenue  
Purchase, New York 10577

**Exhibit D**  
**to**  
**Graystone Consulting Institutional Services Agreement**  
**Select UMA®**

The undersigned have executed an Institutional Services Agreement (“Agreement”) with Morgan Stanley Smith Barney, LLC (“MSSB”) through its Graystone Consulting (“Graystone”) business unit, dated \_\_\_\_\_, which is hereafter incorporated by reference as if fully set forth herein. In furtherance of that Agreement, the undersigned agree to the following terms and conditions of this Addendum.

- 1. Select UMA®.** You shall utilize the Select UMA® Program pursuant to the terms and conditions of the Agreement and this Addendum.
- (a) The Select UMA® Program is a unified managed account program in which Graystone acts as investment advisor, assisting you in reviewing investment objectives and selecting a portfolio (“Portfolio”) to be implemented by MSSB’s Private Portfolio Group (“PPG”), acting as an overlay manager. For purposes of this Addendum, services performed by PPG will be referred to as being performed by MSSB. References to MSSB in this section may include PPG or other MSSB business areas that perform services for your account.

Your account may comprise some or all of the following investment products, which may not be affiliated with MSSB: (i) mutual funds, (ii) ETFs, and (iii) SMAs managed by a third party or an affiliated Manager.

MSSB selects and approves each investment product based on a variety of factors, and then provides ongoing due diligence and monitoring of those investment products.

*Type of Portfolio*

You may choose either a “Single SMA Strategy” or a “Multi-Style” Select UMA account.

A Single SMA Strategy Select UMA account invests in only one investment product, which is an SMA. Morgan Stanley will assist the client in selecting a suitable SMA investment product.

A Multi-Style Select UMA account includes multiple investment products in one unified managed account. In order to construct the Portfolio in a Multi-Style Select UMA account, Graystone and you will first select an asset allocation investment model from among certain predefined investment models. If you select the “custom” version of the model, the asset allocation will be defined by you and/or by your Financial Advisor. An asset allocation model is a set of investment guidelines that will guide you and your Financial Advisor in populating your account with a mix of investment products that is most suitable relative to your investment objectives and risk tolerance. If the model is predefined by Morgan Stanley, Morgan Stanley is responsible for setting the asset allocation of the model and adjusting the asset allocation from time to time as Morgan Stanley deems appropriate. This may include adding asset classes to an appropriate investment product in any model at any time MSSB determines it is appropriate to do so. MSSB may, in its sole discretion, change the asset class classification of any security or class of securities as it deems appropriate.

Each of these models represents a different asset allocation appropriate for a different investment objective/risk tolerance. In Multi-Style Select UMA®, you may choose a Strategic Asset Allocation Model, a Tactical Asset Allocation Model or a Custom Allocation Model. You must advise your Financial Advisor of your choice. The Strategic Asset Allocation Model is based on the current recommendations of MSSB’s GIC. The GIC publishes different models to suit investors’ objectives and risk tolerance levels.

The Tactical Asset Allocation Model is a version of the GIC models that is adjusted for certain shorter-term factors that the GIC deems to be of current importance. Generally speaking, it is anticipated that MSSB will change the asset

allocation of the tactical version more frequently than that of the strategic version. Changes to Strategic Asset Allocation Model or Tactical Asset Allocation Model may be made by the GIC at any time. Such changes are likely to require that adjustments be made to the mix of investment products in your account, which may entail tax consequences.

If you do not desire the Strategic Asset Allocation Model or Tactical Asset Allocation Model, you may work with your Financial Advisor to construct a Custom Allocation Model. With a Custom Allocation Model, either you or your Financial Advisor will determine an initial asset allocation that is specifically designed for you. You or your Financial Advisor may or may not utilize GIC recommendations in constructing a Custom Allocation Model. If you have elected FA Discretion, as described further below, your Financial Advisor will make changes to your Custom Allocation Model over time. If you have chosen to make decisions concerning your model yourself, you must communicate any changes to your Financial Advisor in order to make such changes.

Once you have selected the model, you and Graystone will construct the Portfolio by populating each asset class comprising the model with investment products. If an investment product utilized in your account is terminated for any reason, MSSB will notify you and ask you to select a new available investment product. If you do not do so within the time frame prescribed in our notice and if the notice identifies a proposed replacement investment product, that replacement investment product will be utilized for your account.

#### *Managers in SMAs*

If you select an SMA as an investment product to be included in your account, a third-party Manager will provide day-to-day portfolio management services with respect to that portion of your account. Depending upon the Manager and the investment strategy you select, you authorize each Manager, as investment advisor to you, to exercise discretion to select securities for your account by either delivering a model portfolio to MSSB (“Model Delivery Manager”) or implement its investment decisions directly (“Executing Manager”). A Model Delivery Manager will deliver instructions, to place securities purchases and sales transactions, to PPG, who will effect the transactions in your account. An Executing Manager will execute such transactions itself instead of delivering instructions to PPG. You acknowledge and agree that, if approved by MSSB, any Manager may delegate any or all of its functions, including execution of transactions, to an affiliated or unaffiliated firm that meets MSSB’s due diligence standards, provided that Manager shall remain liable for the performance of all its obligations in its agreement with MSSB.

MSSB also offers the “MAPS Third-Party Strategies”. If you select one of these strategies, (a) a third-party not affiliated with MSSB (the “Model Portfolio Provider”) delivers a model portfolio (the “Third-Party Model Portfolio”) to MSSB; (b) MSSB, as investment adviser to you, serves as portfolio manager for the SMA investment product; and (c) the SMA investment product is inspired by the Third-Party Model Portfolio. As portfolio manager of the MAPS Third-Party Strategies, MSSB may deviate from the Third-Party Model Portfolios. However, MSSB generally intends to follow the Third-Party Model Portfolios. The Third-Party Model Portfolios will include mutual funds and ETFs that are affiliated with the Model Portfolio Provider. The Model Portfolio Provider does not receive any compensation from MSSB nor does it share in any Fee that you pay. The Model Portfolio Provider and its affiliates receive fees and other compensation from the affiliated mutual funds and ETFs included in the Third-Party Model Portfolio.

#### *Types of Authority*

**Client Discretion:** Generally, we will not assign an investment product or model to your account without your consent. MSSB will notify you and ask you to identify models or investment products for a particular asset class. If your account falls below the minimum for an investment product or model, if a Manager terminates its relationship with MSSB, or if we terminate an investment product from the platform, we will notify you of that and suggest a replacement investment product or model. If you do not notify us of your intentions in this regard, you will be deemed to have accepted our suggested replacement and MSSB may (without further consent from you) transfer your assets to another appropriate investment product or model, which investment product or model has a minimum investment for which the account qualifies. Changes in investment products and models may result in higher or lower Manager fees. The implementation of any changes to your investment product or model may take several business

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GRAYSTONE CONSULTING INSTITUTIONAL SERVICES AGREEMENT

days, during which time your account may remain invested in its then-current investments and may not be actively managed. Your account will continue to be charged fees during any such transition periods.

**FA Discretion:** MSSB also offers a Financial Advisor Discretion (“FA Discretion”) version of the Program, MSSB, and specifically your FA, will exercise discretion (a) to select and change your Managers or investment products (b) if you have the Custom Allocation Model, to define and adjust the model as described above; (c) if you have the Strategic or Tactical Asset Allocation Model, to select the investment model, which is predefined by MSSB, for your Select UMA account and change from one strategic or tactical model to another; and (d) to select between the strategic, tactical, custom and Single SMA Strategy versions of Select UMA and to change from one version to another.

**Firm Discretion:** In the Firm Discretion version of the Program, you delegate discretionary authority to MSSB, or an affiliate, to select and change Managers and/or investment products for you. These services will be performed by a professional investment management team employed by MSSB or an affiliate. We will restrict selection of investment products to the type of investment product designated by you, and only those investments will be utilized to populate the asset classes comprising the model. MSSB shall exercise this discretion at any time that MSSB determines that it is appropriate to do so, in light of your investment objectives for the account as stated in your Investor Profile, or as otherwise communicated to MSSB by you. If you select Firm Discretion, you may not select a Custom Allocation Model or FA Discretion.

#### *Asset Class Changes*

Unless you have selected the “Financial Advisor Discretion” or “Firm Discretion” option, you authorize MSSB, at MSSB’s option, to handle a change in the asset class that a Manager or investment product is included (an “Asset Class Change”) in one of the following two ways:

- i. MSSB may notify you, in advance, of the Asset Class Change. Such notification may recommend as a replacement an appropriate Manager or investment product (the “Change Default Product”) that is in the asset class that you have selected. If you do not select a different Manager or Investment Product (or change to a different model) prior to a date specified by MSSB in the notice, MSSB will change the Manager or Investment Product to the Change Default Product.
- ii. Alternatively, MSSB may (without notifying you) leave you in the investment product that is subject to the Asset Class Change, and MSSB will change your asset allocation investment model to reflect the Asset Class Change.

In the event of either (i) or (ii) above, MSSB will provide you with a confirmation of the new investment product or asset allocation investment model, as applicable.

#### *Miscellaneous*

If you have selected an ETF as an investment product but, due to the share price of the ETF and/or the amount allocated to that ETF pursuant to the asset allocation investment model, Morgan Stanley cannot purchase that ETF for the account, we may (without further consent from you) purchase an appropriate mutual fund for the account in place of that ETF.

**2. Fees.** In the event you utilize the UMA Program, MSSB shall receive an overlay management fee in an amount to be disclosed to you as a percentage of assets for this service as set forth in the Select UMA® ADV Brochure, which is in addition to the Fee charged pursuant to the Agreement.

**3. ADV Brochure.** The Select UMA ADV Brochure is available from your Financial Advisor or at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV). If you have questions about any items in the ADV Brochure, you should ask your Financial Advisor for clarification. By signing this Agreement, you acknowledge that you have read, understood and agree to be bound by the disclosures and terms set forth in the ADV Brochure for the Select UMA Program.

This Addendum may be executed in counterparts and shall be binding on the parties hereto as if executed in one document.

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GRAYSTONE CONSULTING INSTITUTIONAL SERVICES AGREEMENT

**Note: The Agreement contains a pre-dispute arbitration clause which is located in Section 15 on pages 9 and 10 of the Agreement.**

**AGREED** to this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**Title of Account: City of Margate Employees Benefit Trust Fund**

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**(If more than one, all principals to the account must sign. If any signatory is a fiduciary, the capacity in which the fiduciary is acting must also be indicated.)**

**Address:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**ACCEPTED** as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**MORGAN STANLEY SMITH BARNEY LLC** through its **GRAYSTONE CONSULTING** business unit

**By:** \_\_\_\_\_

Managing Director  
Graystone Consulting  
2000 Westchester Avenue 2nd Floor  
Purchase, New York 10577

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**MorganStanley  
SmithBarney**

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