

Morgan Stanley Bank, N.A.

Portfolio Loan Account Application for Businesses/Other Organizations

The Portfolio Loan Account is offered by Morgan Stanley Bank, N.A. through Morgan Stanley Smith Barney LLC, an affiliate broker-dealer of Morgan Stanley Bank, N.A.

Instructions: Please review all information to ensure accuracy. All appropriate parties must sign in the space(s) provided. Also, be sure to complete the appropriate PLA Certification.

Section I—Portfolio Loan Account Facility Request

A) Amount of Facility Requested: Other : \$ 5,000,000.00 Standard.

By selecting this option the amount will be determined based on the value of the securities in the Collateral Accounts and the loan advance rates for the securities in the Collateral Accounts.

B) Primary Use of Funds :

<input type="checkbox"/> Real Estate Purchase(Personal or Commercial)	<input type="checkbox"/> Tax Payments	<input checked="" type="checkbox"/> General Liquidity Purposes
<input type="checkbox"/> Primary Residence/Vacation	<input type="checkbox"/> Home Improvements/Construction	<input type="checkbox"/> Acquisition of Business
<input type="checkbox"/> Investment Property	<input type="checkbox"/> Education Costs	<input type="checkbox"/> Business Start-up or Expansion
<input type="checkbox"/> Commercial	<input type="checkbox"/> Luxury Purchase (boat, automobile, aircraft)	<input type="checkbox"/> Other : _____

Section II—Borrower Information

A) Complete this Section using the Company information

CHARLES HENRY PROPERTIES LLC

LEGAL NAME OF BORROWER

254 FIFTH AVENUE, 3RD FLOOR

STREET ADDRESS

NEW YORK

NY

10001

CITY

STATE

ZIP CODE

Claude Simon

President

8457969140

46-1556945

CONTACT PERSON

TITLE

TELEPHONE NUMBER

EMPLOYER ID NUMBER(TAX ID NUMBER)

If the Borrower's mailing address is different from the street address, the following section should be completed.

MAILING ADDRESS

CITY

STATE

ZIP CODE

B) Type of Organization :

<input type="checkbox"/> Corporation	<input type="checkbox"/> Corporation—Subchapter S	<input checked="" type="checkbox"/> Limited Liability Corporation("LLC")
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership—General	<input type="checkbox"/> Limited Liability Partnership("LLP")
<input type="checkbox"/> Partnership—Limited	<input type="checkbox"/> Nonprofit—Not Incorporated	<input type="checkbox"/> Other : _____
<input type="checkbox"/> Nonprofit—Incorporated		

For Morgan Stanley Bank, N.A. Use Only

CHARLES HENRY PROPERTIES LLC

7540428449

BORROWER NAME

PLA NUMBER

PORTFOLIO LOAN ACCOUNT APPLICATION FOR BUSINESSES/OTHER ORGANIZATIONS
LENPLACB (07/2011)

C) Jurisdiction of Organization: NY

D) Borrower Financial Information:

Prior Year Revenue : \$200,000.00

Projected Current Year Revenue : \$ 200,000.00

Prior Year Net Profit : \$150,000.00

Projected Year Net Profit : \$ 150,000.00

Liquid Assets : \$500,000.00

1. Has the Borrower had any judgments, bankruptcy or other legal proceedings against the Borrower in the past seven years?

No Yes If yes, please attach explanation. _____

2. Is the Borrower currently an employee, officer or member of the Board of Directors of Morgan Stanley or any of its affiliates or subsidiaries?

No Yes If yes, please list the name of the Morgan Stanley entity, location and the title at such entity. _____

3. Are any of the Borrower, or Borrower's immediate family members (defined as child, step-child, parent, step-parent, spouse, sibling, domestic partner or any in-laws), now an employee, officer, or member of the Board of Directors of Morgan Stanley or any of its affiliates or subsidiaries?

No Yes If yes, please list the name of the Morgan Stanley entity, location and the title at such entity. _____

4. Does the Borrower have a controlling interest in any company?

No Yes If yes, please specify company and % of ownership: _____

5. Please identify any Morgan Stanley directors or executive officers that serve as director, policymaking executive officer, executive officer, or have a controlling interest in the applicant company.

6. Is any shareholder, owner, executive officer or director of Borrower a senior political figure, or an immediate family member (defined above) or close associate of a senior political figure? A senior political figure is a senior official in the executive, legislative, administrative, military or judicial branch of a foreign government or a major foreign political party, a senior executive of a foreign government-owned corporation, or a corporation, business or other entity formed by, or for the benefit of, such a figure. Close associate means a person who is widely and publicly known to maintain an unusually close relationship with a senior political figure, including a person in a position to conduct substantial domestic and international financial transactions on behalf of such a figure.

No Yes If yes, Political Official's Name: _____
Current/Former Position: _____
Relationship to Client: _____

7. Is the Borrower a guarantor on any other obligations, have any contingent liabilities, owe taxes or currently party to a lawsuit?

No Yes If yes, please explain: _____

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Section V—Required Documents

As part of the loan review process, please provide copies of the following documents:

1. If the loan request is greater than \$10,000,000, please complete the Financial Statement.
2. If any of the accounts being used as collateral contain Restricted and/or Control Stock, please return:
 - a. Restricted Securities Checklist. Additional documentation may be required prior to loan approval.
3. If any of the Authorized Individuals of the Borrower are non-U.S. citizens, please provide a copy of their passport.
4. Please provide any applicable supporting documentation, on both the Borrower and any third-party pledgor.

Section VI—USA PATRIOT Act

Important information about procedures for opening a new account or establishing a new customer relationship.

To help the government fight the funding of terrorism and money-laundering activities, Federal law requires 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 Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A.

What this means: If you enter into a new customer relationship with Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A., Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A. will ask for your name, address, date of birth (as applicable) and other identification information. This information will be used to verify your identity. As appropriate, Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A. may, in its discretion, ask for additional documentation or information. If all required documentation or information is not provided, Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A. may be unable to open an account or maintain a relationship with you.

Equal Credit Opportunity Act Notice

If your application for credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact Director of Lending, Morgan Stanley Bank, N.A., One Utah Center, 201 South Main Street, 5th Floor, Salt Lake City, Utah 84111 within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement.

Notice: The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Comptroller of the Currency, Customer Assistance Group, 1301 McKinney Street, Suite 3450, Houston, TX 77010 -9050.

Section VII—Certification/Signature

By signing below, the undersigned hereby applies for a PLA. The undersigned acknowledges and confirms that: (i) the undersigned is at least 18 years of age and of full legal age in the undersigned's state of residence and (ii) the undersigned has reviewed the information in the PLA Application and such information provided in the PLA Application is true, complete and accurate. By signing this Application the undersigned has authorized Morgan Stanley Bank, N.A. or anyone authorized by Morgan Stanley Bank, N.A. to obtain credit references to verify the accuracy of the information in this Application and to determine if the Borrower is creditworthy. Notwithstanding any prior or future contrary instructions, the undersigned authorizes Morgan Stanley Bank, N.A., Morgan Stanley Smith Barney LLC, or their affiliates to share information about the undersigned, including information in this Portfolio Loan Account Application and transactional and experience information, with each other during the course of the relationship with each entity. A copy of our privacy policy will be included with your PLA loan documents. Furthermore, you represent that neither you nor any other 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 used in placing, receiving or otherwise knowingly transmitting a bet or wager.

For Morgan Stanley Bank, N.A. Use Only

CHARLES HENRY PROPERTIES LLC

BORROWER NAME

7540428449

PLA NUMBER

PORTFOLIO LOAN ACCOUNT APPLICATION FOR BUSINESSES/OTHER ORGANIZATIONS
LENPLACB (07/2011)

Signature of Authorized Individual

Claude Simon
SIGNATURE
PRINT NAME
President
TITLE
2/14/13
DATE

Signature of Authorized Individual

SIGNATURE
PRINT NAME
TITLE
DATE

Authorized Individual, in each case acting in the capacity set forth in the Portfolio Loan Account Certification executed in connection herewith, by any one of: CLAUDE SIMON

This Application is not deemed received and accepted by Bank until actual delivery to Bank occurs. Delivery of this Application to your Financial Advisor or Private Wealth Advisor will not be considered receipt or acceptance by Bank.

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CHARLES HENRY PROPERTIES LLC
BORROWER NAME

7540428449

PLA NUMBER

Morgan Stanley Bank, N.A.

PORTRFOLIO LOAN ACCOUNT APPLICATION FOR BUSINESSES/OTHER ORGANIZATIONS
LENPLACB (07/2011)

Morgan Stanley Bank, N.A.

Portfolio Loan Account Certification for Limited Liability Company ("LLC") or Limited Liability Partnership ("LLP")

In consideration of Morgan Stanley Bank (the "Bank") opening and/or maintaining one or more Portfolio Loan Accounts for the LLC or LLP (the "Client") or the third party named below, the undersigned Manager(s)/Member(s) or Partners, hereby certify that (a) the Client is a duly organized and validly existing LLC or LLP in good standing in the jurisdiction in which it is organized and (b) the undersigned is/are individually or collectively authorized to make the certifications set forth herein on behalf of the client. The undersigned Manager(s)/Member(s) or Partners also certify as follows:

1. General Information

Provide the full legal name of the Client to which this Certification applies:

CHARLES HENRY PROPERTIES LLC

LEGAL NAME OF CLIENT

NY

JURISDICTION OF ORGANIZATION

If the Client is an LLC, is the Client run by one or more Managers or by one or more Members? Please check box and provide the names of the Managers or Members.

Managers—The Manager(s) is/are: Members—The Member(s) is/are:

CLAUDE SIMON

NAMES OF MANAGERS OR MEMBERS (NOTE: IF THE LLC IS RUN BY ONE OR MORE MANAGERS, ONLY THE MANAGER(S) NEED TO COMPLETE THIS CERTIFICATION.)

If the Client is an LLP, provide the names of the Partners:

NAMES OF PARTNERS

2. Client is authorized and empowered to enter into a loan and security agreement, and/or other agreements and documents with Bank to establish and maintain one or more loan accounts ("Portfolio Loan Account") for the benefit of Client; and/or enter into a pledge agreement and/or other agreements and documents for the benefit of Bank under which Client will pledge collateral in one or more security accounts to Bank to secure the obligations of the third party named below, arising under or in connection with the third party's Portfolio Loan Account with Bank, as applicable (collectively, "Loan Documents").
3. Client is authorized to borrow and have letters of credit issued at any time and from time to time under the Portfolio Loan Account established by Bank for Client; and pledge, mortgage, assign or subject to a security interest or lien any property of any sort of Client as security for any liability of Client and as set forth under the Loan Documents.
4. Bank may deal with each of the individuals named and who have signed where indicated in Section 14 below (each, an "Authorized Individual") as though dealing with Client directly.

For Morgan Stanley Bank, N.A. Use Only

CHARLES HENRY PROPERTIES LLC

BORROWER NAME

7540428449

PLA NUMBER

PORTFOLIO LOAN ACCOUNT CERTIFICATION—LIMITED LIABILITY COMPANY ("LLC")
OR LIMITED LIABILITY PARTNERSHIP ("LLP")
LENPLALL (06/2011)

5. Each of the Authorized Individuals, acting alone, is authorized to act on behalf of Client to:
 - a. Execute and deliver to Bank on behalf of Client any and all Loan Documents and/or other agreements and documents that Bank may require in connection with any Portfolio Loan Account or advance or letter of credit that may be made by Bank;
 - b. Enter into Loan Documents, establish Portfolio Loan Accounts and pledge the Client's assets as collateral under the Loan Documents or any related agreement, as applicable; and/or enter into Loan Documents and/or other agreements and documents and pledge the Client's assets as collateral under the Loan Documents or any other agreement to secure the obligations of the third party named below arising under or in connection with the third party's Portfolio Loan Account with Bank, as applicable;
 - c. Bind Client with respect to any agreements entered into with the Bank; and
 - d. Take any other actions necessary and appropriate in connection with the Portfolio Loan Account or to carry out the intent of this Certification.
6. Each of the Authorized Individuals acting as specified in this Certification is authorized to appoint one or more attorneys-in-fact or agents to act on behalf of Client in the same capacity as set forth in this Certification, and is authorized to execute and deliver to the Bank any powers of attorney or other documents to effect or evidence the appointment.
7. Each of the Authorized Individuals has been duly appointed, has been duly qualified and on the date of this Certification holds the respective positions as Client set forth below opposite their names on the date of this Certification, and the signatures set forth under their names are genuine.
8. Bank may rely upon any certification given in accordance with this Certification which Bank may assume is continuing and in full force and effect unless and until Bank shall have received due written notice of an amendment, modification or rescission of such certification. Bank shall not be liable for any action taken or not taken upon instruction of any Authorized Individual prior to the actual receipt by Bank of written notice of the termination or impairment of such person's authority. The failure to supply any specimen signature or any other documentation shall not invalidate any transaction which is in accordance with authority actually granted.
9. The Client shall provide Bank with complete and current copies of the Client's Certificate of Good Standing and Operating Agreement or Partnership Agreement, or equivalent documents and all amendments thereto, promptly upon request by Bank.
10. The charter and governing documents of the LLC or LLP, including its Operating Agreement or Partnership Agreement, empower it to transact the business and take the actions contemplated in this Certification, and no limitation has been imposed upon such powers by constitution, statute, rule, regulation, charter or otherwise.
11. The undersigned Manager(s)/Member(s) or Partners hereby acknowledge receiving and reviewing all pertinent Loan Documents and other Portfolio Loan Account-related documentation and agreements.
12. The undersigned Manager(s)/Member(s) or Partners hereby jointly and severally indemnify Bank, its affiliates and their respective directors, officers and employees and hold each of them harmless from any and all claims, liabilities and expenses which may arise from accepting instructions from Authorized Individuals or which may arise from continued reliance on this Certification. The provisions of this paragraph shall survive the termination of the Portfolio Loan Account and any Loan Documentation.
13. The undersigned Manager(s)/Member(s) or Partners hereby agree to notify Bank in writing of any amendment to Client's Operating Agreement or Partnership Agreement, any change in the composition of the Manager(s)/Member(s) or Partners or the Authorized Individuals, or any other event which could materially alter the representations made or information contained in this Certification. Bank may rely on the continued validity of this Certification indefinitely, absent actual receipt of such written notice.

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CHARLES HENRY PROPERTIES LLC
BORROWER NAME

7540428449
PLA NUMBER

PORFOLIO LOAN ACCOUNT CERTIFICATION—LIMITED LIABILITY COMPANY (“LLC ”)
OR LIMITED LIABILITY PARTNERSHIP (“LLP ”)
LENPLALL (06/2011)

14. Authorized Individuals (Authorized Individuals should read Section 16, USA PATRIOT Act). If more than three, please photocopy this page. For the avoidance of doubt, individuals who do not sign where indicated in this section 14 will not be considered Authorized Individuals for the purposes hereof.

CLAUDE SIMON

NAME

71 TONJES ROAD , CALLICOON, NY 12723

ADDRESS OF PRIMARY RESIDENCE

Claude Simon

SIGNATURE

PRESIDENT

TITLE

8457969140

TELEPHONE NUMBER

106-50-1158

SOCIAL SECURITY NUMBER

03/05/1956

DATE OF BIRTH

Country of Citizenship:

USA Other (specify)

If the Authorized Individual does not have a social security number, passport information should be provided.

PASSPORT NUMBER

PASSPORT COUNTRY OF ISSUANCE

NAME

TITLE

ADDRESS OF PRIMARY RESIDENCE

TELEPHONE NUMBER

SIGNATURE

SOCIAL SECURITY NUMBER

DATE OF BIRTH

Country of Citizenship:

USA Other (specify)

If the Authorized Individual does not have a social security number, passport information should be provided.

PASSPORT NUMBER

PASSPORT COUNTRY OF ISSUANCE

NAME

TITLE

ADDRESS OF PRIMARY RESIDENCE

TELEPHONE NUMBER

SIGNATURE

SOCIAL SECURITY NUMBER

DATE OF BIRTH

Country of Citizenship:

USA Other (specify)

If the Authorized Individual does not have a social security number, passport information should be provided.

PASSPORT NUMBER

PASSPORT COUNTRY OF ISSUANCE

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BORROWER NAME

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OR LIMITED LIABILITY PARTNERSHIP ("LLP")
LENPLALL (06/2011)

Subject to Bank's policies, if Bank receives conflicting instructions from different Authorized Individuals, or reasonably believes instructions from one Authorized Individual might conflict with the wishes of another Authorized Individual, Bank may do any of the following:

(a) choose which instructions to follow and which to disregard; (b) suspend all activity in the Portfolio Loan Account until written instructions signed by all Authorized Individuals are received; (c) close the Portfolio Loan Account; and/or (d) take other legal action.

15. Name of third party establishing Portfolio Loan Account for which Client is pledging assets (if applicable):

NAME OF THIRD PARTY (IF APPLICABLE)

16. USA PATRIOT Act:

Important information about procedures for opening a new account or establishing a new customer relationship.

To help the government fight the funding of terrorism and money-laundering activities, Federal law requires 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 Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A.

What this means: If you enter into a new customer relationship with Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A., Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A. will ask for your name, address, date of birth (as applicable) and other identification information. This information will be used to verify your identity. As appropriate, Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A. may, in its discretion, ask for additional documentation or information. If all required documentation or information is not provided, Morgan Stanley Smith Barney and/or Morgan Stanley Bank, N.A. may be unable to open an account or maintain a relationship with you.

17. The undersigned Manager(s)/Member(s) or Partners hereby further certify that all certifications set forth herein are true and correct as of the date set forth below.

1. Charles Smisor

NAME OF MANAGER/MEMBER OR PARTNER

71 Tonjes Rd., Callicoon NY 12723

ADDRESS

Charles Smisor

2-13-13

SIGNATURE

DATE

2.

NAME OF MANAGER/MEMBER OR PARTNER

ADDRESS

SIGNATURE

DATE

3.

NAME OF MANAGER/MEMBER OR PARTNER

ADDRESS

SIGNATURE

DATE

For Morgan Stanley Bank, N.A. Use Only

CHARLES HENRY PROPERTIES LLC

BORROWER NAME

7540428449

PLA NUMBER

PORTRIO LOAN ACCOUNT CERTIFICATION—LIMITED LIABILITY COMPANY (“LLC ”)
OR LIMITED LIABILITY PARTNERSHIP (“LLP ”)
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Morgan Stanley Bank, N.A.

Borrower Name : CHARLES HENRY PROPERTIES LLC

PLA # : 7540428449

THIRD PARTY PLEDGE AGREEMENT

This Third Party Pledge Agreement ("Pledge Agreement") is executed by each person signing below (each, a "Third Party Pledgor") in favor of Morgan Stanley Bank, N.A., a national banking association ("Bank"), and is effective as of the effective date of the Portfolio Loan Account described on Schedule A hereto ("Effective Date").

RECITALS

- A. Third Party Pledgor, either individually or with another Person, is an account holder on the Collateral Account.
- B. Third Party Pledgor desires to pledge the Collateral Account as collateral for a credit facility made available by Bank to a Person other than Third Party Pledgor.

NOW, THEREFORE, the Parties hereby agree as follows:

1. DEFINITIONS. The following terms shall have the following meanings when used in this Pledge Agreement:

- A. **"Advance"** means an advance under the Portfolio Loan Account made, or to be made, to a Borrower or on a Borrower's behalf.
- B. **"Affiliate"** means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote five percent (5%) or more of the voting stock (or equivalent) of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock (or the equivalent thereof), by contract or otherwise.
- C. **"Bank"** shall have the meaning set forth in the preamble above.
- D. **"Borrower"** shall mean the Person set forth on Schedule A hereto; if there is more than one such Person, the term shall refer to each such Person individually and to all such Persons collectively.
- E. **"Broker"** means Morgan Stanley & Co. Incorporated and/or Morgan Stanley Smith Barney LLC and, as applicable, their successors and assigns.
- F. **"Collateral"** shall have the meaning set forth in Section 4.A.
- G. **"Collateral Account"** means individually and collectively, each securities brokerage account maintained with the Broker identified on Schedule A hereto that is pledged to Bank as collateral pursuant to this Pledge Agreement, together with the successors to those identified accounts, irrespective of whether the successor account bears a different name or account number.
- H. **"Effective Date"** shall have the meaning set forth in the preamble above.
- I. **"Facility Limit"** means the credit limit established by Bank when a Portfolio Loan Account is opened, and adjusted from time to time, that is also used to determine the interest rate on a Portfolio Loan Account.
- J. **"Financial Assets"** means all investment property, financial assets, securities, and security entitlements (as such terms are defined in the Uniform Commercial Code enacted in Utah) now owned or hereafter acquired by Third Party Pledgor, and all property held now or in the future by any and all Securities Intermediaries for or on behalf of Third Party Pledgor. Without limiting the generality of the foregoing, the term "securities" shall be used in its broadest sense, and shall include without limitation all common and preferred stocks, equity securities, debt securities, investment securities, mutual funds, money market funds, repurchase agreements, banker's acceptances, bonds (including without limitation Eurodollar bonds, "Yankee bonds," dollar-pay

Canadian bonds and non-dollar denominated bonds), commercial paper, other evidences of corporate indebtedness, foreign currency contracts, obligations of the U.S. Treasury or U.S. agencies (including without limitation bills, notes and bonds), and negotiable or non-negotiable certificates of deposit, and the term "security entitlements" shall include without limitation all rights with respect to any securities as such term is used herein.

- K. **"Lien"** means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement having the effect of a lien or security interest.
- L. **"Obligations"** shall have the meaning set forth in Section 4.A.
- M. **"Other Collateral"** shall mean any collateral provided to Bank to secure performance of the Obligations, other than the Collateral provided by Third Party Pledgor under this Pledge Agreement.
- N. **"Other Obligor"** shall mean any Person that is liable to Bank for all or a portion of the Obligations, other than a Borrower, including any guarantor of all or a portion of the Obligations.
- O. **"Parties"** means Bank and Third Party Pledgor collectively.
- P. **"Party"** means Bank or Third Party Pledgor.
- Q. **"Person"** means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.
- R. **"Pledge Agreement"** shall have the meaning set forth in the preamble above.
- S. **"Portfolio Loan Account"** shall mean a credit facility provided by Bank, commonly known as a "Portfolio Loan Account," with respect to which Bank may make advances and provide letters of credit to or for the benefit of Borrower.
- T. **"PLA Agreement"** means the agreement between Bank and Borrower that sets forth the terms and conditions of the Portfolio Loan Account, as amended, modified or supplemented from time to time.
- U. **"Securities Intermediary"** and **"Securities Intermediaries"** shall mean securities intermediaries and/or financial intermediaries as defined in the Uniform Commercial Code enacted in Utah.
- V. **"Security Interest"** means, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.
- W. **"State"** means any state in the United States or the District of Columbia.
- X. **"Third Party Pledgor"** shall have the meaning set forth in the preamble above; provided that if there is more than one Third Party Pledgor, the term shall refer to each such Person individually and to all such Persons collectively.

2. GENERAL

- A. **Schedule A** to this Pledge Agreement describes with particularity: (a) each Collateral Account subject to this Pledge Agreement; (b) the Portfolio Loan Account for which Third Party Pledgor is executing this Pledge Agreement; (c) each Borrower on the Portfolio Loan Account; and (d) the initial Facility Limit for the Portfolio Loan Account. **Section 11 below (Dispute Resolution) includes a waiver of a number of rights, including the right to bring a lawsuit in court, to serve as a representative in a class action and the right to a jury trial. That section describes the procedure Third Party Pledgor must follow if Third Party Pledgor desires to reject the Dispute Resolutions section.**
- B. **Third Party Pledgor acknowledges and agrees as follows:**
 - (1) **Using securities as collateral for a loan involves a high degree of risk that is not for everyone. For example, if the securities in the Collateral Account decline in value, Bank can take action, without**

prior written notice to Third Party Pledgor, such as selling assets in the Collateral Account to protect or maintain value in the Collateral Account. Third Party Pledgor should not enter into this Pledge Agreement unless Third Party Pledgor has independently determined that this transaction, including the risks involved, is suitable for Third Party Pledgor.

- (2) **Bank, in its sole discretion, may determine whether the value and type of Collateral in the Collateral Account is sufficient collateral for the Portfolio Loan Account. While Bank may attempt to notify Third Party Pledgor regarding any deficiency with respect to the Collateral in the Collateral Account, Bank is not obligated to do so. Bank may, in its sole discretion, liquidate Collateral in the Collateral Account to satisfy the collateral requirements for the Portfolio Loan Account, without notice to Third Party Pledgor and without requesting additional Collateral from Third Party Pledgor or Borrower.**
- (3) **Liquidation of Collateral in the Collateral Account may cause Third Party Pledgor to recognize taxable income or to report losses for tax purposes. Bank may perform such transactions without prior notice or advertisement on the market where such business is usually transacted, at a public auction or in a private sale, including transactions with Bank, Broker or their affiliates for their own account. Third Party waives any right of redeeming the proceeds of such transactions without Bank's consent and agrees not to hold Bank liable for taking such actions. Without limiting the foregoing, Third Party Pledgor waives any right to the notice of sale of Collateral, advertisement of such sale and any related provisions of applicable law, including, but not limited to Article 9 of the New York Lien Law.**
- (4) **Bank, Broker and Third Party Pledgor's financial advisor ("Financial Advisor") or investment representative ("Investment Representative"), as applicable, do not provide tax or legal advice. Third Party Pledgor should consult Third Party Pledgor's personal attorney, tax advisor or accountant for matters involving taxation, tax planning, personal trusts and estate planning or the legal consequences of entering into this Pledge Agreement.**
- (5) **Notwithstanding any advisory relationship that Third Party Pledgor may have with Broker in connection with the Collateral Account, Third Party Pledgor will not have an advisory relationship with Broker with respect to the Portfolio Loan Account or Pledge Agreement or Third Party Pledgor's decision to permit the Collateral Account to be pledged as collateral to secure the Obligations of Borrower. Neither Broker nor Third Party Pledgor's Financial Advisor or Investment Representative, as applicable, is acting as an investment adviser in connection with the decision to pledge the Collateral Account and Third Party Pledgor is solely responsible for the decision to enter into this Pledge Agreement and to pledge assets in the Collateral Account.**
- (6) **Third Party Pledgor understands that actions taken by Bank as lender regarding the Collateral Account, and Broker, acting in its capacity as Securities Intermediary, may be directly contrary to Third Party Pledgor's interests as owner of the Collateral Account and that Bank's and/or Broker's actions, including selling securities in the Collateral Account, may have adverse consequences for Third Party Pledgor, including realizing taxable gains as a result of any such sale and affecting asset allocation, cash flow, trading activity and investment strategy.**
- (7) **After considering the risks and benefits of entering into this Pledge Agreement, Third Party Pledgor has determined that it is appropriate based on Third Party Pledgor's financial situation and investment objectives.**
- (8) **Third Party Pledgor acknowledges that the Collateral Account will not have margin privileges, including overdraft, or check writing or debit card privileges while the Collateral Account is subject to this Pledge Agreement.**

C. **Third Party Pledgor acknowledges and agrees that: (1) Bank may share information with Borrower regarding the value of assets in and status of the Collateral Account; and (2) that Bank and Broker may share information with respect to the Portfolio Loan Account, the Collateral Account, and Third Party Pledgor: (i) in the ordinary course of administering the Portfolio Loan Account and Collateral Account; (ii) to protect and enforce Bank's rights with respect to such Accounts, this Pledge Agreement and the PLA Agreement; and (iii) as otherwise related to the Bank's or Broker's business with Third Party Pledgor or Borrower.**

D. If there is more than one Third Party Pledgor, the obligations of such Persons under this Pledge Agreement shall be joint and several.

3. CONSENT TO THE PORTFOLIO LOAN ACCOUNT

A. Third Party Pledgor hereby consents to Borrower obtaining and maintaining the Portfolio Loan Account, and entering into the PLA Agreement with Bank.

B. Third Party Pledgor hereby acknowledges receipt of a copy of the PLA Agreement between Bank and Borrower, and agrees to retain a copy of such PLA Agreement for Third Party Pledgor's records. Third Party Pledgor acknowledges that Third Party Pledgor has reviewed and understands the PLA Agreement and consents to Borrower being bound to all terms and conditions of such PLA Agreement. **Third Party Pledgor acknowledges that Bank may at any time amend, supplement or modify the PLA Agreement, including, but not limited to, by changing the interest rate, fees and other charges payable in connection with the Portfolio Loan Account.**

C. **Without limiting the foregoing, Third Party Pledgor acknowledges that the Portfolio Loan Account is a demand credit facility and that Bank may demand at any time that Borrower repay any and all credit extended to Borrower under the Portfolio Loan Account.**

4. SECURITY INTEREST

A. To secure payment or performance by Borrower of its obligations under the PLA Agreement ("Obligations"), Third Party Pledgor assigns, transfers and pledges to Bank, and grants Bank a first priority Lien and Security Interest, in the following assets and rights of Third Party Pledgor in, wherever located and whether owned now or acquired or arising in the future:

- (1) the Collateral Account;
- (2) any and all money, credit balances, certificated and uncertificated securities, security entitlements, commodity contracts, certificates of deposit, instruments, documents, partnership interests, general intangibles, Financial Assets and other investment property now or in the future credited to or carried, held or maintained in the Collateral Account;
- (3) any and all supporting obligations and other rights ancillary or attributable to, or arising in any way in connection with, any of the foregoing; and
- (4) any and all interest, dividends, distributions and other proceeds of any of the foregoing (collectively, "Collateral").

B. Third Party Pledgor will take all actions reasonably requested by Bank to evidence, maintain and perfect Bank's first priority Security Interest in, and to enable Bank to obtain control over, the Collateral, including, but not limited to, making, executing, recording and delivering to Bank financing statements and amendments thereto, control agreements, notices, assignments, listings, powers, consents and other documents regarding the Collateral and Bank's Security Interest in the Collateral in a form as Bank reasonably may require. Third Party Pledgor irrevocably authorizes and appoints Bank as collateral agent, to act as Third Party Pledgor's agent and attorney-in-fact to file any documents or to execute any documents in Third Party Pledgor's name, with or without designation of authority.

C. **If at any time, Bank in its sole discretion determines that:**

- (1) **the value of the Collateral is insufficient; or**
- (2) **the types of Financial Assets in the Collateral Account are not acceptable to Bank, then Bank shall have the right to liquidate any or all of the Financial Assets in the Collateral Account and maintain the Collateral in the Collateral Account in the form of cash balances.**

D. Bank's sole duty for the custody, safe keeping and physical preservation of any Collateral in its possession will be to deal with the Collateral in the same manner as Bank deals with similar property for its own account. Third Party Pledgor agrees that Bank will have no responsibility to act on any notice of corporate actions or events provided to holders of securities or other investment property included in the Collateral. Third Party Pledgor agrees to:

- (1) notify Bank promptly upon receipt of any communication to holders of the investment property disclosing or proposing any stock split, stock dividend, extraordinary cash dividend, spin-off or other corporate action or event as a result of which Third Party Pledgor would receive securities, cash (other than ordinary cash dividends) or other assets in respect of the investment property; and
- (2) immediately upon receipt by Third Party Pledgor of any of these assets, cause them to be credited to the Collateral Account or deliver them to or as directed by Bank as additional Collateral.

E. Third Party Pledgor agrees that all principal, interest, dividends, distributions, premiums or other income and other payments received by Bank or credited to the Collateral Account in respect of any Collateral may be held by Bank as additional Collateral or applied by Bank to the Portfolio Loan Account. Bank may create a security interest in any of the Collateral and may, at any time and at its option, transfer any securities or other investment property constituting Collateral to a securities account maintained in its name or cause any Collateral Account to be redesignated or renamed in the name of Bank.

5. CONTROL

For the purpose of giving Bank control over the Collateral Account and in order to perfect Bank's Security Interest in the Collateral, Third Party Pledgor consents to compliance by any Securities Intermediary maintaining the Collateral Account with entitlement orders and instructions from Bank (or from any assignee or successor of Bank) regarding the Collateral Account without the further consent of Third Party Pledgor. Without limiting the foregoing, Third Party Pledgor acknowledges, consents and agrees that, pursuant to a control agreement entered into between Bank and the Securities Intermediary:

- A. The Securities Intermediary will comply with entitlement orders originated by Bank regarding the Collateral Account without further consent from Third Party Pledgor. The Securities Intermediary will treat all assets credited to the Collateral Account, including money and credit balances, as financial assets for purposes of Article 8 of the Uniform Commercial Code enacted in Utah.
- B. In order to enable Third Party Pledgor to trade Financial Assets that are from time-to-time credited to the Collateral Account, the Securities Intermediary may comply with entitlement orders originated by Third Party Pledgor (or if so agreed by Bank, by an investment adviser designated by Third Party Pledgor and acceptable to Bank and the Securities Intermediary) regarding the Collateral Account, but only until the time that Bank notifies the Securities Intermediary, that Bank is asserting exclusive control over the Collateral Account. After the Securities Intermediary has received a notice of exclusive control and has had a reasonable opportunity to comply, it will no longer comply with entitlement orders originated by Third Party Pledgor (or by any investment adviser designated by Third Party Pledgor) concerning the Collateral Account. **Notwithstanding the foregoing, however, and irrespective of whether it has received any notice of exclusive control, the Securities Intermediary will not comply with any entitlement order originated by Third Party Pledgor (or by any investment adviser designated by Third Party Pledgor) to withdraw any Financial Assets from the Collateral Account or to pay any money, free credit balance or other amount owing on the Collateral Account, or to trade any Financial Asset that would cause the Collateral in the Collateral Account to not satisfy Bank's requirements (including with respect to the value or type of such Collateral), without the prior consent of the Bank.**
- C. Third Party Pledgor acknowledges that Broker is an intended third party beneficiary of this Section 5 and shall be entitled to rely on it to such degree and with the same force and effect as if Broker were a party to the Pledge Agreement.

6. WAIVER OF DEFENSES; THIRD PARTY PLEDGOR ACKNOWLEDGEMENTS

- A. Notwithstanding any provision of this Pledge Agreement, to the fullest extent permitted by applicable law, Third Party Pledgor hereby waives the right to assert any defense that might be available to Third Party Pledgor under law or equity to enforcement of Bank's rights under this Pledge Agreement, including, without limitation, any defense available to a surety or guarantor, and any defense based on any of the following events:

- (1) Bank makes or agrees to a change in any term of the Portfolio Loan Account, such as extending the time for repayment of an Advance, increasing the interest rate applicable to an Advance or increasing the amount of credit extended to Borrower under the PLA Agreement or the Facility Limit;
- (2) Bank releases or exchanges any Collateral or Other Collateral, or Bank does not fully establish or perfect its Security Interest in any Collateral or Other Collateral;
- (3) Bank sells any Collateral or Other Collateral, whether at a public or private sale and whether the purchaser is Bank, an Affiliate of Bank, or another Person;
- (4) a law, regulation, or order of any public authority affects Bank's right with respect to any of the Obligations, Borrower, an Other Obligor, the Collateral or any Other Collateral;
- (5) the absence of any attempt by Bank to collect any of the Obligations from a Borrower, an Other Obligor, the Collateral or any Other Collateral, or the absence of any other enforcement action by Bank with respect to any of the foregoing or the Portfolio Loan Account;
- (6) the disallowance of all or a portion of Bank's claim for repayment of the Obligations under any provision of the United States Bankruptcy Code, any successor statute, or any other law, rule or regulations relating to insolvency or debtor relief;
- (7) Bank delays in enforcing or waives any of its rights under this Pledge Agreement or the PLA Agreement;
- (8) Bank seeks to enforce this Pledge Agreement without first seeking payment from a Borrower or an Other Obligor, or first trying to realize on any Other Collateral;
- (9) Bank fails to notify Third Party Pledgor of any information known to Bank as to a Borrower's financial condition or other circumstances bearing on repayment of the Obligations or the nature, scope and extent of the risks in connection with this Pledge Agreement; or
- (10) Any other act or omission by Bank with respect to the Portfolio Loan Account, a Borrower, an Other Obligor, the Collateral or any Other Collateral. For avoidance of doubt, Third Party Pledgor acknowledges and agrees that none of the events described in this Section 6.A shall affect the rights of Bank or the obligations of Third Party Pledgor under this Pledge Agreement.

B. Third Party Pledgor acknowledges and agrees that:

- (1) Bank has or will provide the Portfolio Loan Account to Borrower and extend credit with respect thereto in reliance on Third Party Pledgor's waivers and agreements in Section 6.A;
- (2) Bank may, in its sole discretion and without notice to Third Party Pledgor, change the initial or any subsequent Facility Limit and determine the amount (if any) of credit to extend Borrower with respect to the Portfolio Loan Account;
- (3) the Obligations secured by the Collateral are not limited to a specified dollar amount (including the initial or any subsequent Facility Limit) and, accordingly, the entire amount of the Collateral may be applied in respect of the Obligations;
- (4) Bank has advised Third Party Pledgor that Third Party Pledgor should seek independent legal advice to protect Third Party Pledgor's own interests (which may be different from those of Borrower) before signing this Pledge Agreement; and
- (5) Bank has no duty to inform Third Party Pledgor at any time of any fact or circumstance relating to Borrower, an Other Obligor, the Collateral, any Other Collateral, or the Portfolio Loan Account, including any prospective or actual failure of Borrower to perform the Obligations.

7. BANK ACKNOWLEDGEMENTS

Bank acknowledges and agrees that by executing this Pledge Agreement:

A. Third Party Pledgor is not providing a personal guaranty of performance of the Obligations by any Borrower;

- B. Third Party Pledgor is not personally liable for the Obligations; and
- C. The Obligations shall not be satisfied from any property owned by Third Party Pledgor other than the assets in which Third Party Pledgor grants a Security Interest under this Pledge Agreement.

8. WAIVER OF SUBROGATION AND REIMBURSEMENT RIGHTS

- A. Despite any enforcement of this Pledge Agreement by Bank, Third Party Pledgor unconditionally agrees that Third Party Pledgor will not be entitled to be subrogated to any of the rights of Bank against Borrower, any Other Obligor, or any collateral or security for the Obligations until termination of the Portfolio Loan Account and PLA Agreement and the payment and satisfaction in full, as determined by Bank, of all of the Obligations.
- B. Third Party Pledgor further agrees that Third Party Pledgor will not seek any contribution or reimbursement from Borrower or any Other Obligor, and will not exercise any right or remedy arising by reason of any enforcement by Bank of its rights under this Pledge Agreement against Borrower or any Other Obligor, or any collateral or security for the Obligations, until termination of the Portfolio Loan Account and the PLA Agreement and the payment and satisfaction in full of all of the Obligations.

9. REPRESENTATIONS AND WARRANTIES

Third Party Pledgor represents and warrants to Bank, as of the Effective Date and each Advance on and issuance of a letter of credit under the Portfolio Loan Account, that:

- A. Except for Bank's rights under this Third Party Pledge Agreement, Third Party Pledgor owns the Collateral free of any interest or lien in favor of any third party or any other impediment to transfer;
- B. Third Party Pledgor will not pledge any of the Collateral or grant a security interest in the Collateral to any third party, or permit the Collateral to become subject to any liens or encumbrances (other than Bank's security interest), until the Portfolio Loan Account is terminated and all of Borrower's obligations with respect to the Portfolio Loan Account are paid and performed in full;
- C. Third Party Pledgor: (1) if a natural Person, is of the age of majority in the State in which the Borrower resides; (2) is not an employee benefit plan, as that term is defined by the Employee Retirement Income Security Act of 1974, or an Individual Retirement Account (and none of the Collateral is an asset of a plan or account); and (3) unless Third Party Pledgor advises Bank to the contrary, in writing in connection with this Pledge Agreement, and provides Bank with a letter of approval, where required, from its employer, is not an employee or member of any exchange or of any corporation or firm engaged in the business if dealing, either as a broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper;
- D. Third Party Pledgor is authorized to execute and deliver this Pledge Agreement and to perform the Third Party Pledgor's obligations hereunder;
- E. Third Party Pledgor has not filed or recorded any documents or filings relating to assumed business names and Third Party Pledgor does not use any assumed business names;
- F. Third Party Pledgor's execution, delivery and performance of this Pledge Agreement does not conflict with, or result in a violation of, or constitute a default under: (1) any provision of any agreement or other instrument binding upon Third Party Pledgor or the Collateral; or (2) any law, governmental regulation, court decree, or order applicable to Third Party Pledgor or to the Collateral;
- G. This Pledge Agreement constitutes a legal, valid and binding obligation of Third Party Pledgor enforceable against Third Party Pledgor in accordance with the terms hereof;
- H. Third Party Pledgor has not used, or filed a financing statement under, any name other than the name used in this Pledge Agreement for at least the last five (5) years; and
- I. Third Party Pledgor is not insolvent nor will it become insolvent as a result of entering into this Pledge Agreement.

10. REMEDIES; LIMITATION OF LIABILITY

- A. Bank shall have all the rights and remedies provided in this Pledge Agreement and the PLA Agreement, and/or available at law, in equity, or otherwise, if Bank does not receive full and complete performance of the Obligations. Except as may be prohibited by applicable law, all of Bank's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Bank to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower shall not affect Bank's right to exercise its rights and remedies.
- B. **Neither Bank nor Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. Incorporated will be liable to Third Party Pledgor or any Person for any special, indirect, consequential or punitive damages arising out of any act or omission by either of them with respect to this Third Party Pledge Agreement, the Portfolio Loan Account, or the Collateral Account.**

11. DISPUTE RESOLUTION

- A. **ARBITRATION PROVISION. PLEASE READ THIS ARBITRATION PROVISION CAREFULLY. THIRD PARTY PLEDGOR AGREES THAT ANY PAST, PRESENT OR FUTURE LEGAL DISPUTE OR CLAIM OF ANY KIND, INCLUDING STATUTORY AND COMMON LAW CLAIMS AND CLAIMS FOR EQUITABLE RELIEF, THAT RELATES IN ANY WAY TO THIS PLEDGE AGREEMENT OR THIRD PARTY PLEDGOR'S RELATIONSHIP WITH BANK WILL BE RESOLVED BY BINDING ARBITRATION IF THIRD PARTY PLEDGOR OR BANK ELECTS TO ARBITRATE.**

Right to Reject Arbitration: **Third Party Pledgor may reject this arbitration provision, in which event neither Third Party Pledgor nor Bank will have the right to require arbitration.** Rejection will not affect any other aspect of these terms. To reject the arbitration provision, Third Party Pledgor must send Bank a notice within 60 days after the Portfolio Loan Account is opened. The notice must include Third Party Pledgor's name, address, and account number and be mailed to: Morgan Stanley Bank, N.A., One Utah Center, 201 S Main St, 5th Floor, Salt Lake City, Utah 8411, Attention: Portfolio Loan Account Administration. This is the only method Third Party Pledgor can use to reject the arbitration provision.

As used in this Section 11 "Bank" means Bank and all of its respective parents, subsidiaries, affiliates, predecessors, successors, assigns, employees, officers and directors.

This arbitration provision covers all claims, except that Bank will not elect to arbitrate an individual claim brought by Third Party Pledgor in small claims court or its equivalent if the claim does not exceed five thousand dollars (\$5,000), unless that claim is transferred, removed, or appealed to a different court.

The following describes the arbitration procedure, and its implications:

- **Notice:** If Third Party Pledgor or Bank elects to arbitrate, the other party must be notified. Third Party Pledgor must send notice to Bank at the following address: Morgan Stanley Bank, N.A., One Utah Center, 201 S Main St, 5th Floor, Salt Lake City, Utah 8411, Attention: Portfolio Loan Account Administration. Notice can be given after a lawsuit has been filed, in which case it can be made in papers in the lawsuit.
- **Administrator:** The person who starts the arbitration proceeding must choose an administrator, which can be either the National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com (800) 474-2371; or the American Arbitration Association, 335 Madison Avenue, New York NY 10017, www.adr.org, (800) 778-7879. The actual arbitrator will be selected under the administrator's rules, and must be a lawyer with at least ten years of experience.
- **Applicable Law:** These terms involve interstate commerce and this arbitration provision is governed by the Federal Arbitration Act, 9 U.S.C. §§1 et seq. (the "FAA"). Utah law shall apply to the extent state law is relevant under Section 2 of the FAA in determining the validity of this provision. The arbitrator has to follow: (1) the substantive law, consistent with the FAA, that would apply if the matter had been brought in court; (2) this arbitration provision; and (3) the administrator's rules. The arbitrator is authorized to award remedies that would apply if the individual action were in a court (including, without limitation, punitive damages, which shall be governed by the constitutional standards employed by the U.S. Supreme Court).

- **Location/Fees:** The arbitration will take place in a location reasonably convenient to Third Party Pledgor. If Third Party Pledgor asks Bank, Bank will pay all filing, administrative, hearing and/or other fees the administrator or arbitrator charges up to \$2,500. If the cost is higher, Third Party Pledgor can ask Bank to pay more and Bank will consider Third Party Pledgor's request in good faith. Under all circumstances Bank will pay all amounts Bank is required to pay under applicable law.
- **Judgment/Appeals:** A court may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding except for: (1) any appeal right under the FAA; and (2) any party may appeal decisions relating to Claims of more than \$100,000 to a three-arbitrator panel appointed by the administrator, which will reconsider all over again any aspect of the appealed award. If Third Party Pledgor appeals, Bank will consider in good faith a request that Bank pay any additional fees of the administrator or arbitrator.

IMPORTANT LIMITATIONS AND RESTRICTIONS: IF A CLAIM GOES TO ARBITRATION, NEITHER PARTY WILL HAVE THE RIGHT TO: (1) HAVE A COURT OR A JURY DECIDE THE CLAIM; (2) ENGAGE IN DISCOVERY (I.E., THE RIGHT TO OBTAIN INFORMATION FROM THE OTHER PARTY) TO THE SAME EXTENT THAT THE PARTY COULD IN COURT; (3) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE OR A CLASS MEMBER; (4) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (5) JOIN OR CONSOLIDATE THE PARTY'S CLAIM(S) WITH CLAIMS OF ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT THE PARTY WOULD HAVE IF THE PARTY WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION. ONLY A COURT MAY DETERMINE THE VALIDITY AND EFFECT OF PARTS 3, 4 AND 5 OF THIS PARAGRAPH. IF A COURT SHOULD HOLD SUCH PART(S) TO BE INVALID, THEN THE ENTIRE PROVISION SHALL BE NULL AND VOID. HOWEVER, THIS WILL NOT LIMIT THE RIGHT TO APPEAL SUCH HOLDING. IF A COURT SHOULD HOLD ANY OTHER PART(S) OF THIS ARBITRATION PROVISION TO BE INVALID, THE REMAINING PARTS SHALL BE ENFORCEABLE.

This arbitration provision will survive the termination of the Portfolio Loan Account, and payment and performance in full of all obligations secured by this Pledge Agreement, and will remain in force no matter what happens to Third Party Pledgor or the Portfolio Loan Account. If the administrator's rules conflict with the rules described in this provision, this provision will apply.

- B. Attorneys' Fees; Expenses.** Third Party Pledgor agrees to pay upon demand all of Bank's costs and expenses, including Bank's reasonable attorneys' fees and Bank's legal expenses, incurred in connection with the enforcement of this Pledge Agreement. Bank may hire or pay someone else to help enforce this Pledge Agreement, and Third Party Pledgor shall pay the costs and expenses of such enforcement. Costs and expenses include Bank's reasonable attorneys' fees and legal expenses, whether or not of Bank's salaried employees and whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post judgment collection services. Third Party Pledgor also shall pay all court costs and such additional fees as may be directed by the court.
- C. Bank's Expenditures.** If any action or proceeding is commenced that would materially affect Bank's interest in the Collateral or if Third Party Pledgor fails to comply with any provision of this Pledge Agreement, Bank may (but shall not be obligated to) take any action that Bank deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Bank for such purposes will become a part of the Obligations secured by the Collateral and shall bear interest at the rate provided for in the PLA Agreement for a Variable Rate Advance.
- D.** Nothing in this Section 11 will be deemed to alter any agreement to arbitrate any controversies that may arise between Third Party Pledgor and Broker, and any claims between Third Party Pledgor and Broker will be arbitrated as provided in any agreement between Third Party Pledgor and Broker.

12. MISCELLANEOUS

- A. Notices.** Unless otherwise provided by applicable law, any notice required to be given under this Pledge Agreement or required by law shall be given in writing, and shall be effective when actually received by the

intended recipient. Notices to Third Party Pledgor shall be sent to the address of Third Party Pledgor shown on the Collateral Account records at Broker. Notices to Bank shall be sent to the address in Section 11 or such other address identified by the Bank from time to time.

- B. No Waiver by Bank.** Bank shall not be deemed to have waived any rights under this Pledge Agreement unless such waiver is given in writing and signed by Bank. No delay or omission on the part of Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver by Bank of a provision of this Pledge Agreement shall not prejudice or constitute a waiver of Bank's right otherwise to demand strict compliance with that provision or any other provision of this Pledge Agreement. No prior waiver by Bank nor any course of dealing between Bank and Third Party Pledgor shall constitute a waiver of any of Bank's rights or of any of Third Party Pledgor's obligations as to any future transactions. Whenever the consent of Bank is required under this Pledge Agreement, the granting of such consent by Bank in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Bank.
- C. Assignment.** Bank may assign to one or more Persons all or a portion of its rights and obligations under this Pledge Agreement without notice to, or the consent of, Third Party Pledgor.
- D. Governing Law.** This Pledge Agreement will be governed by, construed and enforced in accordance with federal law and, to the extent state law applies, the laws of the State of Utah, without reference to the choice of law provisions of Utah law.
- E. Fax Delivery.** Delivery of an executed copy of this Pledge Agreement by fax shall be effective as delivery of an original executed copy of this Pledge Agreement.
- F. Severability.** If a court of competent jurisdiction finds any provision of this Third Party Pledge Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Pledge Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Pledge Agreement shall not affect the legality, validity or enforceability of any other provision of this Pledge Agreement.
- G. Interpretation.** Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Pledge Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code enacted in Utah. Accounting words and terms not otherwise defined in this Pledge agreement shall have the meanings assigned to them in accordance with GAP in effect on the Effective Date.
- H. Headings.** Section headings in this Pledge Agreement are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose.
- I. Final Agreement.** This Pledge Agreement constitutes the entire understanding and agreement of the Parties as to the matters set forth in this Pledge Agreement, is the final expression of the agreement between the Parties, and may not be contradicted by evidence of any alleged oral agreement.

Morgan Stanley Bank, N.A.

IN WITNESS WHEREOF, each Third Party Pledgor has executed and delivered this Pledge Agreement to be executed and delivered as of the date written below.

Third Party Pledgor

By:

(SIGNATURE)

(Date)

Third Party Pledgor

By:

(SIGNATURE)

(Date)

CLAUDE SIMON

(PLEASE PRINT NAME)

(PLEASE PRINT NAME)

SCHEDULE A

Borrower(s) : CHARLES HENRY PROPERTIES LLC

Portfolio Loan Account No. : 7540428449

Initial Facility Limit : \$ 5,000,000.00

Collateral Account(s) :

Account Title	Account Number
1) <u>CLAUDE SIMON</u>	<u>052-062431-853</u>

Each Collateral Account is held at Morgan Stanley & Co. Incorporated.

Borrower Name: CHARLES HENRY PROPERTIES LLC
PLA#: 7540428449

FR U-1:
OMB No. 7100-0115
Approval expires January 31, 2014

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
STATEMENT OF PURPOSE FOR AN EXTENSION OF CREDIT
SECURED BY MARGIN STOCK
(FEDERAL RESERVE FORM U-1)

Morgan Stanley Bank, N.A.

NAME OF BANK

This report is required by law (15 U.S.C. §§78g and 78w; 12 CFR 221). The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimated or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0011), Washington, DC 20503.

INSTRUCTIONS

1. This form must be completed when a bank extends credit in excess of \$100,000 secured directly or indirectly, in whole or in part, by any margin stock.
2. The term "margin stock" is defined in Regulation U (12 CFR 221) and includes, principally: (1) stocks that are registered on a national securities exchange; (2) debt securities (bonds) that are convertible into margin stocks; (3) any over-the-counter security designated as qualified for trading in the National Market System under a designation plan approved by the Securities and Exchange Commission (NMS security); and (4) shares of most mutual funds, unless 95 percent of the assets of the fund are continuously invested in U.S. government, agency, state, or municipal obligations.
3. Please print or type (if space is inadequate, attach separate sheet).

PART I

To be completed by borrower(s)

1. What is the amount of the credit being extended? Maximum available credit as determined by Morgan Stanley Bank, N.A. from time to time based, in part, on the value of the securities pledged as collateral for the credit facility.
2. Will any part of this credit be used to purchase or carry margin stock? Yes No
If the answer is "no," describe the specific purpose of the credit.

General Liquidity Purposes

I (We) have read this form and certify that to the best of my (our) knowledge and belief the information given is true, accurate, and complete, and that the margin stock and any other securities collateralizing this credit are authentic, genuine, unaltered, and not stolen, forged, or counterfeit.

Signed:

Claude Simon 2-14-13
BORROWER'S SIGNATURE DATE
Claude Simon
PRINT OR TYPE NAME

Signed:

BORROWER'S SIGNATURE

DATE

PRINT OR TYPE NAME

This form should not be signed if blank.

A borrower who falsely certifies the purpose of a credit on this form or otherwise willfully or intentionally evades the provisions of Regulation U will also violate Federal Reserve Regulation X, "Borrowers of Securities Credit."

Part II

To be completed by bank only if the purpose of the credit is to purchase or carry margin securities (Part I(2) answered "yes")

1. List the margin stock securing this credit; do not include debt securities convertible into margin stock. The maximum loan value of margin stock is 50 percent of its current market value under the current Supplement to Regulation U.

No.Of Shares	Issue	Market Price Per Share	Date and Source of Valuation (See note below)	Total Market Value Per Issue

2. List the debt securities convertible into margin stock securing this credit. The maximum loan value of such debt securities is 50 percent of the current market value under the current Supplement to Regulation U.

Principal Amount	Issue	Market Price	Date and Source of Valuation (See note below)	Total Market Value Per Issue

3. List other collateral including nonmargin stock securing this credit.

Describe Briefly	Market Price	Date and Source of Valuation (See note below)	Good Faith Loan Value

Note: Bank need not complete "Date and source of valuation" if the market value was obtained from regularly published information in a journal of general circulation or an automated quotation system.

Part III

To be signed by a bank officer in all instances.

I am a duly authorized representative of the bank and understand that this credit secured by margin stock may be subject to the credit restrictions of Regulation U. I have read this form and any attachments, and I have accepted the customer's statement in Part I in good faith as required by Regulation U*; and I certify that to the best of my knowledge and belief, all the information given is true, accurate, and complete. I also certify that if any securities that directly secure the credit are not or will not be registered in the name of the borrower or its nominee, I have or will cause to have examined the written consent of the registered owner to pledge such securities. I further certify that any securities that have been or will be physically delivered to the bank in connection with this credit have been or will be examined, that all validation procedures required by bank policy and the Securities Exchange Act of 1934 (section 17(f), as amended) have been or will be performed, and that I am satisfied to the best of my knowledge and belief that such securities are genuine and not stolen or forged and their faces have not been altered.

Signed:

Date

BANK OFFICER'S SIGNATURE

TITLE

PRINT OR TYPE NAME

* To accept the customer's statement in good faith, the officer of the bank must be alert to the circumstances surrounding the credit and, if in possession of any information that would cause a prudent person not to accept the statement without inquiry, must have investigated and be satisfied that the statement is truthful. Among the facts which would require such investigation are receipt of the statement through the mail or from a third party.

This form must be retained by the lender for three years after the credit is extinguished.

Borrower Name : CHARLES HENRY PROPERTIES LLC

PLA # : 7540428449

PORTRFOLO LOAN ACCOUNT AGREEMENT

This PORTFOLIO LOAN ACCOUNT AGREEMENT is entered into between each person signing below as the Borrower (referred to herein as "you" or "your") and Morgan Stanley Bank, N.A., a national banking association (referred to herein as "Bank"). "Agreement" means this Portfolio Loan Account Agreement, Schedule 1 attached hereto, and the attached Portfolio Loan Account Terms and Conditions ("Terms and Conditions"), each as modified, amended or supplemented from time to time. "Morgan Stanley Smith Barney," "we" or "us" means Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. Incorporated and their successors and assigns, as applicable. **This Agreement shall become effective on the earlier of oral or written notice to you from Bank that the Portfolio Loan Account has been approved or Bank making an Advance to or issuing a Letter of Credit for you (the "Effective Date").** Capitalized terms used but not defined herein shall have the meanings provided in the Terms and Conditions. **By signing below, you agree to be bound by the terms and conditions of this Agreement and you understand, acknowledge and agree as follows:**

1. **The Portfolio Loan Account is a demand loan facility.** Accordingly, Bank may demand full or partial payment of all or a portion of any Advance in its sole and absolute discretion and without cause, at any time.
2. **The Portfolio Loan Account may be a partially committed credit facility.** Bank has no obligation to make any Advances to you or to issue any Letters of Credit for your benefit, except that Bank is obligated to make an Advance if you are an individual or a common law trust, and (1) the Account has not been terminated and no Termination Event has occurred, (2) after the Advance, the PLA Obligations will not exceed the Commitment Amount and the Collateral maintenance requirements are satisfied, and (C) any other requirements to obtain an Advance under the Agreement are satisfied.
3. **Unless you authorize Bank to initiate ACH debit entries to make payments on Fixed Rate Loans, payments on Fixed Rate Loans are accomplished by making a Variable Rate Advance, applying the Variable Rate Advance to the Fixed Rate Loan and applying Borrower's payment (if any) to the Variable Rate Advance. Any such Variable Rate Advance will bear interest at a variable rate as set forth in the Terms and Conditions, and such rate of interest may be higher or lower than the rate on the Fixed Rate Loan.**
4. You shall not allow any Advances or Letters of Credit under the Portfolio Loan Account to be used: (1) to purchase, carry or trade any securities or to extend credit to others for the purpose of purchasing, carrying or trading any securities; (2) to repay debt used to purchase, carry or trade in any securities; (3) to repay any debt to Bank or any affiliate of Bank (other than as expressly provided in the Agreement); or (4) in connection with any illegal transaction.
5. **Borrowing by using securities as collateral involves a high degree of risk. Securities-based borrowing is not for everyone. If it is not suitable for you, you should not open a Portfolio Loan Account. You should examine your investment objectives, financial resources and risk tolerance to determine whether securities-based borrowing is suitable for you. Bank can take action with respect to the Collateral Account, without prior notice to you, such as requiring repayment of Obligations, issuing a collateral call or selling the assets in the Collateral Account to maintain the required equity in the Collateral Account. This may occur, for example, if Bank in its sole discretion determines that the securities in the Collateral Account are (or may become) insufficient Collateral for the Portfolio Loan Account for any reason, such as due to a decline in the value or the loan advance rate for the securities in the Collateral Account. Bank reserves the right to disapprove any Collateral and to require additional Collateral to be deposited into the Collateral Account at any time in the amount requested by Bank or substitution of new or additional Collateral for any Collateral that has previously been deposited in the Collateral Account.**
6. **While Bank may attempt to notify you regarding a deficiency with respect to the Collateral in the Collateral Account, Bank is not obligated to do so. Bank may in its sole discretion, liquidate securities**

and other property to satisfy collateral requirements for the Portfolio Loan Account, without notice to you and without requesting additional collateral. These sales may cause you to recognize taxable income or to report losses for tax purposes. Bank may perform such transactions without prior notice or advertisement on the market where such business is usually transacted, at a public auction or in a private sale, including transactions with Bank or Morgan Stanley Smith Barney for their own account. You waive any right of redeeming the proceeds of such transactions without Bank's consent and agree not to hold Bank liable for taking such actions. Without limiting the foregoing, Borrower waives any right to the notice of sale of Collateral, advertisement of such sale and any related provisions of applicable law, including, but not limited to the Utah Uniform Commercial Code.

- 7. Section 15 of the Terms and Conditions (Dispute Resolutions) includes a waiver of a number of rights, including the right to bring a lawsuit in court, the right to serve as a representative in a class action and the right to a jury trial. That section describes the procedure you must follow if you desire to reject the Dispute Resolutions section.**
8. Bank may, at any time, amend, supplement or modify the Agreement, including, but not limited to, by changing the Variable Rate Index, the Fixed Rate Index, the Interest Spread, the Interest Rate Tiers, prepayment charges, Letter of Credit Fees and any other fees and other charges payable in connection with the Portfolio Loan Account.
9. The total interest, fees and other charges on the Portfolio Loan Account may exceed the investment performance of the Collateral Account.
10. The Collateral Account will **not** have margin privileges, including overdraft, during the period that the Collateral Account is pledged to Bank as collateral for the Portfolio Loan Account. You can continue to use your current checks and debit cards so long as you have sufficient cash to cover each such transaction and have designated in your Portfolio Loan Account Application that the Collateral Account will have check and debit card privileges.
- 11. Bank, Morgan Stanley Smith Barney and your financial advisor ("Financial Advisor") or investment representative ("Investment Representative"), as applicable, do not provide tax or legal advice.** You should consult your personal attorney, tax advisor or accountant for matters involving taxation, tax planning, personal trusts and estate planning or the legal consequences of entering into the Agreement.
12. Notwithstanding any advisory relationship that you may have with Morgan Stanley Smith Barney in connection with the Collateral Account, you will not have an advisory relationship with us with respect to the Portfolio Loan Account or your decision to use the Collateral Account as collateral for the Portfolio Loan Account. Neither we nor your Financial Advisor or Investment Representative, as applicable, is acting as an investment adviser in connection with your decision to obtain a Portfolio Loan Account and you are solely responsible for the decision to enter into the Agreement and to pledge assets in the Collateral Account.
13. You acknowledge and confirm that you have received and understand the Portfolio Loan Account Terms and Conditions.
14. You have received and understand the Morgan Stanley Bank, N.A. Privacy Policy. You consent and agree that Bank may (i) share information regarding your Portfolio Loan Account with any Loan Party or any party with access to the Loan Party's account information (e.g., through an account linked group) and (ii) provide copies of Loan Documents to any Loan Party. Bank may share information regarding you and your Portfolio Loan Account with Morgan Stanley Smith Barney, other affiliates of Bank and your Financial Advisor or Investment Representative, as applicable.
15. Morgan Stanley Smith Barney and your Financial Advisor or Investment Representative may have a conflict of interest in connection with your decision to obtain a Portfolio Loan Account, in so far as they and their affiliates earn income in connection with the Portfolio Loan Account. In addition, the compensation earned by your Financial Advisor or Investment Representative will fluctuate with the applicable interest rate and outstanding balance on your Portfolio Loan Account. You understand that the Financial Advisor or Investment Representative, as applicable, and Morgan Stanley Smith Barney may have a financial incentive for you to enter into the Portfolio Loan Account as opposed to obtaining other lending products offered by us.

Morgan Stanley Bank, N.A.

16. Actions taken by Bank as the lender, and Morgan Stanley Smith Barney, acting in its capacity as Securities Intermediary, may be directly contrary to your interests as owner of the Collateral Account and Bank's and/or Morgan Stanley Smith Barney's actions, including selling securities in the Collateral Account or requesting that additional collateral be deposited in the Collateral Account, may have adverse consequences for you, including realizing taxable gains as a result of any such sale and affecting your asset allocation, cash flow, trading activity and investment strategy.
17. Where and to the extent that Bank permits instructions regarding the Portfolio Loan Account to be delivered orally, Bank may accept instructions from your Financial Advisor or Investment Representative in connection with your Portfolio Loan Account, in which case such instructions will be deemed to have been given or made directly by you.
18. All information contained in or submitted in connection with the Portfolio Loan Account Application is true, accurate and complete as of the date you execute this Agreement and you agree to immediately notify Bank in writing of any changes to such information.
19. You have authorized Bank or anyone authorized by Bank to obtain a credit report and other credit references to verify you are creditworthy. Bank may at any time request, and you must then provide, additional financial information in connection with extending or maintaining the Portfolio Loan Account. For Individual and Joint Applications Only: If more than one person is signing below, each such person confirms his/her intention to apply for joint credit.
20. After considering the benefits and risks of the use of the Portfolio Loan Account, you have determined that it is appropriate based on your financial situation and investment objectives. By signing below, you are also attesting to receipt of PLA Agreement - Schedule 1 and the PLA Terms and Conditions documents.

Signature of Borrower
Signature

Print Name

Date

Signature of Borrower
Signature

Print Name

Date

Authorized Individual, in each case acting in the capacity set forth in the Portfolio Loan Account Certification executed in connection herewith, by any one of: CLAUDE SIMON

SCHEDULE 1

I. Portfolio Loan Account Interest Rate Tiers

Facility Limit	Interest Spread
\$100,000 - \$249,999	5.00%
\$250,000 - \$499,999	4.00%
\$500,000 - \$999,999	3.50%
\$1,000,000 - \$2,499,999	3.00%
\$2,500,000 - \$4,999,999	2.75%
\$5,000,000 - \$9,999,999	2.50%
\$10,000,000 and over	2.25%

II. Letter of Credit Fees

Original Face Amount of Letter of Credit	Letter of Credit Fee (% of Face Amount)
\$100,000 - \$1,000,000	1 .50%
Over \$1,000,000	1 .00%

III. Collateral Account(s)

Account Title	Account Number
1) <u>CHARLES HENRY PROPERTIES LLC</u>	<u>052-062473-853</u>

Each Collateral Account is held at Morgan Stanley & Co. Incorporated.