
Eric J. Linger, DBA
Sherwood Investment Services
Financial Planning & Investment Management
Registered Investment Advisor

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23705 NE 61st Street
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LETTER OF AGREEMENT

For: _____

1. **PURPOSE**

This letter reflects our mutual understanding of the services that Eric J. Linger, doing business as *Sherwood Investment Services* (hereafter referred to as “we”, “us”, “SIS” or “Advisor”) will provide for you, our client (hereafter referred to as “you” or “Client”). It also details how SIS is to be paid for work performed on your behalf.

2. **SERVICES**

Sherwood Investment Services will evaluate your current investment portfolio and investment requirements and determine what changes might be required. We then develop an investment portfolio for you and manage this portfolio. SIS will arrange for the execution of securities transactions for the Account through brokers or dealers that SIS reasonably believes will provide best execution.

We will monitor your investment portfolio on an ongoing basis. Changes to your investment portfolio may be made by us because of changing economic, market and personal conditions, or other factors. Securities may be purchased and sold at our discretion by us without your specific authorization, other than this agreement.

Dynamic Financial Planning is performed on an ongoing, as-needed basis, as part of our investment management services, without an additional fee.

Client agrees to notify SIS promptly of any significant change in the information provided by the Client. SIS’s authority under this Agreement will remain in effect until changed or terminated by Client in writing.

3. **WHAT WE WILL NOT DO**

- a. We do not take possession of your funds or investments except for asset management fees that you have authorized through this agreement. All funds and investments remain in your name and held by a national brokerage firm, called the custodian.
- b. We do not profess to be able to "time the markets" to achieve extraordinary returns. We do not believe that anyone can consistently project the next "hot market". We believe that proper asset allocation and careful security selection and consideration of the economic environment will lead to the best and most consistent investment returns.

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- c. We do not provide legal or tax advice. However, we will work with your attorney and accountant to help assure that our efforts and theirs are coordinated.
- d. We do not guarantee a rate of return, or even that your portfolio will never lose money. We promise only good professional investment service. All investments carry a risk, including CDs and money market funds. At any point in time, your investments will be worth more or less than you originally invested. When you invest, you assume various risks, which depend on the assets selected. (See Section 6, Risk Considerations.)
- e. We will not assign your contract to any other firm without your prior written consent.

4. PRIVACY STATEMENT

We do not disclose or sell any information about our clients, former clients, or prospects to anyone, except with their permission or as required by law or as required to conduct business, maintain our records and backup data, and to facilitate an orderly transition in the event of an emergency or unplanned transition of SIS. All information given to us is used strictly for administrative purposes and to help you achieve your objectives.

5. PROXIES AND CLASS ACTION LAWSUITS

We do not vote proxies for you. We do not any take action or give advice regarding voting of proxies of your securities or regarding any companies named in class action lawsuits.

6. RISK CONSIDERATIONS

Investments in mutual funds and individual securities involve risk. Some investment products have more risk than others, such as those investing in gold related securities, which are subject to market price movements, regulatory changes and economic conditions as well as adverse political and financial factors. REIT investments can be affected by interest rate moves, economic cycles and tax and regulatory requirements. There are additional risks associated with investing in non-US companies, high-yield bonds, emerging markets, aggressive growth stocks, non-diversified/concentrated funds and small-, mid- and micro-cap stocks which are more fully explained in the prospectuses. Bond investments are subject to interest-rate risk such that when interest rates rise, the prices of the bonds, and thus the value of the bond or bond fund, can decline and the investor can lose principal value. Convertible bonds are subject to all the bond risks mentioned above and also have the risk that the convertible bond might get converted into stock at an unfavorable price. Individual stocks, stock options, bonds and other fixed income investments also carry the risk that the securities will become totally worthless.

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7. PORTFOLIO MANAGEMENT FEES

The management fee for our financial planning and investment management services is shown in the table below. The quarterly fee is applied to the value of the assets under our management on the last business day of the quarter. The fee is billed in the subsequent month, *after* services have been provided.

<u>Portfolio Value</u> <u>On the portion between</u>	<u>Quarterly</u> <u>Fee</u>	<u>Annual</u> <u>Fee</u>
\$0 - \$250,000	0.3750%	1.50%
\$250,000 - \$500,000	0.3125%	1.25%
\$500,000- \$1,000,000	0.2500%	1.00%
\$1,000,000 - \$2,500,000	0.2250%	0.90%
\$2,500,000- \$5,000,000	0.2000%	0.80%
\$5,000,000 or more	0.1750%	0.70%

Note:

1. The value of assets is as stated by the account custodians TD Ameritrade, 401(k) and annuity company.
2. All accounts in your household under our management are added together to determine the total portfolio value and give you the lowest fee on all accounts.
3. Our management fee for all accounts in your household may be combined and deducted from one account.
4. The quarterly fee is one-fourth of the annual fee. The annual fee is shown for clarity and is not a separate or additional fee.
5. Example for a \$350,000 portfolio:

$$\text{Qtly. Fee} = 0.375\% \times 250,000 + 0.3125\% \times 100,000 = \$1,250$$
6. Minimum fee is \$250 per quarter.

Sherwood Investment Services may waive the minimum fee and/or charge a lesser investment management fee based upon certain criteria including, but not limited to, historical client-advisor relationship and dollar amounts of assets managed.

The brokerage firm that maintains your account may impose transaction fees. These fees are separate, distinct and in addition to all fees paid to SIS. Additionally, mutual funds, ETFs, REITs, bond broker/dealers and outside managers all charge fees that are separate from our fee. We receive no part of these fees and do not benefit in any way from these fees.

SIS will value securities in the account that are listed on a national securities exchange or on NASDAQ at the closing price, on the valuation date, on the principal market where the securities are traded.

Sherwood Investment Services serves as investment manager for other clients and will continue to do so. Client understands this and that the Advisor and its affiliated persons may give advice or take action in performing their duties to other clients, or for their own accounts, that differ from advice given to or action taken for you. SIS is not obligated to buy, sell or recommend for Client any security or other investment that Advisor or its affiliated persons may buy, sell or recommend for any other client or for their own accounts.

You authorize SIS and the Custodian to deduct the investment management fee from your account(s). This is necessary even if you choose to remunerate SIS directly (Option b in

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next section) since your account(s) will be billed if you are more than 20 days delinquent in your payment.

It is Client's responsibility to verify the accuracy of each billing statement and to compare it to the amount shown on the monthly statement from TD Ameritrade. The custodian does not perform any accuracy or appropriateness testing.

8. **BILLING ARRANGEMENT**

You have a choice of a) having the investment management fees deducted directly from your account by the custodian, TD Ameritrade or b) sending *Sherwood Investment Services* a separate check for these fees. If you choose Option "a" your monthly statements issued by TD Ameritrade will show the amount deducted. This information will not be shown by TD Ameritrade if you select Option "b". With either option, you will receive an invoice directly from *Sherwood Investment Services*, sent at the same time you are billed.

- a. Please deduct all investment management fees directly from my account so I do not have to send you a separate check.
- b. I (we) will send SIS a personal check. If payment is not received by SIS within 14 days of the invoice date or if the check is invalid, *Sherwood Investment Services* is authorized to deduct the fee from my account(s) at TD Ameritrade.

9. **TRADING AUTHORITY**

- a. *Sherwood Investment Services* has discretionary authority to manage accounts on behalf of clients. This means that *Sherwood Investment Services* may determine, without obtaining your specific consent, the securities to be bought or sold and the amount of the securities to be bought or sold. (See Investment Restrictions, below.)

Discretionary trading authority expedites the placing of trades for clients, thus allowing us to better manage your assets and meet their investment objectives.

- b. *Sherwood Investment Services* has non-discretionary authority of your annuities and/or 401(k) or similar retirement accounts held by your employer. This means we will advise you of suggested changes and it is up to you to implement the changes. You agree to send us monthly statements, if available to you, and no less frequently than quarterly statements of your account showing account positions and balances for the close of each month/quarter. These statements will be sent by you within ten days of the end of each month/quarter; i.e., by April 10, July 10, October 10 and January 10 for the quarterly statements. If the statements are not made available to *Sherwood Investment Services* in the specified time, quarterly management fees for these accounts will be based on a 3% quarterly growth.

The reason we have non-discretionary authority of these accounts and rely on you to make the suggested changes is because most employers and insurance companies limit access to their retirement systems to their employees or annuitants.

10. **INVESTMENT RESTRICTIONS**

Please indicate if you have any special investment restrictions.

- There are no restrictions placed on the type or quantity of any security that SIS may purchase or hold in the investment portfolio.
- The following restrictions are placed on the type or quantity of securities that SIS may purchase or sell on my behalf.

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11. ALTERNATE CONTACTS

Please indicate if we may contact others.

- In the event that *Sherwood Investment Services* notices a decline in your functioning or there are unusual actions taken by you, you give us permission to contact your spouse, children, attorney and/or accountant in order to protect your interests. In particular, SIS may contact the following individuals:
- Even if *Sherwood Investment Services* notices a decline in your functioning or there are unusual actions taken by you, you do not want us to contact others.

12. ABILITY TO READ EMAIL

Please indicate if you are able to read email

- I **do** have the ability to read Email and Adobe Acrobat attachments, commonly called "pdf files". Therefore, *Sherwood Investment Services* may send me information and legally required material such as Privacy Statements, Part 2A of Form ADV and billing statements via Email and pdf attachments, rather than through the U.S. Postal Service.
- I do **not** have the ability to read Email and Adobe Acrobat attachments, commonly called "pdf files". Therefore, *Sherwood Investment Services* should send me legally required material such as Privacy Statements, Part 2A of Form ADV and billing statements through the U.S. Postal Service.

13. DISPUTE RESOLUTION

If a dispute arises out of our engagement and cannot be settled through negotiation, and if both parties agree, the dispute will be settled by voluntary mediation or voluntary arbitration before resorting to litigation or some other dispute resolution procedure. If voluntary mediation or arbitration is employed, it will occur in the state of Washington in accordance with the then existing rules of the state of Washington and the American Arbitration Association. If settled in a court of law, any suit or legal action commenced against either party must be brought in the appropriate state or federal court in the state of Washington.

14. TERMINATION OF AGREEMENT

Services may be terminated by you or us within five business days of the date of acceptance of this agreement without penalty to you. After five business days, this agreement may be terminated by either party by providing the other party with a 30 day advance written notice. If termination occurs prior to the conclusion of any quarter, you will be billed the pro-rata portion of the annual fee, including the 30-day notice period. If fees are paid in advance, *Sherwood Investment Services* will refund the pro-rata portion of the unearned fee to you within 30 days of the termination date.

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15. UNDERSTANDING AND AGREEMENT

I have read this contract, understand its contents and agree to its terms. I have received a copy of it, Form ADV Parts 2A & 2B, and *Sherwood Investment Services' Privacy Statement*.

Client Authority. If you are an individual, you represent that you are of the age of majority. If Client is a corporation, the person signing this Agreement for the Client represents that he or she has been authorized to do so by appropriate corporate action. If this Agreement is entered into by a trustee or other fiduciary, the trustee or fiduciary represents that Advisor's investment management strategies, allocation procedures, and investment management services are authorized under the applicable plan, trust, or law and that the person signing this Agreement has the authority to negotiate and enter into this Agreement. Client will inform Advisor of any event that might affect this authority or the propriety of this Agreement.

Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Washington and the Securities Act of Washington (RCW 21.20), provided that nothing in this Agreement will be construed in any manner inconsistent with the Advisors Act or any rule or order of the Securities and Exchange Commission under the Advisors Act. Nothing in this agreement will waive or limit any right a client may have under federal and state securities law.

(Client Signature and Date)

(Client Signature and Date)

(Client Email Address)

(Client Email Address)

Principal, Sherwood Investment Services

ADV Part 2A Provided: _____

Privacy Statement Provided: _____

Client Initials: _____