
Sherwood Investment Services
Financial Planning & Investment Management

Eric Linger, Principal
Registered Investment Advisor

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23705 NE 61st Street
Redmond, WA 98053

LETTER OF AGREEMENT

For: _____

1. PURPOSE

This letter reflects our mutual understanding of the services that Eric 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.

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 that you have chosen.
- 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
- 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 for a description of some of these risks.) We will do our best to tailor your portfolio so that it meets your return expectations, but this is not promised.
- e. We will not assign this contract to any other investment advisor without your consent.

Client Initials: _____

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 take any 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.

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 quarter¹. The fee is billed in the subsequent month, *after* services have been provided. There is normally no fee for investment advice on 401(k) plans held by your employer.

<u>Portfolio Value On the portion between</u>	<u>Quarterly Fee</u>	<u>Annual 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 custodian (e.g., TD Ameritrade) holding your assets.
2. All accounts in your household under our management are added together to determine the total portfolio value and give you the lowest fee to 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 completeness and is not a separate or additional fee.
5. Minimum fee is \$250 per quarter.

Client Initials: _____

The fee for our services is deducted directly from your account by the custodian, TD Ameritrade Institutional Services, so you do not need to write a separate check. You authorize the Custodian to deduct and pay to SIS the management fee for each calendar year quarter from your account(s). Some or all of the accounts in your household may be grouped together and billed to one account. Account statements showing your account activity, holdings, and fees are sent to you by the custodian within 30 days of the close of each calendar quarter. Fees for new/closed accounts are prorated for the first/last quarter based on the number of days of asset management.

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 we 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.

SIS serves as investment manager for other clients and will continue to do so. Client understands this and that Advisor, its personnel and affiliates ("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.

8. DISPUTE RESOLUTION

Any suit, controversy or claim arising out of, or relating to this Agreement, or the breach thereof, shall be settled by arbitration, conducted in the county and state where the principal of *Sherwood Investment Services* is domiciled, in accordance with the then existing rules of that state and the American Arbitration Association. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. The award of the arbitrators or the majority of them is final and binding and not subject to review or appeal. If SIS does not agree to arbitration, then any suit or legal action commenced against either party must be brought in the appropriate state or federal court in the state of Washington or wherever the principal of *Sherwood Investment Services* is then domiciled. You agree to indemnify and hold harmless *Sherwood Investment Services* and their agents from all claims, actions, costs, liabilities and damages, including attorney fees, for any action taken pursuant to this agreement.

9. ABILITY TO READ EMAIL

I 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 and Parts 2A and 2B of Form ADV via Email and pdf files, rather than through the U.S. Postal Service.

10. 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. 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.

Client Initials: _____

11. ALTERNATE CONTACTS

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.

12. 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 or where Advisor is domiciled, 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.

Restrictions. There are no restrictions placed on the type or quantity of any security that SIS may purchase or hold in the investment portfolio.

(Client and Date)

(Client and Date)

Principal, Sherwood Investment Services

ADV Parts 2A & B Provided: _____

Privacy Statement Provided: _____

Client Initials: _____