

**Tavco Financial Advisory, Inc.**  
**Advisory Agreement**

THIS ADVISORY AGREEMENT (“Agreement”) is made this\_\_\_\_\_day of\_\_\_\_\_, 20\_\_\_\_\_ by and between Tavco Financial Advisory, Inc. (the “Advisor”), a Ohio corporation, whose principal place of business is located at 4910 Old Mechanicsburg Road, Springfield, Ohio 45502, and the client whose name and address are listed below (the “Client”). The Advisor and the Client may be referred to collectively as the Parties.

Client Name: \_\_\_\_\_

Client Address: \_\_\_\_\_

\_\_\_\_\_

Client Name: \_\_\_\_\_

Client Address: \_\_\_\_\_

\_\_\_\_\_

**(A) Appointment as Investment Consultant.**

Client hereby appoints Advisor as financial advisor with respect to the assets of Client that are currently or subsequently placed in the custody account(s) (the “Account”) which shall be maintained at the Custodian or broker dealer as Advisor may direct. Advisor agrees to provide investment consulting services with respect to the assets in the Account in accordance with the terms and conditions set forth in this Agreement.

**(B) Scope of Advisor Services.**

Advisor shall make recommendations to Client concerning securities in the Account. It is Client’s right and responsibility to accept or reject any and all such recommendations. Advisor does not have discretionary authority to effect transactions for the Account without Client’s approval. Client retains at all times control over all assets in the Account. The Advisor may make recommendations to the Client for third party asset managers (the “Manager”) to manage the Account pursuant to the terms of the investment advisory agreement entered into between the Client and the Manager. Advisor shall have limited discretionary authority to liquidate securities in the Account to cover payment of advisory fees as necessary.

**(C) Investment Objectives.**

Advisor agrees to manage Account investments in accordance with the investment objectives and strategy selected by Client. Client acknowledges and agrees that Client is responsible for ensuring that the investment objectives and directives given by Client to Advisor are in accordance with applicable law. Client represents that all information given to Advisor by Client is accurate and complete, and Client agrees that Advisor may rely on such information in performing Advisor’s duties. Advisor will use its best efforts to select and recommend securities and Managers for the Account consistent with the Client’s investment objectives. It shall be the

Client's responsibility to advise the Advisor in writing of any change to Client's investment objectives and any changes to Client's financial circumstances including, but not limited to, change in employment status, time horizon, risk tolerance, and/or any significant change in lifestyle that could reasonably be expected to impact a client financial circumstances.

**(D) Custody of Assets.**

Advisor will establish a custodial arrangement on behalf of Client with its preferred custodian. For accounts managed by a Manager, the Manager will establish its own custodial arrangements. In no case will the Advisor have physical custody or possession of Account assets. Advisor shall provide to the Client periodic account performance and fee notices in connection with the Account. Advisor shall not be responsible for any loss incurred by reason of any act or omission of custodian.

**(E) Expenses.**

All expenses related to the Account including, but not limited to, management fees charged by any Manager, shall be paid by the Client.

**(F) Fees.**

Client shall pay Advisor a fee based upon a percentage of the total amount of assets in the Account as set forth on Exhibit A ("Fee Schedule"). Client shall also pay an advisory fee to any Manager in accordance with the Manager's fee schedule. The fee will be charged quarterly in arrears, based on the fair market value of the Account assets, as determined by the Custodian, as of the last day of the previous calendar quarter and calculated in accordance with the Fee Schedule. Advisor will deduct its fees from the Account and will have limited discretion to liquidate securities to cover the fees if cash is not available. In the case of a third-party manager, the Manager will deduct its fee and the Advisor's fee from the Account in accordance with the agreement between the Client and the Manager, and will remit to the Advisor its portion of the fee, as indicated on Exhibit A. Asset management services begin with the effective date of the Agreement, which is the date the Client signs this Agreement. Fees for the initial quarter will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement is effective. In the event the client terminates the Agreement with the Advisor, the Advisor will rebate the prorated amount of fees charged based on the effective date of the termination. The industry standard for investment advisory fees is 2% of the assets under management. The combined fees paid by the Client to the Advisor and the Manager may be higher than the industry standard. Lower fees for comparable services may be available from other sources.

**(G) Assignment and Termination.**

No Assignment of this Agreement shall be made by the Advisor without written consent of the Client. If client has not received a copy of Advisor's Brochure or Form ADV Part 2 at least 48 hours prior to signing this Agreement, Client has five (5) business days from the date of execution of this Agreement to terminate it without penalty or fees. Otherwise, client may terminate this Agreement upon notice to the Advisor at any time within five (5) days from the date of this Agreement. Thereafter, either Client or Advisor may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other. Upon termination, any fees owed to the Advisor shall be paid by the Client on a prorated basis as of the effective date of termination.

If Client has pre-paid any fees, a refund of any such fees shall be given on a pro rata basis.

***(H) Limit of Liability.***

Client agrees that all transactions in Client's Account are for Client's sole account and risk. The Advisor shall not be excluded from liability for losses occasioned by the Advisor's willful misfeasance or bad faith, in the performance of its duties under this Agreement. The securities laws impose liabilities under certain circumstances on persons who act in good faith and nothing in this Agreement shall constitute a waiver or limitation of any rights which the Client may have under applicable federal or state law.

***(I) Conflicts of Interest.***

The Client acknowledges that the Advisor is affiliated with The Tavenner Company, Inc., a broker dealer firm at which the Client may also maintain securities accounts. In the event that transactions effected in the Client's securities accounts are managed by the Manager, the Advisor will receive a portion of the fees associated with the management of those assets. In addition, the client acknowledges that when a recommendation is made for securities sold through The Tavenner Company, Inc., as they are deemed more suitable for the client's financial needs, the Advisor will receive compensation through the sale of that securities product sold through The Tavenner Company, Inc.

The Client also acknowledges that the Advisor is affiliated with The Tavenner Agency, Inc., a insurance brokerage firm at which the Client may also have purchased fixed insurance products. In the event that a risk assessment identifies the need for and the Advisor recommends a fixed insurance product, the Advisor will receive compensation through the sale of that fixed insurance product.

***(J) Non-Exclusive Management Services.***

It is understood that the Advisor may perform investment consulting services for various clients. The Client agrees that the Advisor may give advice and take action with respect to any of its other clients which may differ from advice given, or the timing or nature of the action taken, with respect to the Account.

***(K) Reliance of Information.***

The client understands that the Advisor, in the performance of its obligations and duties under the Agreement, is entitled to rely upon the accuracy of information furnished by the Client or on its behalf, without further investigation. Client agrees to promptly provide all information requested by Advisor.

***(L) Electronic Delivery of Information.***

By providing your email address, Advisor may deliver certain information to the Client by means of electronic delivery. The types of information that Advisor may disseminate through electronic means includes its Form ADV, Client Advisory Agreements, and Privacy Policy. Advisor will use electronic mail addressed to the e-mail address provided by Client to deliver the documents and will provide the information in portable document format, or PDF format. If you do not already have Adobe Reader installed on your computer to allow you to access documents in PDF format, you can download it at no cost by going to

**Http://get.adobe.com/reader/** using your Internet browser. Online charges may be assessed by your Internet service provider for accessing electronic documents and downloading software. By signing this agreement and providing email address below, Client consents to the electronic delivery of information described in this paragraph during the time this agreement is in effect. Client may revoke this consent at any time by sending Advisor written notice of revocation. Upon receipt of Clients written revocation, Advisor will send information to Client in paper format.

E-mail

address: \_\_\_\_\_  
\_\_\_\_\_

**(M) General Provisions.**

- (a) Unless otherwise specified in this Agreement, all notices, instructions, and any advice of confirmations of security transactions or other matters contemplated by this Agreement shall be deemed to be duly given when received in writing by the Advisor at the address above, or when deposited by first class mail addressed to the Client at the address appearing above or at such other address as Client shall specify in a notice similarly given.
- (b) This Agreement shall be governed by and construed in accordance with the laws of the United States and the State of GA.
- (c) Each section of this Agreement and any and every provision shall be severable from every other section of this Agreement and any and every other provision and the invalidity or unenforceability of any section or provision shall not affect the validity of any other section or provision of this Agreement.
- (d) This agreement embodies the entire Agreement of the Parties with respect to its subject matter, and all prior agreements, understanding, and negotiations are merged into this Agreement and superseded.
- (e) Except as provided in Section G, this Agreement may not be amended unless such Amendment is in writing and signed by the parties sought to be bound.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Client: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Client: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Accepted By:

Name: Thomas J. Tavenner

Signature: \_\_\_\_\_

Title: President & CCO

Date: \_\_\_\_\_

## EXHIBIT A

### FEE SCHEDULE AND DISCLOSURES

- I understand that placing assets under management is no guarantee of increased returns. Managed assets may do better, just as well, or worse than unmanaged assets.
- I understand that past performance is no guarantee of future results.
- I have received the ADV Part 2 of Tavco Financial Advisory, Inc.
- I have received the ADV Part 2 of \_\_\_\_\_management company.
- I understand that Tavco Financial Advisory, Inc. shall charge a maximum of 1.5% flat fee or a tiered 1.5% the first \$100,000, 1.25% for \$100,001 to \$250,000 and .75% for \$250,000 or more of the assets under management in the Account on an annual basis, which shall be paid monthly or quarterly in arrears and will be deducted from the Account. TFA fees are negotiable. Specific fees TFA will charge your account are listed in Schedule A.
- I understand that management fees for the 3<sup>rd</sup> party money managers and Tavco Financial Advisory, Inc. are listed in the management company application. The maximum advisory fee paid to Tavco Financial Advisory, Inc. from 3<sup>rd</sup> party money managers is 1.5% of assets under management.
- Please refer to your advisory agreement with the third-party money manager regarding negotiability of their fees.

Approximate value of account being placed under management\_\_\_\_\_

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

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**CLIENT SIGNATURE**

\_\_\_\_\_  
**JOINT CLIENT NAME**

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**JOINT CLIENT SIGNATURE**

REP SIGNATURE \_\_\_\_\_ REP # \_\_\_\_\_

DATE \_\_\_\_\_

PRINCIPAL SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

## SCHEDULE A

Please initial the appropriate fee structure:

\_\_\_\_\_ A Flat Fee of \_\_\_\_\_% will be charged to the assets under management in the account.  
This flat fee will not exceed TFA's maximum flat fee as listed in Exhibit A.

\_\_\_\_\_ A Tiered Fee structure will be charged to the assets under management in the account as listed below. This tiered fee structure will not exceed TFA's maximum tiered fee structure as listed in Exhibit A.

|                       |       |
|-----------------------|-------|
| \$0 - \$100,000       | _____ |
| \$100,001 - \$250,000 | _____ |
| \$250,000+            | _____ |