



## INVESTMENT ADVISORY AGREEMENT

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between **Johnson Financial Group, LLC**, a Colorado limited liability company (“Adviser”), located at 215 Union Blvd., Suite 450, Lakewood CO 80228 and the undersigned client (“Client”). By this Agreement, Client retains Adviser to provide investment management services to Client on the following terms:

### 1. Account Management; Scope of Adviser’s Authority

Client authorizes Adviser to open a discretionary advisory account (the “Account”) with Adviser. Client hereby appoints Adviser, and Adviser hereby accepts Client’s appointment, as investment adviser for the Account. Client authorizes Adviser to buy, sell or otherwise trade securities and cash or cash equivalents without discussing the transaction with Client in advance, subject, however, to such limitations and restrictions as Client may impose in advance by notice in writing to Adviser. Client also authorizes Adviser to take all necessary action to manage the Account and to effect securities transactions for the Account, with or without Client’s consent or authority, except that Adviser (1) is not authorized to withdraw any money, securities or other property in Client’s name other than the investment advisory fee or termination fee of Adviser in accordance with the terms of this Agreement; and (2) will not exercise investment brokerage discretion over the Account to determine: (a) the broker-dealer to be used for a purchase or sale of Client’s securities; or (b) the commission rates to be paid to a broker or dealer to cover Client’s transaction costs. Adviser will make investment decisions for the Account taking into account the investment objectives and financial circumstances described in the Investment Policy Statement (“IPS”) as reviewed by Adviser from time to time. Client agrees to notify Adviser promptly in writing if the information provided in the IPS becomes materially inaccurate. Client agrees to notify Adviser promptly in writing of any material change in Client’s financial circumstances and investment objectives that might affect the manner in which Client’s accounts should be managed and to provide Adviser with any such information as it shall reasonably request. Adviser’s authority under this Agreement will remain in effect until changed or terminated by Client in writing pursuant to the termination section (Section 11).

Client expressly authorizes Adviser to give a copy of this Agreement or the information contained herein or provided to Adviser by or through Client to any broker, dealer or other party to a transaction for the Account, or the Custodian (as defined in Section 2) as evidence of Adviser’s authority to act for Client. Adviser will use commercially reasonable efforts to insure that the Custodian executes purchases and sales transactions in accordance with Adviser’s instructions to the Custodian, but Adviser shall not be liable for any acts or omissions of Custodian. Except as may otherwise be provided by law, Adviser shall not be liable for any damage caused by errors, communication malfunctions and/or breakdown, or operational delays beyond its control.



## **2. Custody of Client's Account Assets**

Custody of Client's Account assets will be held by the independent custodian (the "Custodian") which shall be Schwab Institutional, a Division of Charles Schwab & Co., Inc. , unless the client selects another custodian. Adviser will not have custody or take possession of any assets in the Account or have access to the assets in the Account, with the exception of debiting the client account directly for management fees. Client will be solely responsible for paying all fees or charges of the Custodian. Client authorizes Adviser to give the Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Account. Client authorizes the Custodian to pay advisory fees directly to Adviser.

Client understands that it will receive quarterly statements from the Custodian showing the assets in the Account and all transactions for the Account including the amount of fees paid directly to Adviser, if applicable, during the quarter. Client expressly acknowledges that it is Client's responsibility to verify the accuracy of the fee calculation; the Custodian will not determine whether the fee is properly calculated. Adviser will send a statement to Client showing the amount of the fee, the value of Client's assets upon which the fee was based, and the specific manner in which the fee was calculated at the same time Adviser sends the bill to Custodian. All valuations will be performed by the Custodian and relied upon by Adviser. Any valuation shall not be deemed a guarantee of any kind whatsoever with respect to the value of the assets of Client's Account.

## **3. Investment Advisory Fee and Payment**

Client will pay Adviser a fee for its investment management services performed hereunder. The investment advisory fee is payable quarterly in arrears. Adviser agrees not to charge Client investment advisory fees based on a share of the capital gains or the capital appreciation of the assets managed. The initial fee will be based upon the date the Account is accepted for management by execution of the contract by Adviser through the last day of the calendar quarter. Thereafter, the fee will be based on the market value of the Account on the last day of the previous calendar quarter and will cover the period from the first day of the calendar quarter through the last day of the calendar quarter described in Adviser's bill. In computing the market value of any securities and other investments in the Account, securities listed on any national securities exchange shall be valued, as of the valuation dates, at the closing price on the principal exchange on which they are traded. Any other securities or investments in the Account shall be valued in a manner determined in good faith to reflect fair market value. Any such valuation shall not be considered a guarantee of any kind with respect to the value of the assets in the Account. Adviser may use the services of an independent evaluator, as well as other independent sources with respect to the computation of the market value of securities. Client understands that the Account assets invested in shares of mutual funds, or other investment companies will be included in calculating the value of the Account for purposes of computing Adviser's fees and the same assets will also be subject to additional advisory and other fees and



expenses, as set forth in the prospectuses of those funds or variable annuities, paid by the funds but ultimately borne by the investor.

The investment advisory fees are based on the market value of assets under supervision and are as follows:

<b>Total Fair Market Value</b>	<b>Annual Percentage Fee</b>	<b>Quarterly Percentage Fee</b>
The First \$999,999	1.15%	0.28750%
Assets from \$1,000,000- \$1,999,999	1.05%	0.26250%
Assets from \$2,000,000- \$2,999,999	1.00%	0.25000%
Assets from \$3,000,000- \$3,999,999	0.95%	0.23750%
Assets from \$4,000,000- \$4,999,999	0.90%	0.22500%
Assets from \$5,000,000- \$9,999,999	0.85%	0.21250%
Assets Over \$10,000,000	0.80%	0.20000%

Client understands and agrees that the above fees shall continue until the beginning of the calendar quarter that is at least thirty (30) days after Adviser has notified Client in writing of any change in the amount of the fee applicable to the Account. At such time, the new fee will become effective unless Client notifies Adviser in writing that the Account is to be closed in accordance with Section 11 of this Agreement.

#### **4. Additions and Withdrawals**

Client may add to the Account or withdraw funds at any time subject to the terms of this Agreement. Additions may be in cash, mutual fund shares, stocks or bonds, provided that Adviser reserves the right to decline to accept securities into the Account or to impose a waiting period, in its discretion, before certain securities may be deposited. If additional cash, securities or other investments are accepted for management in the Account during any quarter, an additional fee, prorated for the number of days remaining in the fee period and covering the total value of the accepted assets, may be charged at the discretion of Adviser and, if charged, will become due in accordance with Adviser's bill as set forth above. Client may withdraw Account assets upon five (5) business days written notice to Adviser, subject to usual and customary securities settlement procedures.

#### **5. Confidentiality**

Except as otherwise agreed herein, or in writing or as required by law, Adviser will keep confidential all information concerning Client's identity, financial affairs, and investments. All information, recommendation and advice furnished by Adviser to Client under this Agreement



shall be regarded as confidential by Client and shall not be disclosed to any person, firm or corporation without the prior written consent of Adviser as specified in the Privacy Policy.

## **6. Other Investment Accounts**

Client understands that Adviser serves as investment manager for other clients and will continue to do so. Client also understands that Adviser, 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 Client. Adviser is not obligated to buy, sell or recommend for Client any security or other investment that Adviser or its Affiliated Persons may buy, sell or recommend for any other client or their own accounts. This Agreement does not limit or restrict in any way Adviser or any of its Affiliated Persons from buying, selling or trading in any securities or other investments for their own accounts. If Adviser or any Affiliated Person obtains nonpublic or other confidential information about any issuer, Adviser will have no obligation to disclose the information to Client or use it for Client’s benefit.

## **7. Risk Acknowledgment and Indemnification**

Client acknowledges that Adviser does not guarantee the performance of Client’s Account or any specific level of performance, gain or loss, or the success of any investment decisions or strategies that Adviser may use. Client understands that investment decisions made for the Account by Adviser are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by applicable law, Adviser will not be liable for any act or failure to act by the Custodian, any broker or dealer who which Adviser directs transactions for the Account, or by any other third party. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and nothing in this Agreement will waive or limit any rights that Client may have under those laws.

Client shall indemnify and hold Adviser, its affiliates, directors, officers, employees or agents (the “Other Indemnified Parties”) harmless from and against all losses, claims, demands, actions, suits, proceedings, liabilities, damages, judgments or obligations of any kind or nature (collectively, “Losses”) and costs or expenses incurred by them of any kind or nature, including but not limited to all reasonable fees and reasonable expenses of their counsel and all other reasonable expenses incurred by them, in connection with the investigation of, preparation for, defense or settlement of any pending or threatened claims, litigation, proceeding, appeal or other actions (collectively, “Expenses”), as they may be incurred, in connection with or arising out of or related to this Agreement; provided, however, that Client shall not be obligated to indemnify Adviser or the Other Indemnified Parties with respect to Losses or Expenses which are finally judicially determined, by a court of competent jurisdiction, to have resulted primarily from the





gross negligence or willful misconduct of Adviser or the Other Indemnified Parties in fulfilling their duties under this Agreement. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that Client may have under those laws.

## **8. ERISA Accounts**

If the Account is for a (a) pension or other employee benefit plan (including a 401(k) plan) governed by the Employee Retirement Income Security Act of 1974 (“ERISA”); (b) tax-qualified retirement plan (including a Keogh plan) under section 401(a) of the Internal Revenue Code of 1986 (the “Code”), and not covered by ERISA; or (c) an individual retirement account (“IRA”) under Section 408 of the Code, if Client appoints Adviser, and Adviser accepts its appointment as an “investment manager” for purposes of ERISA and the Code, Adviser acknowledges that it is a “fiduciary” within the meaning of Section 3(21) of ERISA and Section 4975(e)(3) of the Code (but only with respect to the provision of services described in Section 1 of this Agreement). Adviser represents that it is registered as an investment adviser under the laws of the applicable federal and state securities regulatory authority. Client represents that Adviser has been furnished true and complete copies of all documents establishing and governing the employee benefits plan and evidencing Client’s authority to retain Adviser. Client will furnish promptly to Adviser any amendments to its employee benefits plan, and Client agrees that, if any amendment affects the rights or obligations of Adviser, such amendment will be binding on Adviser only when agreed to by Adviser in writing. If the Account contains only a part of the assets of the employee benefits plan, Client understands that Adviser will have no responsibility of the diversification of all of the employee benefit plan’s investments, and that Adviser will have no duty, responsibility or liability for Client assets that are not in the Account. If ERISA or other applicable law requires bonding with respect to the assets in the Account, Client will obtain and maintain at its expense bonding that satisfies this requirement and covers Adviser and its Affiliated Persons.

## **9. Other Legal Actions**

Client agrees that Adviser will not advise or act for Client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers’ securities.

## **10. Proxy Voting**

Unless otherwise specified in the IPS, the Adviser shall have the authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held by an Account.

## **11. Termination of Agreement**

This Agreement shall be valid and shall continue in effect until terminated by Adviser or Client. This Agreement may be terminated at any time upon notice by either party in accordance with Section 19 hereof and termination will become effective upon receipt of such notice. Client has the right to terminate this Agreement without penalty within five (5) business days after the execution of this Agreement by Adviser, provided that any investment action taken by Adviser with respect to Client's Account prior to any such termination will be at Client's risk. Such termination will not, however, affect the liabilities or obligations of the parties under this Agreement arising from transactions initiated prior to such termination, including the provisions regarding arbitration, which shall survive any expiration or termination of this Agreement. Upon the termination of this Agreement, Adviser shall be under no obligation whatsoever to recommend any action with regard to, or to liquidate, the securities or other investments in the Account. Adviser retains the right, however, to complete any transact open as of the termination date and to retain amounts in the Account sufficient to effect such completion. Upon termination, it shall be Client's exclusive responsibility to issue written instructions to Adviser regarding any assets held in the Account. Client is responsible for providing Adviser with the name of another custodian at the time the Agreement is terminated if Client chooses not to maintain custody of the Account with the Custodian. Adviser is entitled to any outstanding fees due Adviser at the time of cancellation.

## **12. Client Representations**

- (a) Client represents that it has provided Adviser with full and complete information about Client's investment goals, financial background, tax status, individual needs, risk tolerance and any reasonable management restrictions on the Account.
- (b) If this Agreement is entered into by an individual, Client represents and warrants that at all times during the term of the Agreement, Client may lawfully, and is duly authorized and empowered to, authorize Adviser to exercise fully investment brokerage discretionary authority with respect to the assets of the Account. Client also represents that:
  - i. Client is of the age of legal majority;
  - ii. Client owns the assets allocated to each Account and there are no restrictions applicable to the transfer or sale of such assets; and
  - iii. the death, disability or incompetency of Client will not terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may terminate this Agreement in accordance with Section 11.

- (c) If a corporation, partnership, or trust enters into this Agreement, Client represents and warrants that at all times during the term of the Agreement that:
- i. this Agreement has been duly authorized, executed and delivered by Client and constitutes a valid and binding obligation, enforceable against Client in accordance with its terms;
  - ii. no governmental authorizations, approvals, consents or filings are required by Client in connection with the execution, delivery or performance of this Agreement;
  - iii. the execution, delivery and performance of this Agreement by the undersigned will not violate or result in any default under the certificate of incorporation or by-laws (or equivalent constituent documents) of Client, or any provision of any plan or trust governing the assets in the Account, any contract or other agreement to which Client is a party or by which it or its assets may be bound or any statute or any rule, regulation or order of any governmental agency or body;
  - iv. the undersigned has been duly authorized by all necessary corporate action to enter into this Agreement; and
  - v. Client is not an “investment company” (as that term is defined in the Investment Company Act of 1940).
- (d) If this Agreement is entered into by a trustee or other fiduciary, the undersigned trustee or fiduciary represents that Adviser's investment management strategies, asset allocation methods, and investment advisory 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 the Agreement.
- (e) Client acknowledges that it has received and reviewed both a copy of Adviser's brochure and a copy of Adviser's Privacy Policy.

### **13. Client Agreement to Arbitrate Disputes**

Client agrees that all claims or controversies, whether such claims or controversies arose prior, on or subsequent to the date hereof, between Client and Adviser and/or any of Adviser's managers, members, employees or agents concerning or arising from:

- (1) any account maintained by Client with Adviser individually or jointly with others in any capacity;

- (2) any transaction involving Adviser or any predecessor firms by merger, acquisition occurred in such account or accounts; or
- (3) the construction, performance or breach of this or any other agreement between Client and Adviser, or of any duty arising from the business of Adviser or otherwise;

may be voluntarily submitted to arbitration in accordance with the rules of commercial arbitration of the American Arbitration Association. The arbitration shall be held in Denver, Colorado and there shall be a minimum of three (3) arbitrators experienced in the business of investment management. This does not constitute a waiver of any rights that Client may have under federal or state securities laws.

**Client acknowledges that:**

- (1) Pre-arbitration discovery is generally more limited than and different from court proceedings.
- (2) The arbitrators' award is not required to include factual findings or legal reasoning.
- (3) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

**14. No Other Advice**

It is understood and agreed by and between the parties to this Agreement that Adviser is not qualified to render any legal or accounting services or to prepare any accounting or legal documents for the implementation of Client's investment plan. Client acknowledges that his or her personal attorney and/or personal accountant shall be solely responsible for rendering or preparing all legal advice, legal opinions, legal determinations, legal documents, tax returns, accounting statements and documents. Client is solely responsible for the cost of such legal or accounting services.

**15. Binding Agreement**

This Agreement will bind and be for the benefit of the parties to the Agreement and their successors and permitted assigns.



## **16. Entire Agreement**

This Agreement, along with the documents executed by Client in order to open the Account with Adviser, represents the entire agreement among the parties with regard to the matters specified herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party hereto concerning the subject matter of this Agreement.

## **17. Assignment**

This Agreement may not be assigned by either Adviser or Client in any manner without the consent of both parties to the Agreement.

## **18. Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the State of Colorado, without giving effect to any conflict or choice of law provisions of that State.

## **19. Notice**

Any notice or other communication required or permitted to be given pursuant to this Agreement shall be deemed to be duly given when hand-delivered, transmitted by overnight delivery with a nationally recognized courier, or three (3) days after delivery via United States mail, first class, postage prepaid. All notices or communications shall be sent to Adviser at the address first set forth above and to Client at the address immediately below the signature line on the last page of this Agreement.

## **20. Validity**

If any part of this Agreement is found to be invalid or unenforceable, that part will be stricken and it will not affect the validity and enforceability of the remainder of the Agreement.

## **21. Waivers and Limitations**

The failure of either party at any time to require performance by the other party of any provision of this Agreement will not affect in any way the right to require such performance at any time thereafter. The waiver by either party of a breach of any provision hereof will not be taken or held to be a waiver of the provision itself. Nothing in this Agreement shall constitute a waiver or limitation of any rights Client may have under applicable Colorado or federal law.

## **22. Amendment**

Adviser shall have the right to amend this Agreement by modifying or rescinding any part of its existing provisions or by adding new provisions. Any such amendment shall be effective as of the last day of any calendar quarter upon written notice given at least thirty (30) days prior to the end of such quarter or such later day as is established by Adviser.

## **23. Third Party Beneficiaries**

Nothing in this Agreement shall be deemed to create any rights enforceable by third parties, including, but not limited to, third party beneficiary rights.

## **24. Captions**

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

## **25. Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

**NOTE: THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE LOCATED ON PAGES 7 AND 8, SECTION 13. CLIENT ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT, INCLUDING THE PRE-DISPUTE ARBITRATION CLAUSE.**

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This Agreement is duly authorized and will be binding upon the parties in accordance with its terms upon its acceptance by Adviser.

If there is more than one principal to the Account, all principals must sign.

CLIENT:

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

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

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

(If applicable)

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

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

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

ADVISER:

Johnson Financial Group, LLC,  
A Colorado limited liability company

By: \_\_\_\_\_  
Brandon Johnson, Manager

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