

# LORENCE & VANDER ZWART INVESTMENT MANAGEMENT AGREEMENT

240 South River Avenue  
Holland, Michigan 49423

|                                |  |
|--------------------------------|--|
| This Contract's Date:          | Directed Broker-Dealer:  |
| Client Account Name(s):        |  |
| Client Contact Person:         | Broker-Dealer Account(s):  |
| Client Telephone Number(s):    | Custodian(s):  |
| Client Fax Number(s):          | Custodial Account(s):  |
| Client Social Security Number: | Frequency of Account Reviews and Statements:<br><b>Monthly/Quarterly</b><br>Billing Frequency: <b>Quarterly</b><br>Flat Fee on NonTradeable Assets: <b>No/Yes; Amount \$</b> _____ |
| Client Mailing Address:        | Investment Advisory Representative/Solicitor:  |

This INVESTMENT MANAGEMENT AGREEMENT (this "Agreement") is made between the client named above ("Client") and LORENCE & VANDER ZWART (LVZ Advisors, Inc.), a Michigan corporation ("Advisor"). Client desires Advisor to manage the investable assets identified above and other assets which are in the future placed under Advisor's management (the "Account"). For this purpose, Client and Advisor agree as follows:

1. Appointment; Limited Authority. Client appoints Advisor to act as a discretionary investment manager with respect to all assets held in the Account, subject to the following limitations:

a. Advisor shall have complete discretion to direct and implement the investment and reinvestment of the assets held in the Account without consultation with Client. Advisor's authority shall survive Client's death, incapacity, dissolution, or insolvency until Advisor's receipt of written notice of that event. All transactions in the Account pursuant to this limited discretionary authority shall be solely for the benefit and risk of Client.

b. This discretionary authority will not be exercised by Advisor to cause Client to purchase or sell any investment in which Advisor or its advisory affiliates have any personal interest (other than fully-disclosed brokerage commissions) without prior notice to Client.

c. All assets under Advisor's management shall be held or distributed in Client's name or as Client otherwise directs Advisor in writing. Advisor

shall not have custody or possession of Client's cash, checks, securities, or other property, which is not permitted under applicable law. Services to be provided by Advisor under this Agreement are limited to management of the Account and do not include financial planning or other services.

2. Permissible Investments. Unless otherwise limited by Client, Advisor's discretionary authority shall include the power to purchase, sell, exchange, or otherwise dispose any and all types of debt and equity securities, whether publicly or privately offered for sale, domestic or foreign, and bank deposit products. Permissible investments shall include, without limitation, shares, units, and direct or indirect interests in stocks; bonds; corporate, federal, state, municipal, and agency debt; put and call options; real estate interests; oil and gas interests; limited partnerships, limited liability companies, and business trusts investing in mortgages, consumer or commercial loans, securities, or other types of fixed or intangible assets; mutual funds, index funds, and exchange-traded funds; money market funds; and fixed and variable annu-

ities and other insurance products, including their separate accounts.

3. Investment Strategy and Limitations. Advisor's investment authority will be limited by any investment objectives, guidelines, or restrictions as Client and Advisor may agree upon from time to time in writing, as well as limitations imposed under any applicable legal investment laws. Advisor's investment decisions will be largely driven by Advisor's investment strategy and any limitations, rather than the timing of Client's purchase of any particular investment or how long Client has held a particular investment. Advisor may purchase, sell, and hold investments in Client's portfolio without specific consideration of Client's other investments which are not held in the Account and without regard to the specific tax consequences to Client resulting from the sale of an investment. If Client authorizes the establishment of a margin account at a broker-dealer, then Advisor is authorized to purchase and pledge securities using Client's margin account.

4. Additions and Withdrawals. Client will give Advisor notice of reasonably anticipated additions to or withdrawals from the Account which are of a significant size or are regularly recurring in nature.

5. Advisor's Fees and Custodial Billing.

a. Client will pay Advisor periodic investment management fees billed as an annualized percentage of assets held in the Account. Advisor's fees will be calculated at the annual rate of:

| Breakpoint Level | Solicitor Fee | Adv Fee | Total Fee |
|------------------|---------------|---------|-----------|
| ≤\$ _____        | _____ %       | _____ % | _____ %   |
| ≤\$ _____        | _____ %       | _____ % | _____ %   |
| ≤\$ _____        | _____ %       | _____ % | _____ %   |
| ≤\$ _____        | _____ %       | _____ % | _____ %   |
| ≤\$ _____        | _____ %       | _____ % | _____ %   |

of the value of assets held in the Account. Advisor's fees are billed either monthly or quarterly in advance, as specified on page 1, based on asset values reported by Client's Account custodian as of the end of the prior billing period.

b. At all times that the balance in the Account is under \$100,000, then the Account will be subject to a quarterly small account fee of \$15. This fee is in addition to the advisory fees set forth above. If the Solicitor elects to pay the small account fee, then it will be deducted from the solicitor fee set forth above. Otherwise, it will be paid by the Client in accordance with the terms of this Agreement.

c. If the Account includes any nontradeable assets, then Client will pay Advisor a flat fee with

respect to the nontradeable assets. This fee will be in addition to the fees set forth in a. and b. above. The amount of the flat fee will be specified on page 1.

d. When securities for the Account are purchased or sold through the "Directed Broker-Dealer" (named on page 1), Advisor may reduce its fees by the amount of some or all of the commissions earned in those transactions by Directed Broker's registered representatives who are employed by Advisor. Advisor has adopted a policy governing this advisory fee off-set, which is available upon request and may be modified from time to time in Advisor's discretion. By giving Client the benefit of this advisory fee off-set, Advisor seeks to mitigate the conflict of interests created by the receipt of commissions. Advisor may not give credit for commissions in excess of Advisor's fees.

e. Prorated adjustments may be made for investments or withdrawals during a quarterly billing period. If a market value for an investment is not stated by the custodian in periodic account statements or otherwise publicly reported, then Advisor will in good faith determine its value. Investments in money market funds, demand deposit accounts, and certificates of deposit held at banks are included in the base amount on which fees are calculated.

f. Advisor's fees will be billed to, and paid by, Client's custodian by deducting the fees from Client's Account. Client authorizes Client's custodian to promptly pay each of Advisor's fee invoices in this manner. Client may terminate this authorization at any time by giving Advisor or Client's custodian notice. Client's custodian will provide periodic statements, not less than quarterly, reporting all fee deductions from the Account.

g. Advisor may from time to time unilaterally amend its fees and billing arrangements. Any change will only become effective after 30-days' prior written notice unless Client terminates this Agreement.

h. Advisor's fees are not based on the financial performance or capital gains or losses experienced by the Account.

6. Directed Brokerage Services. Client directs Advisor to place buy, sell, exchange, redemption, and transfer orders for Client's benefit and risk through the "Directed Broker-Dealer" (named on page 1) and its registered representatives. Client acknowledges that the Directed Broker-Dealer and its registered representatives may receive brokerage commissions for their services. Advisor's recommendation of securities transaction may be affected by receipt of such compensation. Securities transactions placed through Directed Broker-

Dealer will be executed at that firm's published commission rates unless Client negotiates lower rates with Directed Broker-Dealer's registered representative. Advisor will not attempt to negotiate commission rates with Directed Broker-Dealer or its registered representatives on your behalf because Advisor employs these individuals as its investment advisory representatives, so such negotiations would create a conflict of interests. Client is responsible for negotiating commission rates directly with Directed Broker-Dealer's registered representative. Brokerage commissions and related charges are not included in Advisor's fees under this Agreement. Client is responsible for paying those commissions and related charges as prescribed by the applicable brokerage account agreement. Client acknowledges that in a directed brokerage arrangement, in some transactions Client could pay significantly higher commissions and costs than may be available in the market using other broker-dealers. Advisor employs individuals who are registered representatives of Next Financial Group, Inc., and licensed insurance agents of LVZ Marketing, LLC, a licensed insurance agency. As such, they will receive additional compensation as a result of transactions for the purchase or sale of investments or insurance for your account, including brokerage commissions, trail commissions, shareholder servicing fees, 12b-1 fees, insurance commissions, and other compensation.

7. Custodial Services. Client shall appoint one or more custodians to maintain and have possession of the assets in the Account. A custodian may be a broker-dealer, a mutual fund company, a bank, or trust company. Each custodian will be expected to report on the assets in the Account and Account transactions occurring during the reporting period. Client will be responsible for paying any custodial fees charged by a custodian. Advisor cannot serve as a custodian and shall have no liability with respect to custody arrangements or the acts, conduct, or omissions of the custodian.

8. Advisor's Representations. Advisor is currently registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended ("Federal Advisers Act").

9. Client's Representations. Client represents that the engagement of Advisor under this Agreement is authorized by, has been accomplished in accordance with, and does not violate any documents to which Client is subject or by which Client is governed. The person whose signature appears below is duly authorized to act on Client's behalf with respect to the Account. Advisor shall be permitted to rely, without independent verification,

upon the directions and instructions of this person, the Client representative(s) named above, or any other representative with apparent authority to act on Client's behalf.

10. Client's Responsibilities. Client shall be solely responsible for the accuracy and completeness of all information provided to Advisor about Client's background, circumstances, objectives, and risk tolerances. Client shall communicate to Advisor promptly, in writing, any material changes in such information. Advisor will not independently verify the accuracy or completeness of information provided by Client.

11. Proxy Voting. Advisor will not be responsible for responding to or voting proxies that are solicited with respect to annual or special meetings of shareholders of securities held in the Account. Upon Client's request, proxy solicitation materials will be forwarded to Client for response and voting.

12. Best Efforts. Advisor shall perform its obligations under this Agreement with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. CLIENT UNDERSTANDS, HOWEVER, THAT ALL INVESTMENTS BEAR RISKS WHICH ARE AFFECTED BY EVENTS AND CIRCUMSTANCES BEYOND ADVISOR'S CONTROL. THEREFORE, ADVISOR CANNOT ASSURE OR GUARANTEE THAT ITS ADVICE OR SERVICES WILL RESULT IN ACHIEVING CLIENT'S INVESTMENT OBJECTIVES OR THAT SIGNIFICANT LOSSES OF PRINCIPAL OR INCOME WILL NOT OCCUR IN THE ACCOUNT. ADVISOR IS NOT RESPONSIBLE FOR MARKET OR CREDIT RISK, OR FOR ERRORS IN THE EXERCISE OF ITS JUDGMENT MADE IN GOOD FAITH BASED UPON INFORMATION THEN REASONABLY AVAILABLE. This limitation shall not, however, be construed to deprive Client of any nonwaivable right, nor relieve Advisor of any nonwaivable liability, under the Federal Advisers Act, as applicable, or under any other applicable federal or state laws.

13. Account Reporting. The Account will be reviewed periodically by Advisor, as specified on page 1 above. Client will receive periodic statements for the Account from Advisor corresponding to the frequency of the reviews. Client will also receive periodic statements and tax reporting from Client's Account custodian(s).

14. Confidential Information. All information and advice furnished by Client or Advisor to the other party shall be treated as confidential and shall not be disclosed to third parties without prior consent, except as required by law. Advisor may provide information regarding Client and the Account to its affiliates and to the Directed Broker-Dealer, its clearing broker-dealer, and to the mu-

tual funds and insurance companies in which the Account is invested in order to perform its services under this Agreement. Advisor may also provide information to other persons as reasonably necessary in performing its services under this Agreement for the Account, subject to Advisor's Privacy Policy.

15. Assignment. No "assignment" (as that term is construed under the Federal Advisers Act, as applicable) of this Agreement may be made by Advisor without Client's consent. The Client's consent may be given orally, in writing, or by implied consent permitted under applicable laws. Client's consent to an assignment may be conclusively presumed if Advisor provides Client with written notice describing the proposed assignment with an opportunity and method to terminate this Agreement not less than 30 days prior to the event and, thereafter, Client continues Advisor's services under this Agreement without oral or written objection or contract termination. Any corporate reorganization or change in ownership of Advisor that does not result in a change of control of Advisor is not an "assignment" for this purpose.

16. Termination. This Agreement may be terminated within the first five business days after the date indicated above without cost or penalty. Thereafter, this Agreement may be terminated by Client or Advisor at any time by giving five business days' prior written notice. Client may immediately give notice to terminate this Agreement after receipt of Advisor's notice of any proposed "assignment" of this Agreement. Termination of this Agreement shall not affect liabilities or obligations incurred or arising from transactions initiated under this Agreement prior to the termination date, such as the purchase of investments by Advisor for the Account. Advisor will prorate and, if greater than \$5.00, refund its unearned advisory fees. Client is responsible for any cost incurred in transferring assets from the Account to a different account. After the termination date, Advisor shall have no further duties or obligations to Client under this Agreement.

17. Client's Acknowledgments.

a. Client acknowledges receipt of Advisor's Form ADV, Part II, on or before the date of execution of this Agreement (the "Advisor's Disclosures"). The Advisor's Disclosures contain important information that Client should carefully consider and are incorporated into this Agreement by this reference. This Agreement shall control over any inconsistency with Advisor's Disclosures.

b. Client acknowledges receipt of Advisor's Privacy Policy describing its practices for the collection and sharing of client information.

c. Client acknowledges that Advisor serves other clients and affiliates, and may give advice and take action with respect to any of them which may differ from the advice given, or the timing or nature of action taken, with respect to Client and the Account. Advisor shall have no obligation to purchase or sell for the Account, or to recommend for purchase or sale by the Account, any security which Advisor, its principals, affiliates, or employees may purchase or sell for themselves or for any other client.

18. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between Client and Advisor with respect to the Account. If Client is an employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), this Agreement will be supplemented with an ERISA Addendum, which is incorporated by this reference. Advisor may amend this Agreement, including its fee schedule, by providing Client with 30 days' prior written notice. Client is free to terminate this Agreement, as provided above, if the change is not acceptable. In the event that any provision of this Agreement is declared to be invalid, such declaration shall not be deemed to affect the validity of any of the other provisions of this Agreement. This Agreement shall be governed and construed in accordance with the laws of the State of Michigan without regard for conflict of laws principles.

19. Notices. All required notices shall be in writing directed to the address indicated above, or to such other address as may be designated for this purpose by Client or Advisor from time to time. Notice shall be deemed delivered and effective after seven days if sent to the last designated address by ordinary United States mail, postage prepaid.

20. Binding Arbitration.

**a. Client and Advisor each agree to final and binding arbitration, as provided below. Client and Advisor each acknowledge that:**

- ◆ **Arbitration shall be final and binding on the parties.**
- ◆ **The parties are each waiving their right to seek remedies in court, including the right to jury trial.**
- ◆ **Pre-arbitration discovery is generally more limited than, and different from, court proceedings.**
- ◆ **The arbitrators' award is not required to include factual findings or legal reasoning, and any party's right to appeal or to seek**

modification of rulings by the arbitrators is strictly limited.

- ◆ The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- ◆ This agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum to the extent that such a waiver would be void under applicable law.

b. Client and Advisor each agree that, except as prohibited by applicable law, ALL CLAIMS OR CONTROVERSIES, AND ANY RELATED ISSUES, which may arise at any time between us (including Advisor's representatives, directors, officers, employees, and agents) concerning any investment or planning advice, recommendation, or exercise of limited discretionary authority with respect to any subject matter; any transaction or order; the conduct of Advisor or its representatives, directors, officers, employees, and agents; the construction, performance, or breach of this or any other agreement between us, whether entered into prior to, on, or subsequent to the date of this Agreement; the breach of any common law or statutory duty; or the viola-

tion of any federal or state law of any nature SHALL BE RESOLVED BY BINDING ARBITRATION rather than by a lawsuit in a court of law or equity.

c. Any arbitration pursuant to this Agreement shall be in accordance with, and governed by, a mutually agreeable arbitration forum, but, in the absence of such agreement, then the arbitration procedures of the National Association of Securities Dealers, Inc., and its subsidiaries, if they accept jurisdiction over a claim, and otherwise the American Arbitration Association.

d. The award of the arbitrators, or of the majority of them, shall be final and binding, and judgment upon the award rendered may be entered in any federal or state court having jurisdiction. Client and Advisor agree and consent that any state or federal court located in Michigan shall have personal and subject matter jurisdiction to enter judgment on an arbitration award.

e. Any arbitration must be commenced by delivery to the other party of a written demand for arbitration or a written notice of intention to arbitrate setting forth in detail the claim or controversy to be arbitrated.

Therefore, Client and Advisor have executed this Agreement as of the date indicated on page 1 above.

\_\_\_\_\_  
Client's Name

By: \_\_\_\_\_

\_\_\_\_\_  
Print/Type Name

Title or Capacity (if any): \_\_\_\_\_

LORENCE & VANDER ZWART  
(LVZ ADVISORS, INC.)

By: \_\_\_\_\_

\_\_\_\_\_  
Print/Type Name

Title: \_\_\_\_\_

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# LORENCE & VANDER ZWART — PRIVACY POLICY

240 South River Avenue  
Holland, Michigan 49424

Lorence & Vander Zwart (LVZ Advisors, Inc.), is committed to safeguarding the confidential information of our clients because mutual trust is essential to the advisor-client relationship. Personal privacy is of the utmost importance to our clients. This is our policy describing how we treat your personal information. We welcome any comments or concerns you may have about your personal privacy.

## INFORMATION WE COLLECT FROM YOU

We collect nonpublic personal information from you, our client, to assist us in giving you appropriate investment advice and in managing your investments. The categories of nonpublic information that we collect from each client depends upon the scope of the client engagement. We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, telephone number, assets, income, taxes, medical and health information to the extent that it is needed for the financial planning process, and insurance beneficiaries.
- Information about your transactions with us, our affiliates, custodians, or others, such as your account balance, investment cost, investment distributions, investment gain or loss, payment history, parties to transactions, account usage, and insurance policy coverage and premiums.

“Nonpublic personal information” is nonpublic information about you that we obtain in connection with providing a financial product or service to you for personal, family or household purposes. It does not include information available from government records, widely distributed media, or government mandated disclosures.

## THIRD PARTIES WITH WHOM WE MAY WE SHARE INFORMATION

We do not disclose nonpublic personal information about our clients or former clients to anyone except as otherwise permitted by law. For example, we are permitted by law to share information about you with:

- Our Investment Advisory Representatives, employees, and any person who may have referred you to our firm.
- Companies that assist us in processing your transactions and servicing your account, such

as introducing and clearing brokerage firms, mutual fund companies, and insurance companies.

- NEXT Financial Group, Inc., an affiliated broker-dealer through which our management persons hold their securities licenses.
- An accountant, tax preparer, or lawyer who is representing you.
- Federal and state regulators who regulate our firm.

We do not provide your personally identifiable information to direct marketers or independent solicitors for any purpose.

## DISCLOSURE OF INFORMATION ABOUT FORMER CUSTOMERS

If you decide to close your account(s), we will continue to adhere to the privacy practices described in this notice when you become a former client. You become a former client when your client services agreement with us is terminated.

We will maintain personally identifiable information about you during the time you are a client, and for any time thereafter that we are required to maintain the records by federal and state securities laws. After this required period of record retention, all of your information will be destroyed.

## OUR SECURITY POLICIES AND PRACTICES

We take all reasonable steps to assure the privacy of client information. We restrict access to nonpublic personal information about you to those employees who have a business or professional reason for knowing, as permitted by law.

We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.