

Shelter Cove Capital
Personal Financial Consulting
Registered Investment Advisor

INVESTMENT ADVISORY CONTRACT

This Contract is entered into between _____ (“Client”), and Shelter Cove Capital (“Advisor”) this ____ day of _____, 2010. In consideration of the mutual benefits to be derived from this Contract, it is understood and agreed as follows:

1. **Services of Advisor.** Advisor shall prepare a financial plan to assist Client in defining his/her personal financial goals and objectives, and to supply analysis and recommendations as to the actions and strategies necessary to attain these goals and objectives. **Specific financial planning issues to be addressed by Advisor are indicated below by Client’s initials.**

- Investment Management _____
- Retirement Planning _____
- Education Funding _____
- Financial Consultation _____
- Estate Planning _____
- Other: _____
- Other: _____
- Other: _____

By limiting Advisor’s analysis to the specific areas indicated above, Client understands that information regarding specific issues not revealed to Advisor may have a direct impact on Client’s overall financial picture and well-being.

Advisor will meet or communicate with Client as frequently as determined mutually by the adviser and Client. Advisor will be available on a continuing basis to respond to requests of Client regarding changes to, or implementation of, recommendations made to Client. Client understands that due to the limited nature of this Contract, Advisor is under no obligation to contact client regarding changes in the financial markets or particular mutual funds or investments Advisor may have recommended.

2. **Responsibilities of Client.** Client recognizes that the value and usefulness of the financial planning services described herein will be dependent upon information that he/she provides and upon his/her active participation in the formulation of financial planning objectives and in the implementation of plans to attain those objectives. Client will complete one or more detailed questionnaires provided by Advisor. Client will also provide copies of insurance policies, wills and trust agreements, tax returns, and other documents as Advisor may reasonably request in order to permit a complete evaluation and to prepare a recommendations to Client. Client agrees to provide, on a timely basis, information regarding income and expenses, investments, cost basis income tax situations, estate plans, and other pertinent matters as requested by Advisor from time to time. Client also agrees to discuss needs and goals and projected future needs candidly with Advisor and to keep Advisor informed of changes in Client’s financial circumstances, needs, and goals. Client acknowledges that Advisor cannot adequately perform his services on Client’s behalf unless Client performs such responsibilities on his/her part and that Advisor’s analysis and recommendations are based on the information provided by Client. Implementation of any portion of the financial plan is entirely at Client's discretion. Client understands that the responsibility for financial decisions is his/hers and that he/she is under no obligation to follow, either wholly or partially, any recommendations or suggestions provided by Advisor. Client agrees that Advisor cannot guarantee the accuracy of the information or success of the advice provided, that the information or advice is based upon such investigations as Advisor deems reasonable, and that Advisor is not liable for errors of fact or judgment as long as she acts in good faith. Client agrees to permit Advisor to consult with and obtain information about Client from Client’s accountant, attorney, and other advisors. Advisor shall not be required to verify any information obtained from Client, Client’s attorney, accountant, or other advisors, and is expressly authorized to rely on the information received.

3. **Compensation.**

a. Financial Planning

For consultation, research, analysis, implementation, monitoring, investment management, and general comprehensive financial planning services provided, Client shall pay to Advisor a fee of _____ per hour. Advisor's time, including phone conversations, will be billed in six-minute increments. Advisor and staff are responsible for maintaining an accountability record of fees and expenses for billing purposes. Fees and expenses will be itemized and billed monthly and are due and payable within fifteen days of the invoice date. Client will be liable for any costs associated with collection of any unpaid balance(s).

You are given up to five (5) calendar days after signing the Agreement to unconditionally rescind the contract in writing.

b. Investment Management

Client shall pay Advisor for financial planning services provided, as described in Schedule 1. Fees will be assessed at the end of the quarter and will be payable during the calendar month following the end of the quarter.

You are given up to five (5) calendar days after signing the Agreement to unconditionally rescind the contract in writing.

4. **Asset Custody.** Client's account(s) assets will be held by the independent Custodian selected by Client and recommended by us. Adviser will not have custody of any of Client's assets in Client's account(s). Client may at any time increase or decrease Client's managed assets. Client's account(s) will, at all times, be held solely in Client's name and will require Client's authorization for withdrawal. Client will pay the fees of the Custodian--expenses related to the account(s) including, but not limited to, any costs of safekeeping, brokerage and other execution costs, custody fees and margin costs, if any. Client may give Adviser authority to instruct the Custodian, on Client's behalf, to purchase, sell, redeem or exchange any security, cash or other investments for Client's account(s). Client will instruct the Custodian to send Client quarterly, or if available, monthly statements showing the assets in and all transactions for Client's account(s) during the period corresponding to the statement, and to provide Adviser with copies of those statements and confirmations of any transactions effected in Client's account(s).

5. **Confidentiality.** All information and advice furnished by either party to the other, including their agents and employees, shall be treated as confidential and not disclosed to third parties except as agreed upon in writing or required by law.

6. **Legal and Accounting Services.** It is expressly understood and agreed that Adviser is not qualified to and will not render any legal advice nor prepare any legal documents for the implementation of Client's financial plan. Client agrees that his/her personal attorney solely shall be responsible for the rendering and/or preparation of the following: (i) all legal advice; (ii) all legal opinions and determinations; and (iii) all legal documents. Similarly, Client's tax attorney or accountant should be relied upon for Client's primary source of tax advice, tax opinions and determinations, and tax-related documents.

7. **Termination.** Either party may terminate this Contract at any time by providing written 30 day notice to the other party.

8. **Assignment.** Neither party hereto may amend, convey, assign, sell, hypothecate, pledge or otherwise transfer any of its rights, obligations, or interests without prior express written consent of the other party.

9. **Governing Law.** Investment advisory services performed by Adviser shall be in compliance with applicable state laws regulating the services provided under this Contract.

10. **Arbitration.** At the sole and exclusive option of Adviser, any controversy or claim arising out of this Contract, or any breach thereof, or arising out of the services provided by Adviser and its employees hereunder, shall be settled by arbitration in accordance with the Commercial Rules of the American Arbitration Association, before one arbitrator in New Jersey and judgment upon the award rendered by the arbitrator shall be final and may be entered in any court having jurisdiction. No punitive or non-compensatory damages shall be awarded. If any provision of this Contract is held by any

court or in any arbitration to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

11. Miscellaneous.

- (a) Advisor is not responsible for any act, omissions, or insolvency of any agent, broker, or independent contractor selected to perform any action on behalf of Client.
- (b) Subject to the provision regarding assignment, this Contract shall be binding on the heirs, executors, administrators, legal representatives, successors, and assigns of the respective parties.
- (c) This document represents the full and complete Contract of the parties with regard to the subject matter and supersedes any prior understanding, agreements, or contracts, oral or written.
- (d) This Contract may be amended or revised only by an instrument in writing signed by Client and Advisor.
- (e) No provision hereof or breach of any provision may be waived or discharged except by written agreement of the party from whom the waiver or discharge is sought. No waiver of any breach of this Contract shall in any way be construed to be a waiver of any future or subsequent breach.
- (f) Any provision of this Contract which is prohibited or unenforceable shall be ineffective as to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
- (g) The validity of this Contract and of any of its terms or provisions, as well as the rights and duties of the parties to the Contract, shall be governed by the laws of the State of New Jersey.
- (h) This Contract may be executed in several counterparts, each of which shall be deemed an original.

THE UNDERSIGNED HAS/HAVE READ THIS ENTIRE DOCUMENT AND THE UNDERSIGNED AGREE(S) TO ALL THE TERMS AND CONDITIONS HEREIN, AND ACKNOWLEDGE(S) RECEIPT OF A COPY OF THIS CONTRACT.

AGREED AND ACCEPTED:

_____	_____	_____	_____
(Client Signature)	(Date)	(Advisor Signature)	(Date)
_____		<u>Paul J. Denninger, CEO</u>	
(Client Name)		(For Shelter Cove Capital)	

Shelter Cove Capital
Personal Financial Consulting
Independent Investment Advisor

Schedule 1 – Fees

Investment Management Fees:

<u>Account Level</u>	<u>Fees</u>
< \$500,000	1.00%
\$500,001 to \$1,000,000	0.90%
\$1,000,001 to \$5,000,000	0.80%
>\$5,000,000	0.70%

There is a minimum annual fee of \$1,000. This fee may be waived at the discretion of the Advisor.

Sample payment schedule:

Client A maintains a \$1,000,000 account with Shelter Cove Capital. The account returns 1.0% during each of the 4 quarters during the year. Fees are based on the average account value during the quarter* and are paid in the first month following the end of the quarter. Fees owed are determined by multiplying the fee level by the account value and dividing the result by 4.

Qtr.	Account Value		Fee Level	Fees Owed	Fees Payable
	Beginning	End		(Column 2 X Column 4)÷4	
1	\$1,000,000.00	\$1,010,000.00	0.80%	\$2,010.00	Beginning Q2
2	\$1,010,000.00	\$1,020,100.00	0.80%	\$2,030.10	Beginning Q3
3	\$1,020,100.00	\$1,030,301.00	0.80%	\$2,050.40	Beginning Q4
4	\$1,030,301.00	\$1,040,604.01	0.80%	\$2,070.91	Beginning Q1
Total Fees				\$8,161.41	

*Average account value = (beginning assets + ending assets)/2