



BayRock Financial, L.L.C.

Financial Planning Agreement

This Financial Planning Agreement (“Agreement”) is entered into and effective as of _____ (the “Effective Date”), by and between BayRock Financial, L.L.C. (“Adviser”), a registered investment adviser, located at 5000 Gulf Freeway, Houston, TX 77023, and _____ (“Client”).

1. Scope of Engagement. From and after the Effective Date, Adviser shall provide financial planning services to Client that involve the review and management of their financial resources based upon an analysis of Client's individual needs. Adviser will meet with Client to gather information about Client's financial circumstances and objectives. Adviser will review and analyze Client's information and upon completion Adviser will deliver a written plan to Client, designed to help Client achieve Client's stated financial goals and objectives. Financial plans are based on Client's financial situation at the time Adviser presents the plan to Client. Client is free at all times to accept or reject any recommendation from Adviser, and Client acknowledges that, except as otherwise provided in a separate agreement for services, Client has the right to choose to accept or reject the implementation, recommendations or advice Adviser may provide. Should Client choose to act on any of Adviser's recommendations, Client has the right to implement the recommendations through Adviser or any separate advisory firm of Client's choosing.

Any changes to the scope or terms of this engagement will be set forth in writing and agreed to by all parties. To the extent Client requests that Adviser provide additional financial planning or plan updates, portfolio management, implementation services, or other advisory services subsequent to the delivery of the written plan, such services will be set forth in a separate agreement between Adviser and Client.

2. Client Responsibilities. Client agrees to provide Adviser, on a timely basis, with information and/or documentation Adviser may request in furtherance of this Agreement as it pertains to Client's income and expenses, investments, taxes, estate plan, objectives, needs and goals. This list is not all-inclusive and any other relevant information that is known to Client, or requested by Adviser, should be disclosed to Adviser promptly. Client also agrees to discuss Client's needs and goals and projected future needs candidly with Adviser and to keep Adviser informed, in writing, of changes in Client's financial situation, needs, and goals. Client acknowledges that Adviser cannot adequately perform services for Client unless Client diligently performs Client's responsibilities under this Agreement and that Adviser's analysis and recommendations are based on the information provided by Client. Adviser shall not be required to verify any information obtained from Client, Client's attorney, accountant, agents, or other professionals, and is expressly authorized to rely thereon. Client agrees to authorize all such professionals to provide Adviser with information Adviser may need.

3. Adviser's Compensation. Adviser's compensation for the financial planning services provided pursuant to this Agreement is fee-only and comes exclusively from fees paid by Client. Adviser does not receive a referral fee from any other professionals to whom Client may be referred. Adviser's compensation shall not be based on a share of any capital gains upon or capital appreciation of Client's funds or any portion of Client's funds.

The fees charged by Adviser are solely for financial planning services and do not include any commissions that might be generated upon implementation of any securities or insurance recommendations.

Hourly Fee: BayRock charges an hourly fee of \$250 for financial planning services, which is generally not negotiable depending on the scope and complexity of the plan, clients' situation, and clients' financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship which can range from \$500 to \$10,000.

Once the engagement has begun, BayRock may request clients' approval for any additional fee if the cost/time exceeds the initial estimate. Client is required to pay 20.0% of the financial planning fee in advance and the remaining portion upon completion of the services rendered.

Client shall pay 20 percent of the estimated fee upon executing this Agreement for services. The remaining balance is due as invoiced by Adviser.

BayRock Subscription Fee Services:

BayRock Subscription-Based Financial Planning services are offered at three pricing levels designed to address three different levels of financial planning needs from simple to more complex. Each subscription level provides additional services. For example, level three includes all of the services listed in levels one and two as well as the "additional services" listed in level three. The Subscription-Based Financial Planning Fee arrangement is designed to deliver a better value for clients who need ongoing financial advice, planning, and coaching.

The Subscription-Based Financial Planning services can be cancelled at any time by the client or by BayRock if either party determines that the Subscription-Based Financial Planning service is no longer providing value.

Level One – Wealth Builder Blueprint, \$500 upfront planning fee plus a \$125 monthly retainer. Ideal for beginners with typically under \$500,000 of investable assets.

The \$500 upfront planning fee includes:

- Gathering client data,
- Building a comprehensive Financial model,
- 90 minute Discovery Meeting.

The \$125 monthly retainer includes:

- **CFP® Coaching** (Ongoing communication with a Certified Financial Planner™ professional throughout the planning process. Includes a personal conversation each quarter (either in the office or via screen-share).
- **Investment Design and Oversight** (a twice-yearly review of company sponsored Retirement Plan, IRA, Roth IRA, and other investment accounts. Annual review of all investment assets along with planning recommendations designed to help you achieve your financial goals).
- **Blueprint Design** (a BayRock Certified Financial Planner™ professional works with each client to build a comprehensive financial model (Blueprint) designed to help connect your financial decisions with your vision, values, and purpose. The Blueprint is used to provide clear direction throughout the planning process).

Financial Planning fees, including subscription fees are payable through AdvicePay upon receipt of invoice.

Level Two – Retirement Strategies Blueprint,
\$500 upfront planning fee, plus a \$250 monthly retainer. Ideal for Retirement Planning for
individuals or couples with typically over \$500,000 of investable assets.

\$500 Setup Fee waived JRM June 23, 2022 at 6:08 PM

The \$500 upfront planning fee includes all services listed in level one as well as the following:

- **Gap Analysis** covering listed areas of personal financial planning:

1. Retirement,
2. Risk Management,
3. Estate Planning,
4. Education Planning,
5. Tax Planning,
6. Investment Planning,
7. Cash Flow Analysis

The \$250 monthly retainer includes all services listed in level one as well as the following:

- **Retirement Income Strategies.** Building your retirement income strategy starts with a good understanding of what you'd like your retirement to be like — and what your lifestyle will cost. There's no *one-size-fits-all* retirement income strategy because every retirement portfolio is different. After getting to know your priorities, a BayRock Certified Financial Planner™ professional will help you understand the risks and opportunities of each strategy recommendation. BayRock Retirement Income Strategies are focused on four primary considerations:
 1. **Growth potential:** While it is important that the growth of your investment portfolio outpaces inflation, BayRock works to balance the need for growth against the risk of exposing your savings to excessive market fluctuations.
 2. **Principal preservation:** Knowing that your investments are safe can help you sleep better at night. Some investments are designed to preserve your principal (ie: money market funds, CDs or Treasury bonds). However, these *safe investments* come with a different kind of risk. Safe investments typically offer relatively low yields. If your principal is not large enough to generate sufficient income from interest and/or dividends to fund your desired retirement lifestyle, your savings may not keep pace with *inflation*.
 3. **Liquidity and Flexibility:** Having control over your assets and immediate access to fund emergencies is an important consideration. However, having immediate access (liquidity and flexibility) typically limits the ability to create a steady stream of reliable income.
 4. **Guaranteed income:** Investment returns can fluctuate significantly. Certain insurance products, including Treasury bonds, Certificates of Deposit, and fixed and variable annuities, can often provide an income stream that provides greater certainty. Annuities typically come with fees and withdrawal penalties that can restrict your flexibility when an unexpected need arises.
- **Social Security Optimization.** Your BayRock Certified Financial Planner™ professional will help identify the best strategy to optimize your monthly Social Security benefit.

Our **Social Security** analysis is focused on the following three areas:

1. **Life Expectancy Analysis.** We'll get to know more about your family history and current health status. With the help of your health care providers you can get a realistic idea of how long you might live. Most retirees underestimate their life expectancy. Your Life Expectancy is essential element to consider in order to optimize your Social Security monthly benefit. If your family has strong longevity, it can make sense to delay your benefits. However, if you have serious or chronic health issues, it typically makes sense to claim earlier.

2. **Benefit Availability.** BayRock will analyze how much your income would be each month if you drew on Social Security at an earlier age vs. a later age. We then contrast these amounts with your lifetime benefit at each age. We will ask you to provide your estimated social security benefits statement which is now available to you online. Your range of benefits should consider any spousal benefits which we will also include in our analysis as appropriate.

3. **Income Gap Analysis.** Our planning process will identify any income gaps in your overall financial plan. We conduct further analysis to determine how your Social Security benefits (available to you at various ages) can be optimized for the purpose of filling income gaps in your financial plan over the life of your plan.

- **Blueprint Design.** A BayRock Certified Financial Planner™ professional works with each client to build a comprehensive financial model (Blueprint) designed to help connect your financial decisions with your vision, values, and purpose. The Blueprint is used to provide clear direction throughout the planning process. *During the implementation phase, “The Blueprint” is a helpful tool for tracking progress each step of the way, including your Retirement Income Strategies as well as any Social Security Optimization strategies that are part of your plan.*
- **Blueprint Implementation.** Level Two – Retirement Strategies Blueprint includes an ongoing (in-depth) analysis and review of the personal financial planning elements listed:

1. Retirement,
2. Risk Management,
3. Estate Planning,
4. Education Planning,
5. Tax Planning,
6. Investment Planning,
7. Cash Flow Analysis

Level Three – Family and Business Blueprint,
\$500 upfront planning fee, plus a \$500 monthly retainer. Ideal for families and business owners with typically over \$1,000,000 of investable assets.

The \$500 upfront planning fee includes all services listed in level two as well as the following:

- 90 minute Discovery Meeting (client),
- **90 minute Discovery Meeting (family),**
- **Gap Analysis** covering all areas of personal financial planning listed:

1. Retirement,
2. Risk Management,
3. Estate Planning,
4. Education Planning,
5. Tax Planning,
6. Investment Planning,
7. Cash Flow Analysis

- **Business Gap Analysis**, including initial meetings with Financial Advisory team (CPA, Estate Attorney, Insurance Agent(s), etc, as needed).

The \$500 monthly retainer includes all services listed in level two as well as the following:

- **Advanced Tax Strategies**, including coordination of investment and tax specialists as needed. Wealthy families and business owners have unique needs and opportunities when it comes to tax planning. A BayRock Certified Financial Planner™ professional will work with your family and/or business to identify and implement advanced tax strategies that may not be available through your CPA or estate attorney.
- **Advisor Coordination**. Typically, your CPA isn't talking to your family attorney. Your family attorney is most likely not working with your insurance agent, and your insurance agent may never have a reason to speak to your investment adviser. At BayRock, we work with your Financial Advisory team to help ensure that our clients have a "well-coordinated" financial plan.
- **Family Governance Meetings**. Annual family meetings are an effective way to create a framework of shared vision and purpose. Quarterly family meetings are used to facilitate joint decision-making in order to prepare the next generation to eventually take more control of the family business. Quarterly family meetings are held as needed in our BayRock offices or via screen-share.
- **Blueprint Design**. A BayRock Certified Financial Planner™ professional works with your family and/or business to build a comprehensive financial model (Blueprint) designed to help connect your financial decisions with your vision, values, and purpose. The Blueprint is used to provide clear direction throughout the planning process. *During the implementation phase, "The Blueprint" is a helpful tool for tracking progress each step of the way.*
- **Blueprint Implementation**. Level Three – Family and Business Blueprint encompasses any advanced tax strategies relative to your estate plan and/or business, adviser coordination as needed, and family governance meetings as needed. The same ongoing (in-depth) analysis and review of your personal financial planning elements which are listed in level two, are also included for **The Family and Business Blueprint**:

1. Retirement,
2. Risk Management,
3. Estate Planning,
4. Education Planning,
5. Tax Planning,
6. Investment Planning,
7. Cash Flow Analysis

Financial Planning fees, including subscription fees are payable through AdvicePay upon receipt of invoice

Other Expenses: Adviser's fees do not include custodial fees or transaction costs charged by Client's custodian and/or broker-dealer that may be incurred in implementing the financial planning recommendations provided hereunder. Each mutual fund in which Client's assets may be invested charges its own fee and other expenses as set forth in the mutual fund's prospectus.

4. Confidentiality. All information and advice furnished by either party to the other, including their respective agents and employees, shall be treated as confidential and shall not be disclosed to third parties, except as required by law or necessary to carry out designated powers or as granted by the Client.

5. Assignability and Effect. This Agreement is not assignable by either party hereto without the prior written consent of the other party. Client acknowledges and agrees that transactions that do not result in a change of actual control or management of Adviser shall not be considered an assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, successors, survivors, administrators and assigns.

6. Legal & Accounting Advice. It is expressly understood and agreed that Adviser is not qualified to render any legal or accounting advice or to prepare any legal or accounting documents for the implementation of any financial planning recommendations or services provided hereunder. Client agrees that Client's personal attorney shall be solely responsible for the rendering and/or preparation of all of the following: (i) legal advice, (ii) legal opinions, (iii) legal determination and (iv) legal documents. Client further agrees that Client's personal tax adviser and/or accountant shall be solely responsible for the rendering of any and all tax or accounting related advice or services. Adviser is willing to confer with Client's legal and tax professionals to discuss any recommendations made to Client. Upon the Client's express and written request, Adviser may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, tax preparer, insurance agent, etc.). Client has the right to engage or not engage in the services of any such recommended professional. Client retains absolute discretion over all such implementation decisions and has the right to accept or reject any recommendation. If Client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, Client agrees to seek recourse exclusively from and against the engaged professional.

7. Client Conflicts. If this Agreement is between Adviser and related Clients (i.e. married couple), Adviser's services shall be based upon the joint goals communicated to the Adviser. Adviser shall be permitted to rely upon instructions from either party with respect to the services provided hereunder, unless and until such reliance is revoked in writing to Adviser. Adviser shall not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the Clients. Client acknowledges and understands that Adviser cannot and will not treat information provided by either party as confidential from the other related party.

8. Client Representations. Client represents that Client has the full legal power and authority to enter into this Agreement and that the terms of this Agreement do not violate any obligation to which Client is bound, whether arising out of contract, operation of law, or otherwise. In performing the services under this Agreement, Adviser shall not be required to verify any information received from Client or Client's other professionals, and Adviser is expressly authorized to rely thereon. Moreover, Client maintains sole responsibility to notify Adviser, in writing, if there is any change in Client's financial situation or investment objectives for the purpose of reviewing, evaluating or revising Adviser's previous recommendations and/or services.

9. Severability. If any one or more of the provisions of this Agreement shall, for any reason, be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be enforced as if such illegal or invalid provision had not been contained herein.

10. Term and Termination. The services shall commence when this Agreement has been executed by the Client and upon approval and acceptance by Adviser. The term of this Agreement shall conclude on Adviser's presentation of the written financial plan to Client. Either party may terminate this Agreement at any time upon Written notice to the other party. Termination of this Agreement will not affect the validity of any action previously taken by Adviser under this Agreement, or Client's obligation to pay Adviser fees that have already been earned under this Agreement. If the Agreement is terminated before the services are complete, Adviser shall be compensated based on a percentage of the services performed. Any fees incurred prior to the date of termination will be payable in full.

11. Adviser Liability. Except as otherwise provided by federal or state laws, Adviser, acting in good faith, shall not be liable for any action, omission, investment recommendation/decision, or loss in connection with this Agreement including, but not limited to, the implementation of the advice provided hereunder, or the acts and/or omissions of other professionals or third-party service providers recommended to Client by Adviser.

12. Notices. Any and all notices or correspondence required or permitted under this Agreement shall be in writing and shall be sufficient in all respects if (i) delivered personally, (ii) mailed by registered or certified mail, return receipt requested and postage prepaid, (iii) sent via a nationally recognized overnight courier service to the address set forth under the signatures of the parties below, or such other address as either party shall have designated by notice in writing to the other party at the address provided on the signature page of this Agreement.

13. Risk Acknowledgment. Client acknowledges that Adviser has not guaranteed nor can Adviser guarantee that implementation of any of the recommendations provided hereunder will achieve their expected results.

14. Entire Agreement and Modification. This Agreement constitutes and contains the entire agreement between the parties and supersedes all prior oral or written statements dealing with the subject matter herein. No provision of this Agreement or any of the documents referred to herein may be amended, modified, supplemented, changed, waived, discharged or terminated, except by a writing signed by each party hereto. No failure by Adviser or Client to exercise any right, power, or privilege that Adviser or Client may have under this Agreement shall operate as a waiver thereof.

15. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Texas, without reference to conflict of laws principles, except to the extent other federal law preempts state law.

16. Interpretation. This Agreement shall be construed in accordance with its fair meaning as if prepared by all parties hereto, and shall not be interpreted against either party on the basis that it was prepared by one party or the other. Section headings used herein are for ease of reference only and in no way shall be construed as interpreting, decreasing or enlarging the provisions of this Agreement. Words used herein in the singular shall include the plural, and words used in the plural shall include singular, wherever the context reasonably requires. This Agreement may be signed and executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which, when taken together, shall constitute one and the same Agreement.

17. Receipt of Disclosures. Client acknowledges receipt of Part 2 of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV, if the client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Client further acknowledges receipt of Adviser's Privacy Policy Notice.

Client initial _____

Date ADV and Privacy Notice received _____

18. Electronic Delivery. Client expressly consents to accept communication of any disclosure information, including but not limited to Adviser's Form ADV and privacy policy disclosures, reports, billing statements, and all other forms of communication electronically whether via e-mail, web portal, CD-ROM, or other forms of electronic communication. Client asserts that Client is capable of receiving such disclosures electronically, and understands that non-public personal information may be sent via e-mail or other electronic media, and that electronic media (including e-mail) may not be as reliable or secure as other forms of communication. Client may revoke this consent at any time by providing notice to Adviser pursuant to Item 12 of this Agreement.

Unless Adviser has reason to believe that delivery of any electronic communications was not effective (such as a returned e-mail), Adviser is entitled to rely on the information Client provides as evidence of delivery and Adviser is not required to obtain delivery confirmation or a "read receipt." If Client's e-mail address changes or if Client no longer has the ability to access e-mail or access any related client web portal, Client must promptly notify Adviser in writing and provide updated information, or withdraw this consent of electronic delivery.

Client initial _____

19. Arbitration. Subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to Adviser's services under this Agreement, both Adviser and Client agree to submit the dispute to arbitration in accordance with the auspices and rules of the American Arbitration Association ("AAA"), provided that the AAA accepts jurisdiction. Adviser and Client understand that such arbitration shall be final and binding, and that by agreeing to arbitration, both Adviser and Client are waiving their respective rights to seek remedies in court, including the right to a jury trial. Client acknowledges and agrees that in the specific event of non-payment of any portion of Adviser Compensation pursuant to Item 3 of this Agreement, Adviser, in addition to the aforementioned arbitration remedy, shall be free to pursue all other legal remedies available to it under law, and shall be entitled to reimbursement of reasonable attorneys fees and other costs of collection.

Client understands that this Agreement to arbitrate does not constitute a waiver of Client's right to seek a judicial forum where such waiver would be void under federal or applicable state securities laws.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE FOR FINANCIAL PLANNING AGREEMENT

IN WITNESS WHEREOF, Client and Adviser have each executed this Agreement on the day, month and year first above written. By each party executing this Agreement they acknowledge and accept their respective rights, duties, and responsibilities hereunder.

Client Name
(print): _____

Joint Owner Name
(print): _____

**Client
Signature:** _____

**Joint Owner
Signature:** _____

Client Address: _____

Joint Owner Address: _____

BayRock Financial, L.L.C.

Adviser Signature: _____

Name of Signatory
(print name): **James R. Munchbach, CFP®, CLU®, ChFC®, CPCU®**

Adviser Address:

BayRock Financial
5000 Gulf Freeway
Houston, TX 77023