



Service Agreement

Set forth below is the basis upon which Parsec Financial Management, Inc. will furnish investment counsel services and/or financial planning to the Client.

1. The Client understands that investment risk is decreased by long-term participation, and that it is increased by short-term market timing. The Client agrees with Parsec to the long-term approach to his/her objectives, except as noted for those short or intermediate term objectives. If the Client feels the asset allocation recommended by Parsec is inappropriate for his/her personal risk tolerance the Client can choose a different allocation.
2. For any insurable risks the Client does not care to self insure, including but not limited to life, disability, medical, nursing home and personal liability umbrella, Parsec recommends that the Client buys coverage. The Client may discuss any insurance needs with his/her Parsec advisor and the Client accepts responsibility for his/her personal choice in this area.
3. 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, with mutual consent and foreknowledge, or as necessary to provide the contracted services. The Client acknowledges receipt of Parsec’s Privacy Disclosure Statement.
4. It is agreed and understood that Parsec Financial Management in no event will accept or receive fees, commissions or other remuneration or compensation of whatever kind or description from advisors, originators, sponsors, syndicators, or distributors of investments recommended to any Client of Parsec Financial Management.
5. On an annual basis, upon written request, Parsec Financial Management will provide the Client with a copy of its Securities and Exchange Commission Form ADV. The Client acknowledges receipt of Parsec's current Form ADV, Part 2A Brochure and Part 2B Supplements of the advisory personnel assigned to the account with his/her copy of this service agreement.
6. The contract will not be assigned without the consent of the Client.
7. Fee Schedule:

<u>Billable Asset Level</u>	<u>Annual Rate</u>
First \$0 - \$1,000,000	1.0%
Next \$1,000,001 - \$2,000,000	.80%
Next \$2,000,001 - \$20,000,000	.40%
Next \$20,000,001 - \$30,000,000	.30%
Next \$30,000,001 and above	.20%

We have two services: **Parsec Wealth Management** and **Parsec Portfolios**.

Parsec Wealth Management clients have a \$1,000 quarterly minimum. The service includes portfolio management and financial planning.

Parsec Portfolios clients have a \$300 quarterly minimum. The service is investment management only and there is no financial planning included.

8. Upon investment management implementation, the percentage fee applicable would begin on a pro-rata basis for the quarter.
9. This Service Agreement grants Parsec discretionary trading authority in client account(s). For new clients, our policy is to review the proposed portfolio with the client prior to making any trades. Once the initial portfolio has been implemented, we do not contact the client for approval of any trades including all buys and sells. However, the client is encouraged to call their advisor with any questions. Parsec's discretionary authority also includes the authority to hire and fire third party investment managers on a client's behalf.
10. This agreement can be terminated at any time by either party with 30 days notice. Fees will be adjusted on a pro-rata basis when billed on a percentage of assets.
11. Parsec does not take possession of assets (assets remain in your name in your account). Parsec will recommend a registered broker dealer, bank or trust company to act as a separate custodian to take possession of the cash, securities, and other assets in the Account. Client directs Parsec to place all trades (other than those involving individual bonds) for client account(s) solely through the custodian selected and appointed by Client. Parsec will not seek best execution through other broker dealers on the Client's behalf except for transactions in individual bonds. Client grants Parsec discretionary authority to select various bond dealers for such transactions and to settle such transactions with the Client's designated custodian.

Advisor shall not be responsible for any acts or omissions of the custodian.

12. The Client authorizes Parsec to deduct management fees directly from the Client's investment account(s). The client will receive a copy of the invoice with each Parsec quarterly report, as well as documentation on the custodian's monthly statement.
13. The parties agree that any controversy or dispute which may arise between Client and Advisor relative to the construction, interpretation, performance, or breach of this Agreement shall be resolved by binding arbitration, on the following terms:
 - a) Prior to arbitration, the parties shall attempt to resolve the controversy or dispute through non-binding mediation.
 - b) The mediation and arbitration shall take place in Asheville, North Carolina or such other place agreed upon by the parties.
 - c) The arbitration will be conducted pursuant to the North Carolina Uniform Arbitration Act, NCGS 1-567.1 et seq as same may be amended from time to time.
 - d) Each party shall pay one-half of the cost of said arbitration.
14. Nothing contained in this Agreement shall constitute a waiver of any rights that Client may have under federal or state securities laws.
15. Advisor shall have the right to amend this Agreement by modifying or rescinding any of its existing provisions or by adding new provisions. Any such amendment shall be effective thirty (30) days after Advisor has notified the Client in writing of any change or such later date as is established by Advisor.
16. Parsec votes proxies for commingled and daily valuation ERISA accounts, as well as those accounts receiving services at National Advisors Trust and the Personal Trust Services Division of Charles Schwab Bank. We

offer to vote proxies for foundations if the foundation boards desire that service. For all other account types, the client is responsible for voting proxies. Our proxy policy is available upon request.

17. Parsec has engaged a third party service provider to provide class action litigation monitoring and securities claim filing services on behalf of our clients. They will file all claim forms, interacts with the administrators and distributes claim awards directly to clients enrolled in the service. The service provider charges a 20% contingency fee, which is subtracted from the award. Parsec must submit pertinent information for the service provider to file securities litigation. All Parsec clients will be automatically enrolled in this service unless you opt out. If you would prefer to opt out of this program and be responsible for pursuing your own claims, please initial here: _____.

Client Signature: _____
Print Name: _____
Date: _____

Client Signature: _____
Print Name: _____
Date: _____

Advisor Signature: _____
Print Name: _____
Date: _____