



INVESTMENT MANAGEMENT AGREEMENT

This Agreement is entered into by and between Valentine Ventures, LLC, an Oregon limited liability company ("Manager"), and _____ ("Client").

In consideration of the mutual covenants herein, Client and Manager agree as follows:

1. **Services.** Client retains Manager to render investment management services and to manage Client's securities investment account (the "Account"). Client grants to Manager full discretion as to all investment decisions regarding the Account, including, but not limited to, authority to buy, invest in, hold for investment, own, assign, transfer, sell (long or short), exchange, trade in, lend, pledge, deliver and otherwise deal in (on margin or otherwise) stocks, bonds, options, shares of investment companies (registered or unregistered), repurchase agreements and all other securities and intangible investment instruments and vehicles of every kind and nature (collectively, "Securities") for the Account, and to exercise in Manager's discretion all rights, powers, privileges and other incidents of ownership with respect to Securities in the Account. In connection therewith, Manager is authorized to select for the Account one or more banks, trust companies and brokerage firms as custodians or brokers for Securities held in the Account and to instruct such custodians and brokers with respect to the purchase, sale, exchange, delivery or other disposition of such Securities and disbursements relating thereto.

Notwithstanding anything in this Agreement to the contrary, Manager will have no authority hereunder to take or have possession of any assets in the Account or to direct delivery of any Securities or payment of any funds held in the Account to itself, except as provided in Section 9.

2. **Limited Power of Attorney.** To enable Manager to exercise its discretion and authority as provided in Section 1, Client hereby constitutes and appoints Manager as Client's agent and attorney-in-fact to do, for Client and on Client's behalf, only the following: (a) buy, sell and otherwise deal in Securities and contracts relating to Securities for the Account; and (b) do and perform every act necessary and proper to be done in the exercise of the powers specified in Section 1, as fully as Client might or could do if personally present. This limited power of attorney is coupled with an interest and will terminate only on termination of this Agreement or on receipt by Manager of written notice of the dissolution, death or incapacity of Client.

3. **Client Information.** Client will promptly advise Manager of: (a) the investment objectives of the Account; (b) any changes or modifications to those objectives; and (c) any specific investment restrictions relating to the Account. Client will promptly notify Manager in writing if Client considers any investments recommended or made for the Account to violate such objectives or restrictions. Client and Manager will consult on a periodic basis regarding Client's investment objectives. Client may at any time direct Manager to sell such Securities or take such other lawful actions as Client may specify to effect compliance of the Account with Client's investment objectives. In addition, Client may notify Manager at any time not to invest any funds in the Account in specific Securities or specific categories of Securities, and Manager will promptly follow those instructions.

Client agrees promptly to furnish, or to cause Client's custodian or agent to furnish, to Manager all data and information Manager may reasonably request to render the investment management

services described above. Client will be solely responsible for the completeness and accuracy of the data and information furnished to Manager hereunder.

4. **Representations and Warranties.** Client represents and warrants to Manager and agrees with Manager as follows:

(a) Client has the requisite legal capacity and authority to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against Client in accordance with its terms. Client's execution of this Agreement and the performance of its obligations hereunder do not conflict with or violate any provisions of the governing documents (if any) of Client or any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. Client will deliver to Manager evidence of Client's authority and compliance with its governing documents on Manager's request.

(b) Client is the owner of all cash and Securities in the Account, and there are no restrictions on the pledge, transfer or sale of such cash or Securities.

(c) Client is experienced in the engagement of investment advisers and is aware of the risks associated with such engagements, including the risk that the Account could suffer substantial diminution in value.

5. **Confidentiality; Privacy Policy.** Except as required by law or regulatory agency or as permitted by Manager's Privacy Policy: (a) Manager agrees to maintain in strict confidence all personal and financial information regarding Client that is furnished to Manager by Client (except that Client consents to disclosure of Client's identity as a client of Manager); and (b) Client agrees to maintain in strict confidence all investment advice and information furnished to Client by Manager. All personal Client information is governed by Manager's Privacy Policy. As specified in the Privacy Policy, Manager may disclose Client information to third parties who assist Manager in providing services to Client under this Agreement and who have agreed to keep the Client information confidential.

6. **Asset-Based Fee.** Client will pay the following fees to Manager for the services to be rendered by Manager under this Agreement:

(a) Client will pay to Manager an amount per year (the "Asset-Based Fee") based on the net market value of the Account from time to time, in accordance with the attached Fee Schedule. The Asset-Based Fee will be payable quarterly in arrears at the end of each calendar quarter based on the net market value of the Account at the close of trading on the last business day of the quarter and will be payable on a pro rata basis for any partial quarter during which Manager provides services under this Agreement.

(b) If Client contributes to the Account capital, including its initial capital, in the amount equal to or greater than \$10,000 on a date other than the first day of a calendar quarter, the Account will be charged a prorated portion of the Asset-Based Fee for that calendar quarter with respect to such contribution based on the number of days remaining in that calendar quarter and based on the net market value of the contributed capital on the opening of trading on the date of such contribution. If the contributed capital amount is below \$10,000, the Asset-Based Fee will be adjusted to reflect such additional amount in the Account as of the first day of the following calendar quarter.

(c) If Client makes a withdrawal from the Account, whether on termination of this Agreement or otherwise, in the amount equal to or greater than \$10,000 on any date other than the

last day of a calendar quarter, the Asset-Based Fee to be paid with respect to that calendar quarter will be prorated based on the number of days elapsed in that quarter prior to the withdrawal, and the earned portion will be promptly paid by Client to Manager in accordance with Section 9. If the withdrawn capital amount is below \$10,000, the Asset-Based Fee will be adjusted to reflect the reduced value of the Account as of the first day of the following calendar quarter.

7. **Valuation.** The assets in the Account will be valued by the custodian to reflect the fair market value thereof. The net market value of Securities held short by the Account will be treated as a liability of the Account and, together with the amount of any margin or other loans owed by the Account, will be subtracted in determining the net market value of the Account.

8. **Responsibility for Expenses.** Client will be responsible for all expenses related to trading the assets of the Account, including, but not limited to, interest on margin borrowing, dividends payable with respect to Securities sold short, custodial fees, brokerage commissions, bank service fees, and interest on Account-related loans and debit balances.

9. **Payment of Fees.** Manager may, in its discretion, either (a) debit the Account for, and cause the Account to pay to Manager, any amount owing to Manager under this Agreement or (b) bill Client for such amount, in which case Client will pay such amount to Manager within ten days of Client's receipt of such bill. If management fees are debited from the Account, Manager will notify the custodian each quarter of the amount of the management fee due and will direct the custodian to pay Manager the management fee from assets in the Account. The custodian will send Client, at least quarterly, a statement indicating all amounts disbursed from the Account. In the event the Account does not maintain a sufficient cash or money market fund balance to cover the management fee, Client may deposit additional funds (subject to certain restrictions for IRA and other retirement accounts) or Manager may, at its option, select Securities held in the Account to sell to cover the management fee.

10. **Custody of Assets.** Physical custody of the assets, including cash and its equivalents, will be maintained by an independent custodian. Client will execute a custody agreement with the custodian. The custodian will be solely responsible for settlement of all transactions, receipt and disbursement of funds and other acts necessary for the proper custody of Client's assets. Manager may rely upon reports from the custodian as to such matters as, but not limited to, settlement of transactions, and locations, descriptions and amounts of properties constituting Client's assets. Manager will not be liable to Client for any act or breach of duty by the custodian.

11. **Brokerage.** Manager will have absolute authority and discretion to place brokerage orders for the Account with such brokers as Manager will select in its sole discretion. Manager will negotiate fees with brokerage firms when buying or selling Securities for the Account in good faith and will attempt to effect trading costs that are advantageous for Client for the given set of circumstances at the time of the transaction. In selecting a broker or dealer, Manager may consider, among other things, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, offering Manager online access to computerized data regarding client accounts and other matters involved in the receipt of brokerage services generally. Manager may pay a broker commission in excess of that which another broker is willing to charge if, in Manager's judgment, the greater commission results in an overall economic benefit to Client as a consequence of collateral services rendered. Manager disclaims responsibility for any act or omission by any broker. Any trade confirmations will be provided by the brokerage firm.

12. **Consent to Aggregation of Trades.**

(a) Manager is authorized in its discretion to aggregate purchases and sales and other transactions made for the Account with purchases and sales and other transactions in the same or similar Securities for other clients of Manager. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Account will be deemed to have purchased or sold its proportionate share of the Securities involved at such average price.

(b) Occasionally, an aggregated order may only be partially filled. Under such circumstances, the Securities are allocated, to the extent feasible, among the applicable clients on a pro rata basis. Exceptions to the pro rata allocation of partially filled orders may occur for several reasons, including, but not limited to, avoidance of odd lots or de minimis numbers of shares, and sensitivity toward the total transaction cost to be incurred by clients. When partially-filled orders cannot feasibly be allocated on a pro rata basis, Manager allocates trades blindly to the accounts participating in the trade allocation. There may be instances when partially-filled orders may adversely affect the size of the position or the price paid or received by a client, as compared with the size of the position or price that would have been paid or received had no aggregation occurred. Manager's officers and employees do not participate in aggregated orders with Manager's clients.

13. **Consent to Cross Transactions.**

(a) A "cross transaction" is one in which Manager instructs a broker to execute a client's Securities trade by purchasing the Securities from or selling the Securities to the account of another of Manager's clients. Because Manager will manage the accounts of both the buyer and seller, and will receive an asset-based fee from both the buyer and seller, there is potentially a conflicting division of Manager's loyalties and responsibilities. However, both buyer and seller want to execute the transaction at the best price. Therefore, cross transactions will be effected only if Manager believes that a cross transaction will aid both the buyer and seller in obtaining the best price for a trade. Cross transactions involving accounts subject to ERISA (as defined in Section 20) are also subject to applicable Department of Labor restrictions. Manager will fully disclose to Client all cross transactions involving the Account.

(b) When such transactions are permitted by law, Client hereby authorizes Manager to instruct a broker to enter into a cross transaction on Client's behalf. Client may, at any time, revoke Client's consent to effect cross transactions by written notice to Manager.

14. **Allocation of Investments.** Client acknowledges and understands that Manager engages in an investment advisory business apart from managing the Account. This will create conflicts of interest with the Account over Manager's time devoted to managing the Account and the allocation of investment opportunities among accounts (including the Account) managed by Manager. Manager will attempt to resolve all such conflicts in a manner that is generally fair to all of its clients. Client confirms that Manager may give advice and take action with respect to any of its other clients that may differ from advice given or the timing or nature of action taken with respect to Client so long as it is Manager's policy, to the extent practicable, to allocate investment opportunities to Client over a period of time on a fair and equitable basis relative to other clients. Nothing in this Agreement will be deemed to obligate Manager to acquire for the Account any Security that Manager or its officers, members or employees may acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of Manager, it is not practical or desirable to acquire a position in such Security for the Account.

15. **Proxies.** Unless Client otherwise instructs Manager in writing, Manager will vote proxies for Securities held in the Account in accordance with Manager's policies regarding proxy

voting. Upon request, Manager will provide to Client a copy of Manager's current proxy voting policy. Manager is authorized and directed to instruct the custodian to forward promptly to Manager copies of all proxies and shareholder communications relating to Securities held in the Account (other than materials relating to certain legal proceedings). Client agrees that Manager will not be responsible or liable for failing to vote any proxies where it has not received such proxies or related shareholder communications on a timely basis. Upon request, Manager will disclose to Client how Manager voted on matters relating to Securities held in the Account. Client represents that proxy voting authority is not reserved to any other person.

16. Limitation of Liability; Indemnification.

(a) Manager does not warrant or guarantee any particular level of profitability of investments in the Account. Not every investment made by Manager will be profitable. Client assumes all market risks associated with investments in the Account and understands that all investments are subject to various market, currency, economic, political and business risks. Client will indemnify Manager and its associates for any losses, claims or damages, including legal fees, which may be incurred by Manager or its associates as a result of Manager's reliance on inaccurate information provided by Client.

(b) Subject to Section 22 and except as may otherwise be provided by law, Manager will not be liable to Client for: (i) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted by Manager, except in case of Manager's negligence, intentional misconduct or lack of good faith; or (ii) any loss arising from Manager's adherence to Client's instructions.

(c) Client will indemnify Manager and its officers, managers and employees against, and hold them harmless from, any loss suffered or liability incurred (including attorney fees) as a result of: (i) any action taken by Manager during the term of this Agreement in accordance with this Agreement; (ii) Manager's reliance on inaccurate information provided by Client; or (iii) the breach by Client of any provision of this Agreement. Client's obligations under this Section 16(c) will survive the termination of this Agreement.

(d) Manager will have no duty, responsibility or liability whatsoever with respect to any property of Client not constituting a portion of the Account.

17. Termination; Withdrawals. This Agreement may be terminated by either party with or without cause by written notice to the other party, effective 30 days after receipt of such notice by the addressee or such later date as may be specified in such notice. This Agreement may also be terminated pursuant to Section 24. Client may withdraw part of the funds or Securities in the Account by notifying Manager in writing, stating the amount of funds or the Securities to be withdrawn and the date of the withdrawal.

18. Account Statements.

(a) The custodian will furnish to Client an "Account Statement" at the end of each calendar quarter showing the aggregate market value of all Securities and funds in the Account, Client's additions of funds and Securities to, and withdrawals of funds and Securities from, the Account during such quarter and the amount of the Asset-Based Fee paid or accrued during such quarter.

(b) Manager will send Client quarterly and annual information on the performance of the Account.

19. **Assignment.** Manager may not assign this Agreement without the consent of Client. Subject to the foregoing, this Agreement will inure to the benefit of Manager and its successors, irrespective of any change in the personnel thereof, and will bind Client, Client's estate and any heirs, beneficiaries or successors in interest.

20. **Bond.** If Client is an "employee benefit plan" as defined by the Employee Retirement Income Security Act of 1974 ("ERISA"), Manager is a fiduciary as defined by ERISA, and Manager will provide a bond in connection with managing the Account when and as applicable.

21. **Arbitration.** The parties waive their right to seek remedies in court, including any right to a jury trial. The parties agree, that in the event of any dispute between the parties arising out of, relating to or in connection with this Agreement or the Account, such dispute will be resolved exclusively by arbitration to be conducted only in Portland, Oregon under the auspices of Arbitration Service of Portland, Inc. applying the laws of Oregon. The parties agree that such arbitration will be conducted by a retired judge who is experienced in dispute resolution regarding the securities business, that discovery will not be permitted except as required by the rules of Arbitration Service of Portland, Inc., that the arbitration award will not include factual findings of fact or conclusions of law, and that no punitive damages will be awarded. The parties understand that any party's right to appeal or to seek modification of any ruling or award of the arbitrator is severely limited. Any award rendered by the arbitrator will be final and binding, and judgment may be entered on it in any court of competent jurisdiction in the county and state of the principal office of Manager at the time such award is rendered or as otherwise provided by law.

22. **Non-Waiver of Rights.** Nothing in this Agreement, including Section 21 (requiring arbitration), constitutes a waiver by Client of any of its legal rights under the Investment Advisers Act of 1940, other applicable federal or state securities laws, or any other law whose applicability is not permitted to be contractually waived.

23. **Notices.** Instructions with respect to Securities transactions may be given orally. All other communications under this Agreement must be in writing and will be deemed duly given and received when delivered personally, when sent by confirmed facsimile transmission or confirmed electronic mail, three days after being sent by first class mail, or one business day after being deposited for next-day delivery with Federal Express or another nationally recognized overnight delivery service, all charges or postage prepaid, properly addressed to the party to receive such notice at that party's address indicated below that party's signature on this Agreement, or at any other address that either party may designate by notice to the other.

24. **Acknowledgment.** Client acknowledges receipt of Manager's written disclosure statement (SEC Form ADV, Part II) and Manager's privacy notice prior to, or at the time of, entering into this Agreement. If Client received Manager's Form ADV, Part II less than 48 hours prior to signing this Agreement, this Agreement may be terminated by Client without penalty within five business days following Client's execution of this Agreement.

25. **Effective Date of Agreement.** Notwithstanding the date this Agreement is signed or delivered by either party, the "Effective Date" will be deemed to be the date Client first furnished funds or Securities to be managed by Manager.

26. **Miscellaneous.**

(a) To the extent federal law does not apply to this Agreement, it will be construed in accordance with the laws of the state of Oregon (without regard to its conflict-of-laws provisions).

(b) The invalidity or unenforceability of any provision hereof will in no way affect the validity or enforceability of any other provision hereof.

(c) This Agreement (including the attached Fee Schedule) is the entire agreement between the parties relating to the subject matter hereof and supersedes all written or oral agreements relating to the subject matter hereof.

(d) This Agreement may be executed in any number of counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

(e) Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly signed by or on behalf of the parties hereto on the dates set forth below their respective signatures.

"MANAGER"

VALENTINE VENTURES, LLC

"CLIENT"

John Sample

By: XXXXXXXX Signature XXXXXXXX
William L. Valentine, CFA, Manager

XXXXXXXX Client Signature XXXXXXXX
(Signature)

Dated: XXXXXXXX Date XXXXXXXX

Dated: XXXXXXXX Date XXXXXXXX

Address: 550 SW Industrial Way
Bldg. 2, Suite 201
Bend, OR 97702

Address:

Telephone: (541) 389-4148
Facsimile: (541) 389-4171
Email: bill@valentineventures.com

Telephone:
Facsimile:
Email:

FEE SCHEDULE

The annual percentage will be:

- **1.25%** of the first \$1 million of assets in the Account
- **1.00%** of the assets in the Account over \$1 million

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