

## INVESTMENT ADVISORY AGREEMENT

RE: \_\_\_\_\_

(Name of Account)

The undersigned ("Client") hereby employs Private Asset Management, Inc. ("Adviser"), an SEC registered investment adviser, as investment adviser for the Account referred to above ("Account") and Adviser agrees to serve in that capacity, on the following terms and conditions:

1. **Authority.** Adviser shall supervise and direct the investments of and for the Account on a discretionary basis, without prior consultation with Client, subject, however, to such limitations and restrictions as Client may impose herein, or may hereafter impose, by notice in writing to the Adviser. This discretionary authority makes Adviser the agent and attorney-in-fact with full power and authority in connection with the Account (a) to buy, sell, exchange, convert and otherwise trade in any and all stocks, bonds other securities, and other investments as Adviser may select.; and (b) to establish and deal through accounts with one or more securities brokerage firms, dealers or banks as the Adviser may select. Adviser currently participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab and Company, Inc., a NASD registered broker dealer ("Schwab"). This discretionary authority shall remain in full force and effect until Adviser receives written notice from the Client of its termination or until the Adviser receives actual notice of the Client's death or adjudicated incompetence.

**Brokerage:** You may, but are not obligated to, select Charles Schwab & Co., Inc. or another brokerage firm to effect transactions in your account. Adviser has selected Charles Schwab & Co., Inc. as the primary custodian and Adviser participates in the Schwab Institutional Services program which generally currently charges \$20 per trade or \$.05 per share whichever is higher. Adviser may pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged. Adviser shall not be liable to Client for any act, conduct or omission of any broker. Broker shall debit brokerage commissions directly from the account. Adviser does not share in these commissions.

**Investment Objectives:** It will be Client's responsibility to inform Adviser of the investment objectives of the account and of any changes herein in writing including, but not limited to, a change in client's financial situation. Adviser will base its decisions on the information supplied by client at the initial meeting and as updated from time to time by the client.

**Voting of Portfolio Securities:** Decisions on voting of proxies will not be made by Adviser. The client shall be solely responsible for voting the shares.

2. **Reports to Clients.** By execution of this Agreement, Adviser accepts the appointment as investment adviser and agrees to direct the investments of the Account. Adviser will render to Client a quarterly written inventory of the investments of the Account. It is agreed that Adviser, in the maintenance of its records, does not assume responsibility for the accuracy of information furnished by Client or any other party. Schwab will provide trade confirmations as well as a monthly summary of account activities including an inventory of account holdings.

3. **Custody.** All transactions will be consummated by payments to, or delivery by, Client, or such other party as Client may designate in writing (the "Custodian"), of all cash and/or securities due to or from the account. Adviser shall not act as custodian for the Account and shall not take possession of cash and/or securities of the Account. Clients will instruct the Custodian to provide Adviser with such periodic reports concerning the status of the Account as Adviser may reasonably request. Client shall not withdraw or deposit cash and/or securities in the Account without simultaneously informing Adviser.

4. **Confidential Relationship.** All information and advice furnished by either party to the other hereunder, including their respective agents and employees, shall be treated as confidential and shall not be disclosed to third parties except as required by law.

5. **Non-exclusive Contract.** It is understood that Adviser performs investment Advisory services for itself, its officers, directors, and shareholders as well as various other clients. Client agrees that Adviser may give advice with respect to the Account, so long as it is the Adviser's policy, to the extent practical, to allocate investment opportunities to the Account over a period of time on a fair and equitable basis relative to other clients. It is understood that Adviser shall not have any obligation to recommend for purchase or sale for Account any security which Adviser, its principals, affiliates, or employees may purchase or sell for its or their own accounts or for the account of any other client, if in the opinion of Adviser in its sole discretion, such recommendation appears unsuitable, impractical or undesirable for the Account.

6. **Fees.** The compensation of Adviser for its services under this Agreement shall be calculated and paid in accordance with the published Schedule of Fees which may be amended from time to time by Adviser upon thirty (30) days written notice to Client. A copy of the commencing fee schedule is attached hereto as Exhibit A. Fees shall be automatically debited from Client's account on a quarterly basis. Adviser shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client. Lower fees for comparable services may be available from other sources. The custodian (in most cases Schwab) is not responsible for verifying fees.

7. **Valuation.** In computing the market value of any investment of the Account, each security listed on any national securities exchange shall be valued at the last quoted sale price on the valuation date of the principal exchange on which such security is traded. Any other security or asset shall be valued in a manner determined in good faith by Adviser to reflect its fair market value.

8. **Bond.** If a bond is required by a pension plan or trust, Client agrees to obtain and maintain for the period of this Agreement, a bond in the amount as required by law and to include Adviser among those covered by such bond or in the alternative, Adviser will obtain the bond and Client agrees to reimburse Adviser for the cost.

9. **Termination: Assignment.** This Agreement may be terminated at any time by either party's giving to the other written notice of such termination. Adviser has the option to not accept any termination instructions, including account liquidation instructions, unless provided in writing by client. Fees paid in advance hereunder will be prorated to the date of termination specified in the notice of termination, and any unearned portion thereof will be refunded to Client. No assignment, as that term is defined in the Investment Adviser's Act of 1940, of the Agreement shall be made by Adviser without written consent of Client.

10. **Representations.** Client represents and confirms that the employment of Adviser is authorized by the governing documents relating to the Account and that terms hereof do not violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise, and, if Client is a corporation or trust, that (a) this Agreement has been duly authorized by appropriate action and when executed and delivered will be binding upon Client in accordance with its terms, and (b) Client will deliver to Adviser such evidence of such authority as Adviser may reasonably require, whether by way of a certified resolution or otherwise. The client understands that the Investment Manager, based on its Investment philosophy, may determine to sell all or a substantial portion of the client's securities under management. The client understands that the client will be responsible for any tax liabilities, which result from such transactions. If the Account is subject to ERISA, (a) Client acknowledges that it is a "named fiduciary" with respect to the control of management of the assets of the Account; and (b) Client agrees to obtain and maintain a bond, satisfying the requirements of Section 412 of ERISA, and to include Adviser, and its agents, among those insured under the bond. Client represents that it owns all of the cash and securities in its account without restriction on investment or disposition.

By execution of this Agreement, Adviser represents and confirms that it is registered as an investment adviser under the Investment Adviser's Act of 1940 and that with respect to the performance of its duties hereunder with respect to the Account (if it is a covered employee benefit plan) Adviser is a "fiduciary" as that term is defined under the Employee Retirement Income Security Act of 1974.

Client acknowledges that no guarantee of investment success has been made to client, that securities markets are volatile, the client's account may depreciate or that the advisor may under perform the market.

11. **Acknowledgement of Disclosure: Termination by Client.** Client hereby acknowledges receipt of Adviser's Disclosure Statement as required pursuant to Rule 204-3 (17 CFR 275.204-3) under the Investment Adviser's Act of 1940 prior to or on the date (shown below) of the Client's signing of this agreement. Client shall have the option to terminate this agreement in its entirety exercisable at Client's sole option, and without penalty, for five days from the date (shown below) of the Client's signing of this agreement; provided, however, that any investment action taken by the Adviser with respect to the Account during such five day period in reliance upon this agreement and prior to receipt of actual notice of the Client's exercise of this right of termination, shall be at the sole risk of the Client.

12. **Dispute Resolution.** Any dispute arising between the client and adviser under this agreement shall be resolved by binding arbitration pursuant to NASD Dispute Resolution.

13. **Entire Agreement.** This Agreement and undertaking set forth herein constitute the entire agreement between the parties hereto with respect to the investment and management of the Account and supercedes all prior negotiations and agreements.

14. **Construction.** Headings used in this Agreement are for convenience only, and shall not affect the construction or interpretation of any of its provisions. Each of the provisions of this agreement is severable, and the invalidity or inapplicability of one or more provisions, in whole or in part, shall not affect any other provision. This agreement shall be construed and interpreted under the laws of the State of California.

Agreed and Accepted by:

Client(s):

\_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

PRIVATE ASSET MANAGEMENT, INC.

\_\_\_\_\_  
(Officer)

Date: \_\_\_\_\_

