

**DOUGLAS CAPITAL MANAGEMENT, LLC**

**Investment Adviser  
2865 Jacob Lane  
Normal, Illinois 61761  
(309) 807-5637**

**INVESTMENT ADVISER AGREEMENT: TAX EFFICIENT ACCOUNT  
WITHOUT RULE 205-3 INCENTIVE BASED COMPENSATION**

**THIS AGREEMENT** (“Agreement”) being made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between **DOUGLAS CAPITAL MANAGEMENT, LLC** (the “Advisor”) and \_\_\_\_\_ (the “Client”).

**WHEREAS**, the parties hereto acknowledge that this Agreement provides for compensation to the Advisor for management of the funds or any portion thereof of the Client on the basis of a share of assets managed for said Client; and

**WHEREAS**, the Client acknowledges that prior to entering into Agreement, the Client has received all material information concerning the proposed arrangement between the parties, including that: (i) the fee arrangement may create an incentive for the Advisor to make investments that are riskier or more speculative than would be the case in absence of a performance fee; (ii) where relevant, the Advisor may receive increased compensation with regard to unrealized appreciation as well as realized gains in the Client account; (iii) the Client understands and acknowledges receipt of information concerning the periods that will be used to measure investment performance throughout the year and their significance in the computation of the fees; (iv) that where an index will be used as a comparative measure of the investment performance, the Client understands the significance of the index and believes the index to be an appropriate measure; and, (v) that where an advisor’s compensation is based in part on the unrealized appreciation of securities for which market quotations are not readily available, the advisor has disclosed to the Client the basis upon which the securities will be valued and the extent to which the valuation will be determined independently, to the satisfaction of the Client; and

**WHEREAS**, the Client acknowledges that the Client understands the proposed method of compensation and its risks and that the Client has been advised and given the opportunity to consult with an independent agent.

**WHEREAS**, the Client acknowledges notice of and consent to actions of the Advisor in that the Advisor may engage in transactions with the Client where the Advisor acting as a principal may engage in a purchase from or sale to a Client of any security while so acting as a principal for its own account.

**WHEREAS**, the Client acknowledges receipt of the Advisor’s Privacy Policy and Part II of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Schedule H of Form ADV, if the Client is entering into a wrap fee program sponsored by the Adviser. If the appropriate disclosure statement was not delivered to the Client at least 48 hours prior to the Client entering into any written advisory contract with the Adviser, then the Client has the right to terminate the Agreement without penalty within five business days after entering into the Agreement. For the purposes of this provision, the Agreement is

considered entered into when all parties to the contract have signed the Agreement or otherwise signified their acceptance, any other provisions of this contract notwithstanding.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and other good and valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

**1. ADVISORY SERVICES.** The Client retains the Advisor to provide investment advisory services in accordance with the terms of this Agreement. The Advisor agrees to manage the investment of the assets held in the Client's account. The Advisor may invest and reinvest the assets held in the Client's account in securities of any kind, cash or cash equivalents. All investments shall be made in accordance with the Client's investment objectives and other information as disclosed to the Advisor in the Client Questionnaire (the "Client Information"). The Client acknowledges that the Advisor is relying upon the Client Information for purposes of providing advisory services to the Client pursuant to this Agreement. The Client agrees to give the Advisor written notice of any significant changes in the Client Information, and to provide the Advisor with any additional information that the Advisor may reasonably request.

**2. DISCRETION.** The Client hereby appoints the Advisor to act as the Client's agent and attorney-in-fact with complete and exclusive power to buy, sell, trade, and otherwise dispose of financial instruments including, without limitation, securities, options, stocks, stock and stock index options, future and futures options contracts; and, in connection therewith, to establish or liquidate positions in and exercise any rights or options relating to such financial instruments; engage in repurchase and borrowing or lending transactions; all in accordance with the terms and conditions applicable to those transactions in such financial instruments. The Client acknowledges and agrees that all transactions will be entered into in the name of the Client and for the Client's account(s) and risk, and to the same extent and with the same force and effect as if the undersigned Client entered into such transactions directly.

The Advisor may act in the Advisor's sole and absolute discretion and without the prior consent of or consultation with the Client.

The Client hereby ratifies and confirms any and all transactions heretofore or hereafter made by the Advisor for the account of the Client and the Client hereby expressly acknowledges, represents, warrants and agrees that the Advisor shall have sole and absolute discretion for all investments or trading decisions made with respect to Client's transactions for the Client's account(s).

The Client hereby reserves the right to place restrictions on investments and trading activities of the Advisor upon written notice to the Advisor. The Client further acknowledges its authorization to the Advisor to make investments in funds affiliated with the Advisor.

**3. CUSTODY.** Client acknowledges and consents that all assets in the Client's account shall be held at Interactive Brokers, LLC, 1 Pickwick Plaza, Suite 200, Greenwich, Connecticut 06830; (203) 618-5700 ("Interactive Brokers"), or in trust of the custody of another brokerage firm selected in the Advisor's sole discretion. All brokerage firms selected by the Advisor for custody of Client's Account must be either a member of a recognized stock exchange (to include, without limitation, the New York Stock Exchange, Pacific Stock Exchange, American Stock Exchange, the Chicago Board Options Exchange, or another similarly recognized exchange), a United States bank or trust company,

or an overseas branch of a United States bank or such other custodian which would be acceptable to an investment company registered under the Investment Company Act of 1940 (the “Custodian”).

The Client acknowledges that the services of the Custodian shall require the Client to pay costs in addition to the Advisory Fee paid to the Advisor pursuant to this Agreement. Such costs may include transaction fees, broker fees, mark-ups, spreads, premiums, commissions, and other similar charges, payment of which shall be the responsibility of the Client. The Client agrees that the Custodian is authorized to follow the instructions of the Advisor in every respect with regard to all trades and transactions in his account subject to this Agreement, including the direct payment of the Advisor’s Advisory Fees pursuant to section 5 of this Agreement, if so authorized by the Client. The Custodian will provide each Client online access to his or her account statement, updated daily, which shows all amounts disbursed from the Client’s account. The Custodian will also give the Client an option to have their statements e-mailed to them on a periodic basis. The Advisor will provide the Client with quarterly and yearly reports as outlined in section 6.

Client acknowledges that the Advisor is independently owned and operated and not affiliated with Interactive Brokers and that Interactive Brokers will act solely as a broker-dealer and not as an investment advisor to the Client. Interactive Brokers will have no discretion over the Client’s account and will act solely on instructions it receives from the Advisor (or the Client) pursuant to this Agreement. Interactive Brokers has no responsibility for the Advisor’s services and undertakes no duty to the Client to monitor the Advisor’s management of the Client’s account or any other services the Advisor may provide to the Client. Interactive Brokers will hold the Client’s assets in a brokerage account and buy and sell securities and execute other transactions when the Advisor (or the Client) instructs them to. While the Advisor requires that the Client use Interactive Brokers (or another custodian chosen by the Advisor) as the custodian/broker of its account hereunder to participate in its SMA Program, the Client will decide whether to do so and shall be solely responsible to open his account with Interactive Brokers by entering into an account agreement directly with Interactive Brokers. The Advisor does not open the account for the Client. Notwithstanding that the Client’s account is maintained at Interactive Brokers, the Advisor is permitted to use other brokers to execute trades for the Client’s account, as described herein

The Advisor will arrange for the execution of securities transactions in the Client’s Account through the Custodian. The Custodian has been selected by the Advisor and recommended to the Client in a manner generally consistent with the principles of best execution and price. The Advisor’s allocation of brokerage business, however, is not based solely on a desire to achieve the best execution and price possible; rather, it has selected the Custodian, initially Interactive Brokers, partly on the basis of other considerations, which may include clearance, settlement, custody, recordkeeping, and similar services provided to the Client. For this purpose, the Client may be deemed to be paying for investment research and other services with commission dollars. These other services may include, in addition to research, services such as telephone lines, news and quotation equipment, electronic office equipment, account recordkeeping, employee salaries, on-line financial information, publications, consulting and marketing services, office space and supplies, taxes, insurance, data processing, and other reasonable expenses necessary to perform the advisory services contemplated hereunder as determined by the Advisor.

The Client acknowledges that the brokerage services may require the Client to pay costs in addition to the Advisor’s fees in every respect with regard to trades and transactions.

**4. OTHER ACTIVITIES OF ADVISOR.** Nothing in this Agreement shall limit or restrict the Advisor or any of its directors, officers, affiliates, or employees from buying, selling, or trading in any securities for its or their own account or accounts, and the Client acknowledges that the Advisor, its directors, officers, affiliates and employees, and other clients of the Advisor, may at any time have, acquire, increase, decrease, or dispose of positions in securities which are at the same time being acquired, held, or disposed of by the Client.

The Client acknowledges that the Advisor performs investment advisory services for other clients, and that these services may differ both in nature and timing with the services provided to the Client. Transactions in securities may be accomplished on behalf of other clients prior to the time that they are executed on behalf of the Client and at prices that may differ from those obtained for the Client.

**5. MANAGEMENT FEE.** By initialing in the appropriate space below, the Client agrees to pay to the Advisor an annual Management Fee defined in the table below:

<b>Account Net Liquidation Value</b>	<b>Annual Management Fee</b>
Less than \$100,000	1.0%
\$100,000 to \$249,999.99	0.9%
\$250,000 to \$499,999.99	0.8%
\$500,000 to \$999,999.99	0.7%
\$1,000,000 to \$2,999,999.99	0.6%
More than \$3,000,000	0.5%

. The Management Fee shall be paid as follows:

- (1) \_\_\_\_\_The Client shall open an “Advisor Managed Account.” An “Advisor Managed Account” is a sub-account that the Client will open under an existing master advisory account controlled and managed on a discretionary basis by the Advisor at Interactive Brokers. While the Client's sub-account is maintained separately from all other similar client sub-accounts, the master advisory account allows the Advisor to simultaneously make trades for multiple client sub-accounts from an omnibus level. For “Advisor Managed Accounts,” Interactive Brokers will calculate the Advisor’s Management Fee on a daily basis, which amount shall be automatically deducted from the Client’s “Advisor Managed Account” and paid to the Advisor. At the conclusion of each market day, Interactive Brokers calculates the net asset value of the Client’s “Advisor Managed Account” based on the closing prices of all securities held in the account. Interactive Brokers then calculates the daily fee amount using the following formula:

$$\text{Daily Management Fee} = (\text{Net Asset Value}) \times (\text{Annual Management Fee} / \text{Number of Market Days in the Year})$$

The Management Fee is based on the Custodian’s calculation of the net asset value of the Client’s account. The Advisor will provide a quarterly statement to the Client showing the amount of the fee, the net asset value or fair market value of the Client’s account on which the fee was based, and how the fee was calculated. The Client will also have online access to his account, updated daily, showing similar information. Clients may opt to have their statement e-mailed to them on a regular basis. It is the Client’s responsibility to verify the Custodian’s

calculation of the Advisor's Management Fee. Notwithstanding the Custodian's automatic deduction of fees pursuant to the terms of this Agreement, the Advisor will not give instructions to the Custodian to deduct fees. The Client explicitly authorizes the automatic deduction of the Advisor's Management Fees in the manner set forth above.

- (2) \_\_\_\_\_ The Client will open an "Individual Managed Account." An "Individual Managed Account" is an account for which the Advisor will be given authority to separately access the Client's account and make discretionary trades for the Client. The Client agrees to provide current log-in credentials to the Advisor for purposes of delivering the advisory services contemplated by this Agreement. It is expected that such accounts will typically use a Custodian other than Interactive Brokers, the Advisor's preferred prime broker. The Advisor is not responsible for the results of any trading activity conducted by the Client directly in his "Individual Managed Account."

For "Individual Managed Accounts," the Advisor will calculate its Management Fee on a quarterly basis, with such fees payable at the conclusion of the quarter (March 31, June 30, September 30, December 31). At the conclusion of each quarter, the Advisor will calculate the net asset value of the Client's "Individual Managed Account" based on the values of all securities held in the account as of the last day of the quarter as referenced in the Custodian's account statements. The Advisor then calculates its Management Fee using the following formula:

$$\text{Biannual Fee} = (\text{Annual Management Fee}/4) \times (\text{Net Asset Value at the end of Quarter})$$

The Management Fee is based on the Custodian's calculation of the Net Asset Value of the Client's account. The amount of the Management Fee will be pro-rated for any partial period based on the total number of days that the Client's account is open during that period. The Advisor will bill the Client for its Management Fee in writing, and it will be the responsibility of the Client to pay the Management Fee directly by delivering a check or electronic payment to the Advisor within 30 days of the receipt of the Advisor's bill. The Advisor will provide a quarterly statement to the Client showing the amount of its Management Fee, the net asset value or fair market value of the Client's account on which the fee was based, and how such fee was calculated.

**6. REPORTS TO CLIENT.** The Advisor will provide the reports referenced in section 5 to the Client on the appropriate quarterly basis. The Custodian will provide written reports to the Client on an ongoing, monthly and annual basis. The reports provided by the Custodian shall include a statement of the securities and other assets held in the Client's Account as of the date of the report, the purchase date, the cost, the current market valuation, and performance data for the preceding period, and such other information as the Custodian deems appropriate. The Client will be able to log into Client's account to obtain detailed information about the time, price, and number of shares purchased and sold for each transaction made by the Advisor on behalf of the Client.

**7. DIRECTED BROKERAGE DISCLOSURES.** In the event that the Client directs the Advisor to use a particular broker or dealer, the Advisor may not be authorized under the circumstances to negotiate commissions and may not be able to obtain the volume discounts or best execution. As a result, disparity in commission charges may exist between the commission charged to clients who



direct the Advisor to use a particular broker or dealer and other clients who do not direct the Advisor to use a particular broker or dealer.

**8. CONFIDENTIALITY.** The Advisor and the Client each agree that all information and advice furnished by either party to the other pursuant to this agreement shall remain confidential and shall not be disclosed to third parties, except as otherwise agreed in writing to the Advisor and the Client or may be required by law.

**9. TERMINATION.** The Client has the right to terminate this Agreement without penalty within five (5) business days after entering into this Agreement. Thereafter, this Agreement may be terminated at any time by either the Client or the Advisor effective from the time the Advisor receives written notification of the same or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress. Prior to the effective date of termination, the Client shall provide the Advisor with written instructions as to the liquidation or settlement of the Client's account(s), which instructions, at the Client's option, may limit the discretion of the Advisor to enter into further transactions after the date such instructions are received. The Advisor shall be bound by such instructions only after receipt thereof. The termination of this Agreement shall not effect the validity of any action previously taken by the Advisor or preclude the completion of any transaction initiated by the Advisor prior to the time of the termination or written instructions as to liquidation or settlement, if provided by the Client. In the event of termination after the first five (5) days, any fees payable under this Agreement shall be pro rated based upon the number of days that the Agreement was effective during the terminating quarter, up to and including the date of termination.

**10. ADVISOR REPRESENTATIONS.** The Advisor represents that it is registered in the States of Illinois and California as an investment advisor, and is exempt from registration with the Securities and Exchange Commission under the Investment Advisor Act of 1940, as amended.

**11. ADDITIONAL SERVICES.** If requested by Client, the Advisor may provide other services that are not included in this Agreement, subject to additional fees or other compensation under the terms of a separate agreement.

**12. CLIENT ACKNOWLEDGMENT OF ADVISOR'S SOFT DOLLAR PRACTICES.** The Client acknowledges that the Advisor has entered into and will in the future enter into certain agreements and arrangements commonly known as "soft dollar" arrangements or agreements. These agreements occur between broker/dealers and their clients where the broker/dealer provides, in addition to other services, research, execution services, non-research items, and mixed use items. An example of the kinds of products and services provided in such arrangements include but are not limited to accounting fees, computer hardware, computer software, conference seminars, consulting services, courier services, custodial fees, electronic data bases, execution assistance, on-line quote systems, industry publications, office equipment and supplies, on-line quotation-news, portfolio management software, rent, research and analysis reports, telephone expense, technical analysis, and other similar kinds of products and services. As a result of receiving such services, the Advisor therefore has an incentive to continue to use such brokers and dealers to effect transactions for the Client's account as long as such brokers and dealers continue to provide services to the Adviser. This creates an inherent conflict. The Federal Securities Laws permit this practice. The research, product and services will be used to service all of the Advisor accounts. Therefore, commissions from one set of clients may be used to purchase research services and products that benefit another set of clients.

This is known as “cross-subsidization”. The Client hereby acknowledges and consents to the Advisor’s participation in soft dollar practices and cross-subsidization.

**13. CLIENT REPRESENTATIONS AND RISK ACKNOWLEDGMENT.** The Client acknowledges that it has received and reviewed copies of Part 2 of the Advisor’s Form ADV. Client acknowledges that the Advisor does not guaranty the future performance of the account or any specific level of performance, success of any investment decision or strategy that the Advisor may use, or the success of the Advisor’s overall management of the account. Client understands that investment decisions made for clients by the Advisor are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable, and may result in losses. The Advisor will manage only securities, cash, and other investments held in the Client’s account and in making investment decisions for the account, the Advisor will not consider any other securities, cash, or other investments owned by Client.

**14. ADVISOR’S LIABILITY.** The Client acknowledges that certain risks are inherent in securities investments and that some investment decisions may result in losses. Neither the Advisor nor any of its officers, directors, affiliates or employees shall be liable to the Client for any action performed or omitted to be performed or for errors of judgment made in good faith in connection with the advisory services which are rendered pursuant to this Agreement. Neither the Advisor nor any of its officers, directors, affiliates or employees shall be relieved of liability, if any, arising from negligence, malfeasance or violation of any applicable laws. Nothing contained in this Agreement shall constitute a waiver or a limitation of rights which the Client may have under any federal or state securities law or under the Employee Retirement Income Security Act of 1974 as amended.

**15. ARBITRATION.** Any controversy or dispute which may arise between the Client and Advisor concerning any transaction or the construction, performance or breach of this Agreement shall be settled by arbitration. Any arbitration shall be pursuant to the rules, then applying, of the American Arbitration Association, except to the extent that the Client may select any other arbitration forum upon which the Advisor is legally required to arbitrate a controversy with the Client, including, where applicable, the arbitration panel convened by the New York Stock Exchange, Inc., the National Association of Securities Dealers, Inc., or other such arbitration forum. Except as may be required by an arbitration forum upon which the Advisor is legally required to arbitrate the controversy with the client, the arbitration panel shall consist of at least 3 individuals, with at least one panelist having knowledge of investment advisory activities. The parties agree that any arbitration proceedings pursuant to this provision shall be held in a location as determined by the rules of the American Arbitration Association, or other such arbitration forum upon which Advisor is legally required to arbitrate the controversy with the Client. The award of the arbitrators shall be final and binding on the parties, and judgment upon the award rendered may be entered into any court, state or federal, having jurisdiction.

The agreement to arbitrate does not entitle the Client to obtain arbitration of claims that would be barred by the relevant statute of limitations if such claims were brought in a court of competent jurisdiction. At the time a demand for arbitration is made or an election or notice of intention to arbitrate is served, the claims sought to be arbitrated would have been barred by the relevant statute of limitations or other time bar, any party to this Agreement may assert the limitation as a bar to arbitration by applying to any court of competent jurisdiction, and the Client expressly agrees that any issue relating to the application of a statute of limitations or other time bar, are referable to such

court. The failure to assert such bar by application to a court, however, shall not preclude its assertion before the arbitrators.

**16. ASSIGNMENT OF THIS AGREEMENT.** This Agreement may not be assigned by the Advisor without the prior written consent of the Client. The term “assigned” includes both direct and indirect transfers of this Agreement, as interpreted under the applicable securities laws and regulations.

**17. NOTICES.** Any notices from the Advisor to the Client shall be in writing and mailed, delivered or faxed to the Client as directed in writing by the Client or to the Client’s last known address. Any notices from the Client to the Advisor shall be in writing and mailed, delivered, or faxed to the Advisor’s address as follows:

**DOUGLAS CAPITAL MANAGEMENT, LLC**  
**2865 Jacob Lane**  
**Normal, IL 61761**  
**(309) 807-5637**

**18. BINDING EFFECT, ASSIGNMENT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that rights and obligations hereunder shall not be assignable, transferrable, or delegable without the consent of the Client.

**19. AMENDMENT.** This Agreement may be amended by the Advisor with respect to any provisions other than provisions relating to the payment of fees, upon thirty (30) days notice to the Client by the Advisor notifying the Client of the amendment. Amendments relating to the amount of fees is by written Agreement only of the parties hereto.

**20. GOVERNING LAW.** It is understood that this Agreement shall be governed by and construed under and in accordance with the laws of the State of Illinois, excluding conflict of law principles.

**21. SEVERABILITY.** If any provision of this Agreement or the application thereof to any situation or circumstance shall be invalid or unenforceable, the remainder of this agreement or application of such provision to a situation or circumstances other than those to which it is invalid or unenforceable, shall be effective; and each remaining provision of this Agreement will be valid and enforceable to the fullest extent permitted by applicable law.

**22. VOTING OF SECURITIES.** Unless otherwise notified in writing, the Client will vote all proxies and take all other actions relating to the securities in the account(s), including exercises of rights and acceptances, tender offers and the like.

**23. COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

**24. AUTHORITY.** Each of the parties to this Agreement hereby represents that it is duly authorized and empowered to execute, deliver, and perform this Agreement and that such action does not conflict with or violate any provision of law, rule or regulation, contract, deed of trust, or other instrument to



which it is a party or to which any of its property is subject, and that this agreement is a valid and binding obligation enforceable in accordance with its terms.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their person or their duly authorized representative and to be effective as of the date first above written.

**DOUGLAS CAPITAL MANAGEMENT, LLC**    **CLIENT:** (Print Name) \_\_\_\_\_

By: \_\_\_\_\_

By: (Sign Name) \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_