

INVESTMENT MANAGEMENT AGREEMENT

THIS AGREEMENT is effective as of _____, 20____, and is made by and between

_____ (“Client”) and McIlrath & Eck, LLC (“Advisor”),

whose principal office is located in the State of Washington and the County of Snohomish.

1. Retention as Advisor. The Advisor shall have the power and authority to supervise and direct on discretionary basis the investments of and for the account of the Client, including the power and authority to buy, sell, exchange, convert, and otherwise effect transactions in any stocks (including stocks of foreign issuers), bonds (including bonds of foreign issuers), other securities, and contracts (including covered and uncovered option contracts) pertaining thereto, exercise all rights and make all elections pertaining to all assets in the Account. Advisor will invest Account Assets in such manner as Advisor deems appropriate in accordance with Advisor’s Investment Strategy as set forth in **Exhibit A**, as may be amended, and Client’s general investment objectives (if any), as may be amended. Only with signed agreement, Advisor may purchase securities on margin, sell securities short, borrow money for the purpose of purchasing securities, pledge or lend portfolio securities and buy and sell put and call options. Client reserves the right to impose limitations in writing, subject only to the limitations set forth in this Agreement. In providing all services hereunder, Advisor is entitled to rely on the financial and other information provided by Client without any duty or obligation to investigate the accuracy or completeness of the information. During the term of this Agreement, Advisor will use its best reasonable efforts to invest the Assets of the Account. Advisor does not guarantee the investment performance of any of the Assets.
2. Additions and Withdrawals. Client may make additions to, or cause withdrawals to be made from the Account at such times and in such amounts as Client shall determine. Client shall notify Advisor in writing at least **four** business days prior to a withdrawal, including the amount thereof.
3. Selection of Broker/Dealers and Custodian. All transactions authorized by this Agreement will be made for the Account and at the risk of Client and executed through broker/dealers (“brokers”) selected by Client. All Account Assets will be held by a designated custodian as Client chooses. If Advisor receives no specific instructions or designation as to an executing broker or custodian, Client authorizes Advisor to select an executing broker and/or introducing broker, and/or custodian, and Advisor is hereby authorized and empowered to issue instructions to brokers and Custodian. If Advisor selects such broker(s), Advisor’s selection will be made in accordance with **Section 4** of this Agreement. Neither Advisor, nor any investment Advisor representative associated with Advisor, will act as the custodian. Advisor will have no liability with respect to custody arrangements or the acts, conduct, or omissions of Custodian.
4. Brokerage. If Advisor selects brokers for the Account, Advisor will seek brokers that provide “best execution” of the Account’s transactions and will consider a number of factors in making such selection, including but not limited to: historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance, and settlement and error-correction capabilities of the broker generally and in connection with securities or financial

instruments of the types and in the amounts to be bought or sold; the broker's willingness to commit capital; the broker's reliability and financial stability; the size of the transaction; availability of securities to borrow for short sales; the market for the security or financial instrument, and other matters ordinarily involved in the receipt of brokerage and research services as generally contemplated by Section 28(e) of the Securities Exchange Act of 1934, as amended, and its interpretative rules. Accordingly, when selecting brokers for a transaction or a series of transactions, Advisor may consider the value of research and brokerage services and products provided by such brokers to Advisor. In no event shall Advisor be under any duty to obtain the lowest commission or best net price for the Account on any particular transaction, nor is the Advisor under any duty to execute any order in a fashion either preferential to the Account relative to other like accounts managed by Advisor or otherwise materially adverse to such other accounts. Advisor could be considered to have a conflict of interest when it uses soft dollars to receive research and brokerage services and products because it might be otherwise required to pay for such research and brokerage services with its own assets.

Client reserves the right to direct Advisor with respect to the particular brokers or dealers to be utilized by Advisor when trading Account Assets ("*Directed Brokerage*"). The Client agrees that the receipt of any goods or services to be obtained by Client from any brokers, dealers or other persons as a result of Directed Brokerage shall be the responsibility of Client and negotiated by Client, and Advisor shall have no responsibility therefore, except in fulfilling the Directed Brokerage instructions. Client further acknowledges that the costs and commissions of Directed Brokerage may be greater than the costs and commissions Advisor may incur on behalf of the Account for similar transactions. Each Directed Brokerage instruction by Client to Advisor shall be in writing and sent to the Advisor at the address or facsimile number set forth in **Section 17** of this Agreement. Any such writing or instruction shall constitute a separate representation and warranty of Client to Advisor that any arrangement for goods or services to be received by Client as a result of such Directed Brokerage shall be in conformity with all applicable statutes and regulations to which Client is subject, and Client agrees not to hold Advisor, its managing members, and employees (collectively, the "*Covered Parties*") liable for, and to indemnify or insure the Covered Parties against, any costs and liabilities (including attorneys' fees) that the Covered Parties may incur as a result of any claim against the Covered Parties relating to such Directed Brokerage activity.

5. Confidential Relationship. All information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except as required by law. Only upon written or verbal consent shall Advisor disclose Client's identity and Client's relationship with Advisor in response to requests for proposals to other clients or prospective clients, in the Advisor's promotional materials, in articles or publications by or about Advisor, and in reports to clients of Advisor.
6. Reports to Clients. Client will receive a monthly and quarterly statement listing all Account Assets from the Custodian. Custodian will promptly issue copies of confirmations of all executed transactions.
7. Voting of Portfolio Securities. Client withholds authority to vote proxies with respect to issuers of securities in which the Assets of the Account are invested.
8. Fees. Advisor's compensation for services shall be calculated and paid in accordance with the Fee Schedule attached as **Exhibit B** (the "*Fee Schedule*"). The Fee Schedule shall be applied by Advisor to the Market Value of the Account's Assets as reasonably determined by Advisor on the date specified in the Fee Schedule.

Client to initial:



Client herewith authorizes Advisor to charge the Account the full amount of fees as they become due and payable pursuant to the attached Fee Schedule. Custodian will send Client a statement, at least quarterly, indicating all amounts disbursed from the account, including the amounts of any and all investment management fees paid directly to the Advisor. Client is responsible for verifying the accuracy of such fees.



9. Investment Services for Other Clients. Client understands that Advisor engages in an investment advisory business apart from managing the Account which requires Advisor to manage accounts for other clients. Client understands this may create conflicts of interest relating to both the amount of Advisor's time devoted to managing the Account and the allocation of investment and trading opportunities among accounts (including the Account) managed by Advisor. Client further understands that Advisor, its managing members and employees may invest and trade for their own accounts, and may take positions in the same securities recommended to, or purchased for Client, and Client agrees that nothing in this Agreement will restrict the ability of Advisor, its managing members or employees to engage in any such activities notwithstanding any securities positions that the Account may have or may later acquire. Client confirms that Advisor may give advice and take action with respect to any of its clients and/or its own accounts that may differ from advice given or the timing or nature of action taken with respect to the Account so long as it is Advisor's policy, to the extent practicable, to allocate investment opportunities to the Account over time on a fair and equitable basis relative to other accounts and their differing investment objectives and circumstances. Nothing in this Agreement will be deemed to obligate Advisor to effect for the Account any transaction that Advisor or its managing members or employees may effect for its or their own accounts or for the account of any other client, if in the absolute discretion of Advisor, it is not practical or desirable to effect a similar transaction for the Account.
10. Representations.
- a) Advisor represents that it is registered as an investment Advisor with the appropriate regulatory agency.
 - b) Advisor represents that it will render individualized investment advice with respect to the Account and that Client may be able to obtain comparable services from other Advisors for lower fees.
 - c) Client represents that no one except Client has any interest, directly or indirectly (except for the beneficial interest of the participants in a qualified plan or trust), in the Account's Assets.
 - d) The undersigned, on behalf of Client, represents that the execution of this Agreement by Client has been duly authorized by all requisite action and represents a valid and binding obligation of Client, enforceable in accordance with its terms, and does not violate any regulations, agreements, or instruments by which the Account is bound.
11. Agreement Not Assignable. No assignment of this agreement may be made by Advisor without consent of Client.

12. Exculpation and Indemnification.

Exculpation. Neither Advisor, nor any employee, agent or affiliate of Advisor, nor any board or body with respect to Advisor (each, an “*Indemnitee*”) will be liable to Client for any act or omission performed or omitted by such Indemnitee in connection with this Agreement or the Account, and no such act or omission will in and of itself constitute a breach of any duty owed by any Indemnitee to Client hereunder or under applicable law, provided such act or omission did not constitute gross negligence, willful misconduct, or a willful violation of law. To the extent that, at law or in equity, an Indemnitee has duties (including fiduciary duties) and liabilities relating to Account or Client, any such Indemnitee acting under this Agreement will not be liable to Client for his or her or its good faith reliance on the provisions of this Agreement. Such provisions, to the extent they restrict or limit the duties or liabilities of an Indemnitee otherwise existing at law or in equity, are agreed by Client to modify such other duties and liabilities of such Indemnitee. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in anyway constitute a waiver or limitation of any rights which the undersigned may have under any federal securities laws.

Indemnification. To the maximum extent permitted by applicable law, each Indemnitee who was or is made a party to, or is threatened to be made a party to, or is involved in any threatened, pending or contemplated action, suit, or proceeding, whether civil or criminal, administrative, arbitrative, or investigative (a “*Proceeding*”) or any appeal in such a Proceeding, by reason of such Indemnitee’s management of the affairs of Client, participation in such management, or rendering of advice or consultation with respect thereto, or that relate to, Client, his or her business, or his or her affairs, will be indemnified and held harmless by Client, to the extent of the Account’s assets, from and against any and all losses, claims, damages, liabilities (joint and/or several), expenses (including legal fees and expenses), judgments, fines, settlements, and other amounts (“*Losses*”) that relate to such Proceeding; *except to the extent* such Losses arise from actions or failures to act that are finally adjudicated by a court of competent jurisdiction to have constituted gross negligence, willful misconduct or a willful violation of law by such Indemnitee. A person or entity will be entitled to the indemnification prescribed in the preceding sentence whether or not such person or entity continues to be employed or affiliated with Advisor at the time any Proceeding commences or a Loss is suffered, paid or incurred. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in anyway constitute a waiver or limitation of any rights which the undersigned may have under any federal securities laws.

13. Arbitration. Except for actions to determine whether Losses (as that term is defined in **Section 12**) for which Advisor or any of its members, employees, or agents seek indemnification under **Section 12** arose out of actions or failures to act that constituted gross negligence or willful misconduct or a willful violation of law and for which indemnification therefore is not available, any controversy will be submitted to arbitration on the request of any party to any such controversy in the county and state in which Advisor maintains its principal office at the time the request for such arbitration is made. The arbitration will comply with and be governed by the provisions of the commercial arbitration rules of the American Arbitration Association and no party to any such controversy will be entitled to any punitive damages. Notwithstanding such rules, no arbitration proceeding brought against Advisor will be consolidated with any other arbitration proceeding brought against Advisor without Advisor’s consent. Judgment may be entered upon any award granted in any such arbitration in any court of competent jurisdiction in the county and state in which Advisor maintains its principal office at the time the award is rendered. By signing this Agreement, Client agrees to waive his or her or its right to seek remedies in court, including any right to a jury trial; *provided, however*, that nothing in this paragraph will constitute a waiver of any right a party to this Agreement may have to choose a judicial forum to the extent such a waiver would violate applicable law. Any award rendered by the arbitrator(s) shall be final and judgment may be entered upon it in any court of competent jurisdiction.

Should any arbitration or litigation be commenced by any party to this Agreement concerning any provision of this Agreement or the rights and duties of any party to this Agreement, then the prevailing party in such arbitration or litigation shall be entitled, in addition to such other relief as may be granted, to reasonable attorney's fees, expert witness expenses, and other costs.

14. Change in Management or Ownership. Advisor shall promptly notify Client of any change that occurs in the managing members or members of Advisor.
15. Governing Law; Successors and Assigns. This Agreement shall be governed by and interpreted under the laws of the state in which the principal office of Advisor is located such as are applicable to contracts entered into and performed entirely within such state; provided that United States Federal Law, including the Federal Arbitration Act, will apply to **Section 13**. This Agreement shall be binding upon the successors and assigns of the parties; however, no party intends for this Agreement to benefit any third party not expressly named in this Agreement.
16. Severability. If any provision of this Agreement is held invalid by a statute, rule or regulation, decision of a tribunal or otherwise, the remainder of this Agreement shall not be affected, and to such extent, the provisions of this Agreement shall be severable.
17. Communications. Instructions with respect to securities transactions may be given orally and shall be confirmed in writing as soon as practicable. Any written notice by or pertaining to the Agreement shall be delivered by U.S. Mail or facsimile transmission. Any written notice to Client required by or pertaining to this Agreement shall be delivered to Client at the address delivered below:

If to Client:

Name:

Address:

Attention:

Facsimile:

If to Advisor:

McIlrath & Eck, LLC

3325 Smokey Point Drive, Suite 201
Arlington, WA 98223

Attention: Thor H. McIlrath

Facsimile: (360) 657-1819

18. Disclosure Statement. Client acknowledges receipt from Advisor of (1) Part 2 of Advisor's Form ADV, and (2) Advisor's Privacy Policy.
19. Term, Termination, Renewal and Survival. The initial term of this Agreement will commence on the date hereof and will continue until Client or Advisor choose to terminate this agreement. Notwithstanding the foregoing, however, this Agreement is subject to termination as of the close of any calendar month by either party, with or without cause, upon not less than 2 weeks prior written notice to the other. In the event of the termination of this Agreement, the provisions of **Sections 8, 12, 13 and 15**, as well as the provisions of this **Section 19** will survive.
20. Interpretation of Agreement. Any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

21. Entire Agreement. This agreement constitutes the entire agreement of the parties with respect to management of the Account and can be amended only by a written document signed by the parties. Each of the provisions of this agreement is severable, and the validity or inapplicability of one or more provisions, in whole or in part, shall not affect any other provision. This Agreement may be signed in any number of counterparts. Any single counterparty or a set of counterparts signed in either case by the parties hereto will constitute a full and original Agreement for all purposes.

Agreed to as of this _____ day of _____, 20____, by:

By:

Signatory

Signatory

By: McIlrath & Eck, LLC

Thor H. McIlrath
Managing Member

EXHIBIT A

INVESTMENT OBJECTIVES, STRATEGIES AND POLICIES

OUR INVESTMENT PHILOSOPHY

We believe that each client should have an investment portfolio specifically designed to meet his or her needs and goals, to optimize the risk-reward ratio and to minimize the associated costs.

To accomplish our objective, we assess each client's goals, investment temperament, expectations, time horizon and general attitudes towards investing. With this information, we are able to customize a strategy which will allow the client to achieve his or her goals with peace of mind.

The basic concepts which we use to manage client portfolios were derived from Modern Portfolio Theory, as recognized by the 1990 Nobel Prize. This theory influences how our portfolios are structured and how subsequent decisions are made. The underlying concepts of Modern Portfolio Theory include:

- Clients are generally loss-averse. The only acceptable risk is that which is adequately compensated by potential returns.
- Markets are generally efficient. Accordingly, we do not believe in "market timing". The deterrent to being successful at market timing is not so much knowing when to sell near a peak, but knowing when to get back in the market. Over the past 70 years, there have been as few as 30 days when the overall market sharply advanced. For those not fully invested on those 30 days, the overall return of the portfolio was dramatically reduced. It is virtually impossible to predict when short-term changes in the market will occur. Therefore, we do not attempt to "time the market". Instead, we encourage our clients to have a patient, long-term perspective when investing.
- The portfolio as a whole is more important than any individual security. The appropriate allocation of capital among asset classes will have far more impact on long-term portfolio results than the selection of individual securities.
- Portfolio risk can be decreased by maintaining a portfolio of well diversified, low correlated assets. (Correlation is the statistical term for the extent to which two asset classes move in tandem or in opposition to one another.)
- Investing globally helps to minimize overall portfolio risk due to the imperfect correlation between economies of the world.

We select individual stocks, bonds, mutual funds and other investment vehicles from different asset classes in order to achieve an optimum portfolio for the individual client.

The investment selections within the asset classes are based on the following criteria:

1. Past performance relative to other securities having the same investment objective. Consideration will be given to both performance rankings over various time frames and consistency of performance.
2. Costs, relative to other securities with like objectives and investment performance.
3. The historical volatility and downside risk of the security.
4. How well the security complements other assets in the portfolio.
5. The likelihood of future investment success, relative to other opportunities and relative to the current economic environment.

We adjust the portfolio as necessary in order to maintain our target asset allocation model. When we sell securities to adjust the account, we match gains with losses in order to avoid adverse tax consequences. We invest profits or new savings in under-weighted areas so as to maintain portfolio diversification.

We believe a “holistic” or multi-disciplinary approach to financial and wealth management offers the client the best framework within which to operate. This framework ensures that each client’s financial planning, estate planning and asset management needs and goals are clearly identified and met.

EXHIBIT B
FEE SCHEDULE

Client: _____

Effective Date: _____

1. General. Client will pay Advisor, an asset-based “Management Fee” calculated as set forth below and paid out of the assets in the Account as provided in **Section 8** of the Investment Management Agreement (the “Agreement”) of which this Exhibit is a part. The Management Fee is payable upon presentation of the Fee Statement which will be sent to Client—at the same time Advisor’s request for payment is sent to the Custodian—at the address specified in **Section 17** of the Agreement.

2. Management Fee. The Management Fee is payable quarterly in advance in an amount equal to a percentage, as listed in the following table, per annum of the Market Value of the Account as of the last day of the previous calendar quarter.

<u>Account Value</u>	<u>Annual Fee</u>
Less than \$1,000,000	1.50%
\$1,000,001 - \$2,000,000	1.25%
Accounts over \$2,000,001	1.10%

3. Market Value will be determined by Advisor in accordance with **Section 3** and **Section 4** below. Capital Contributions made to the Account as of any date other than the first day of a calendar quarter will be charged a prorated Management Fee as to the amount contributed. The Management Fee will not be prorated as to partial withdrawals from the Account that occur as of a date other than the last day of a calendar quarter. Upon termination, fees will be prorated to the date of termination and the Advisor will provide a refund for the prepaid, unearned fees.

4. Valuation of Assets. The value of Account Assets as of a particular date (the “Valuation Date”) will be determined as follows:

a. Securities Listed on a Securities Exchange or NASDAQ National Market. Any Security that is listed on a recognized securities exchange or the NASDAQ National Market portion of the NASDAQ Stock Market will be valued at its last sale price on the Valuation Date, as recorded by the composite tape system, or, if the Security is not included in such system, at its last sale price on the Valuation Date on the principal securities exchange on which the Security is traded, as recorded by that exchange, or if no sale was reported on the Valuation Date through the composite quotation system or such exchange, at the highest closing “bid” price (for Securities held “long”) and the lowest closing “asked” price (for “short” positions) on the Valuation Date as recorded by the composite tape system or such principal exchange, as the case may be;

b. NASDAQ Quote. Any Security that is not listed on a recognized securities exchange or on the NASDAQ National Market but is otherwise quoted in the NASDAQ Stock Market (“NASDAQ”) will be valued at the last sale price on the Valuation Date as reported by NASDAQ, or if no sale is reported by NASDAQ on the Valuation Date, the highest closing “bid” price (for Securities held “long”) and the lowest closing “asked” price (for “short” positions) on the Valuation Date, as reported by NASDAQ;

c. Listed on Commodities Exchange. Any Security that is traded on a commodities exchange and not on a recognized securities exchange will be valued at its last reported sale price on the Valuation Date on the commodities exchange on which such Security is principally traded or, if no sale was reported on the Valuation Date on such exchange, at the highest closing “bid” price (for “long” positions) and the lowest closing “asked” price (for “short” positions) on the Valuation Date on such commodities exchange;

- d. Quotation Service other than NASDAQ. Any Security that is not subject to valuation under the preceding subsections but for which “bid” and “asked” prices are reported by a recognized price quotation service other than NASDAQ will be valued at the highest closing “bid” price (for “long” positions) and the lowest closing “asked” price (for “short” positions) on the Valuation Date as reported in such other price quotation service as the Advisor, in its sole discretion, determines fairly reflects the market for such Security.
 - e. Certain Derivative Contracts. Any derivative contract, including swap agreements, under which the amount owed by or owed to the Account is determined solely by reference to one or more broad-based securities indices, published interest rates (e.g., LIBOR) or other objectively determined value or rate, will be valued at the face amount payable or receivable by the Account pursuant to the terms of the contract on the valuation date.
 - f. Discretion to Deviate from Market Price. Notwithstanding the foregoing, if any Securities constitute a block that, in the judgment of the Advisor, could not be liquidated in a reasonable time without depressing the market for such Securities unreasonably (or, in the case of a short position, could not be purchased without driving the market price up unreasonably), or are otherwise subject to significant restrictions on sale, such Securities will be valued in the Advisor’s discretion, but at a unit value not in excess of the quoted market price (or in the case of a short position with a liability reflecting a unit value not less than the quoted market price) for other securities of the same class, as determined above.
 - g. Other Securities and Assets. All other Securities and all other assets will be assigned a value determined in good faith by the Advisor. The Advisor may determine, in its sole discretion, to cause the Account to engage an independent person to value any Securities or Account Assets that are not subject to valuation pursuant to the methods described above, and will establish procedures for Client to approve or be afforded the opportunity to terminate the services of or replace any such person.
5. Certain Definitions. The following terms used in this Fee Schedule shall have the following meanings, and all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement:
- a. “Market Value” means the aggregate value of Account Assets.
 - b. “Securities” means any note, stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, financial futures contract, commodity futures contract, put or call option, other contract whose value derives from the value of an underlying asset or reference rate or index (*i.e.*, a “*derivative*”), other investment contract, voting-trust certificate, certificate of deposit for a security, or, in general, any interest or instrument commonly known as a “security” or a “commodity” or a “commodity interest” or a “derivative” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.
 - c. “Fee Statement” means the bill for investment management services that is, in certain circumstances, sent at the same time to Client and Independent Representative, if appropriate, which shows the amount of the fee, the manner in which it was calculated and the value of the assets on which the bill was based.

Thor H. McIlrath, CFP Managing Member McIlrath & Eck, LLC
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