

INVESTMENT ADVISORY AGREEMENT

This Investment Advisory Agreement (“Agreement”) is entered into by and between:

FRUTH INVESTMENT MANAGEMENT, INC., a Texas corporation registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940 and with the Texas State Securities Board as an investment adviser (hereinafter called “Advisor”) and

_____ & _____

(hereinafter called “Client(s)”), who have agreed and do hereby agree as follows:

- 1) **Portfolio Management:** Client(s) hereby appoint(s) and Advisor accepts appointment as Client’s agent with authority to manage, buy, sell and trade in securities on Client’s account and otherwise act with discretion on Client’s behalf with respect to Client(s) Portfolio (“the Portfolio”), subject at all times to the limitations and investment objectives stated in Exhibit A attached hereto and made a part hereof. Client(s) agree(s) to inform Advisor promptly in writing of any change in Client’s financial circumstances and investment objectives and to provide Advisor with such other information as Advisor may request.
- 2) **Portfolio Assets:** Client(s) represent(s) that client(s) is (are) the sole owner(s) of the cash and securities specified in Exhibit A of this Agreement, which together with any subsequent transactions therein shall be hereinafter called “Portfolio Assets”, and that Portfolio Assets are, and at all times during the continuation of this Agreement will be free, clear and unencumbered.
- 3) **Custody of Portfolio Assets:** It is expressly understood that by entering into this Agreement, Client(s) does (do) not surrender ownership of the cash or securities comprising the Portfolio Assets. At no time will Advisor be the custodian of or retain physical possession of the Portfolio Assets. The Portfolio Assets subject to Advisor’s supervision hereunder will be delivered by Client(s) to and shall be maintained by the designated custodian listed in Exhibit A.
- 4) **Broker-Dealer:** Unless otherwise directed in writing by Client(s), Advisor is responsible for decisions to buy and sell securities, broker-dealer selection, and negotiation of brokerage commission rates. In order that Client(s) may be kept informed of the status of and activities in his/her account(s), Advisor will request of each broker who executes any transactions on behalf of the Client(s) that such broker furnish a written confirmation of each transaction and a monthly statement in the broker’s standard format to Client(s). Advisor shall not act as a broker of the Portfolio Assets or any portion thereof.
- 5) **Duties of Advisor:** Advisor shall exercise investment supervision over the Portfolio Assets and shall periodically review the Portfolio Assets and the overall market for such securities then comprising the Portfolio Assets in view of the investment objectives of the Client(s). In performing its duties hereunder, Advisor, in its sole discretion and without obligation to consult with or to notify Client(s), is hereby fully authorized and empowered to buy, sell, exchange, convert and otherwise trade in any stocks, bonds and other securities, including money market instruments, for the account of the Client(s).
- 6) **Research:** Fruth Investment Management does independent research to select stocks suitable for each Portfolio, depending on Client(s) financial needs and goals. Because of the time and work necessary to create a suitable Portfolio, Advisor requests that personal trades not be placed in accounts managed by Fruth Investment Management. Should Client(s) choose to place trades in other securities, these trades must be placed in a separate account not managed by Advisor.

7) **Reporting:** In addition to reports furnished by broker-dealer, Advisor will furnish to Client(s) on a quarterly basis a statement of assets comprising the Client's Portfolio Assets on both a cost and current market valuation basis. For purposes of determining the Portfolio Assets' market value, securities traded on national securities exchanges are valued at their daily closing sale prices.

8) **Performance:** Client(s) understand(s) that no guarantee with respect to the success of the management of the Portfolio Assets can be given. Realizing that fluctuations in security prices occur, Client(s) agree that in the absence of fraud, willful misconduct, or willful negligence on the part of the Advisor, Advisor shall not be liable in any way for any recommendations given or actions taken or not taken with respect to the Portfolio Assets or for losses sustained by the Portfolio Assets of Client(s). Client(s) does (do) not waive his (their) rights under the Investment Advisors Act of 1940; however, Client(s) acknowledge(s) that Client(s) understand(s) that profits cannot be assured on every transaction, and that there can be no guarantee that the overall investment effort will be profitable.

9) **Risk and Liabilities:** It is understood that Advisor is acting as the agent of the Client(s) and all securities and other property in the Portfolio Assets are held and traded solely at and for the risk of the Client(s). Advisor shall not be liable or responsible for any act or failure to act by any broker, bank, or similar agent utilized by Advisor to effect any transaction on Client's behalf, or for the financial solvency of any such broker, bank or agent.

10) **Expenses:** Advisor will maintain, at its expense and without cost to Client(s), facilities necessary to carry out its obligations hereunder. Client(s) will pay, or cause to be paid, all other expenses relating to Portfolio Assets, including without limitation: i) brokerage commissions in connection with Portfolio Asset transactions to which Client(s) is(are) party; ii) all taxes, including securities issuance and transfer taxes; iii) custodian fees; iv) extraordinary expenses, including but not limited to legal claims, liabilities, litigation costs and any indemnification related thereto; and v) all other charges and costs of Client's affairs unless otherwise explicitly provided herein.

11) **Non-Exclusivity:** It is understood that Advisor performs investment advisory services for various other clients. Client(s) agree(s) that Advisor may advise and act with respect to any of its other clients which may differ from advice or the timing or nature of action with respect to the Portfolio Assets. It is understood that Advisor has no obligation to buy or sell, or to recommend for purchase or sale, for the Portfolio Assets, any security which the Advisor, its principals, its affiliates, or its employees may buy or sell for its or their own accounts or for the account of any other client.

12) **Compensation:** Unless otherwise agreed upon in writing, Client shall pay for Advisor's services on a quarterly basis in advance according to the following schedule:

Market Value of Assets	Annual Percentage Rate
First \$5.0 Million	1.00%
Next \$5.0 Million to \$10.0 Million	0.75%
Next \$10 Million and above	0.50%

There is a minimum charge of \$1,250.00 per quarter.

The fee will be based on the market value of the Portfolio Assets on the first business day of the period for which such fee is paid. The initial fee, which will be based on the market value of the Portfolio Assets on the effective date of the Agreement, will be prorated based on that portion of period during which Agreement is in effect.

13) **Withdrawals:** In the event Client(s) determine(s) to withdraw any cash or securities from the Portfolio Assets covered in this Agreement, Client(s) shall give Advisor immediate notice thereof. Advisor will not direct any disposition of securities or cash from the Portfolio except to Client(s) or against counter value.

14) **Termination:** This Agreement may be terminated at any time by either party hereto by delivery of written notice of termination to the other party hereto. Said termination shall be effective immediately upon receipt of said notice of termination. Termination shall not affect or invalidate any action theretofore taken by Advisor pursuant to any authority conferred upon it by this Agreement.

15) **Refunds and Adjustments:** No fee adjustment will be made during any fee period for appreciation or depreciation in the market value of the Portfolio Assets during the period. In addition, no adjustment or refund will be made with respect to partial withdrawals during any fee period. Since fees for services rendered hereunder are billed quarterly in advance, Advisor will refund to Client as soon as practicable after any such termination a prorata share of the quarterly fees for the quarter in which the termination occurs, computed on a daily basis from the date of termination to the end of the quarter. Client may terminate at any time during the first 5 days after signing the contract with no charge and the fee will be refunded. However, initial quarterly fee is otherwise non-refundable.

16) **Privacy:** It is understood that in order to provide Client(s) with the best level of service possible, Advisor will ask for certain public as well as non-public information concerning, Client's financial situation. Any information that Client(s) give(s) to Advisor, whether public or non-public, is kept in Advisor's records with access limited to employees who need the information in order to perform their job functions. It is not at any time shared with any outside sources. Advisor will maintain physical, electronic and procedural safeguards to protect all of Client's personal information.

17) **The Patriot Act:** In order to comply with The Patriot Act, Advisor has implemented among other things, significant anti-money laundering and anti-terrorist regulations. Advisor will make every effort to know its clients; affirm identity of its clients on an exception basis and verify information on a risk-based need. Advisor requires a name, date of birth, physical address, principal place of business (if applicable), and social security number or tax identification number in order to process new accounts.

18) **ERISA:** If Client(s) is(are) subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Advisor hereby advises Client(s) that Advisor is currently registered as an Investment Advisor under the Investment Advisers Act of 1940, and is deemed to be a "fiduciary", as described in Section 3(21)(A) of ERISA, which responsibility Advisor accepts on due execution and delivery of this Agreement by Client(s). Advisor's responsibility under this Section shall be limited to those facts disclosed in writing to Advisor by Client's trustee(s) with respect to any limitations, restrictions, and authorizations included in the plan documents governing Client(s), insofar as the guidelines provided do not conflict with the requirements of Title 1 of ERISA. Client(s) agree(s) to provide Advisor with a copy of its plan documents. The trustee(s) of Client(s) will satisfy the bonding requirements imposed on Advisor under Section 412(a)(2) of ERISA and will send to Advisor a copy of the bonding agreement (or a letter stating that such compliance is pending).

19) **Voting Authorization:** Unless otherwise expressly indicated on Exhibit A, Advisor does not have authority to vote proxies relating to the Portfolio on Client's behalf. If Client explicitly assigns such voting authority on Exhibit A, and if the Portfolio is subject to a plan document, Client confirms that the plan document governing the Portfolio allows such authorization. If Client(s) assign(s) voting authority to Advisor, Client(s) agree(s) to instruct the custodian of the Portfolio to forward all proxy materials to

Advisor, or to such other address as indicated on Exhibit A. All proxies will be voted in the best economic interest of the Client(s), as determined in good faith by Advisor.

20) **Notices and Reports:** All notices, consents, demands, or other communications required or permitted pursuant to this Agreement will be deemed sufficiently given when delivered personally or through facsimile during regular business hours during a business day to the appropriate location described below, or seven (7) days after posting thereof by United States registered or certified mail, return receipt requested, with postage and fees prepaid and addressed as follows:

To Advisor: Fruth Investment Management, Inc.
Two Memorial Plaza
820 Gessner, Suite 1640
Houston, TX 77024

To Client: Name _____
Address _____
City, State, Zip _____

By furnishing notice to the other parties in the manner described above, any party may at any time designate additional of different addresses for notices or communications.

21) **Authority:** If Client(s) is(are) a corporation, partnership, trust, or other entity, Client(s) hereby represent(s) that the person(s) executing this Agreement has(have) the necessary power and authority to do so and undertakes to provide Advisor (i) documentation evidencing such authority and (ii) the name(s) of the person(s) authorized to act on Client's behalf.

22) **Arbitration:** Parties to this Agreement agree that any controversy, which may arise between them concerning any transaction hereunder or concerning this Agreement, shall be governed by the arbitration provisions set forth in the Custodian's Customer Account Agreement.

23) **Governing Law:** The laws of the United States and of the State of Texas will govern this Agreement and the performance of the transactions by the parties hereto.

24) **Severability:** If any provision of this Agreement is, for any reason, held to violate applicable law, and so much of said Agreement is held unenforceable, the invalidity of such specific provision herein will not be held to invalidate any other provision herein, which will remain in full force and effect.

25) **Modification of Agreement:** This Agreement may be amended or modified only in writing, signed by all the parties hereto.

26) **Assignability:** This Agreement may not be assigned or transferred (as defined in the Investment Advisors Act of 1940), in whole or in part, its rights and obligations hereunder without the consent of the Client(s).

27) **Successors and Assigns:** Neither the death nor disability of Client(s) shall be deemed to terminate this agreement, and the Advisor's power hereunder shall continue until written notice of termination of the Agreement shall be given to Advisor by a duly authorized person on behalf of the Client(s).

28) **Receipt of Brochure:** Client(s) acknowledge(s) receipt of Advisor's brochure and Part II of Form ADV as required by Rule 204-3 under the Investment Advisers Act of 1940.

IN WITNESS WHEREOF, the parties hereto have executed this Investment Advisory Agreement in duplicate at _____

On this _____ day of _____, 20_____.

Client(s)

Social Security or Tax I.D. Number

Social Security or Tax I.D. Number

Advisor

Fruth Investment Management Inc.

By: _____

EXHIBIT A

1) Custodian of Portfolio Assets will be :

Charles Schwab _____ TD Ameritrade _____ Other (please specify) _____

2) Client(s) assign(s) Advisor authority to vote all proxies on behalf of Client(s) Yes ____ No ____

3) Client(s) is (are) subject to ERISA Yes _____ No _____

Fruth Investment Management Portfolios:

Balanced Portfolios

Balanced Portfolios are managed predominantly by investing in a mix of equities (stocks), fixed income instruments (bonds) and cash. The optimal asset allocation (mix) will be determined by the client's investment needs, current market conditions and opportunities that arise within the markets. The primary focus is on "Preservation of Capital."

The stock portion of the Balanced Portfolios will represent an opportunity to achieve long-term price appreciation with a reduced level of risk. The primary focus of the stock portion of the portfolio is on "Growth of Capital" over the long term.

The bond portion of the Balanced Portfolios will provide a predictable stream of income while focusing on "Preservation of Capital." As market conditions warrant, the portfolio manager may vary the asset allocation (mix between stocks and bonds) and/or include a percentage of cash equivalents (money markets) in lieu of fixed income.

The comparison benchmark for this composite is a mix of 50% S&P 500 Index, 25% Barclay's Capital U.S. Intermediate Government/Credit Index and 25% 3-Month Treasury Bills.

Equity Portfolios

Equity Portfolios are managed predominantly by investing in equities (stocks) that represent an opportunity to achieve long-term price appreciation with a reduced level of risk. The primary focus is on "Growth of Capital" over the long term.

From time to time, as market conditions warrant, the portfolio manager may include the use of certain fixed income instruments (bonds) or cash equivalents (money markets) on a limited basis.

The comparison benchmark for this composite is the S&P 500 Index.

4) Please manage my portfolio in the _____ style.

(sign) (date) _____

(sign) (date) _____

Last Name: _____ Last Name _____
First Name _____ First Name _____
DOB: _____ DOB: _____
Home Ph # _____
Occupation: _____ Occupation: _____
Employer: _____ Employer: _____
Bus Ph# _____ Bus Ph# _____
Email: _____

Financial Information:

Annual Income: _____ Annual Income: _____

Other Income: _____

Tax Bracket: ___15% ___27% ___30% ___35% ___Other

Investment Experience ___None ___Limited ___Good ___Extensive

Investment Knowledge ___None ___Limited ___Good ___Extensive

Investment Goals: ___Retirement ___Education ___Increase return on assets Other:

Objectives: ___Capital Preservation ___Growth ___Income

___Growth & Income ___Aggressive Growth

Style: ___Value ___Contrarian ___Growth ___Blended/Balanced

Other: _____

CPA Name _____ Attorney Name _____

Firm _____ Firm _____

Address _____ Address _____

Phone# _____ Phone# _____

Other Info: _____

The above information is correct concerning my financial status and risk tolerances. I will advise Fruth Investment Management should any changes occur in these areas or should my investment goals change.

(Signature) (Date) (Signature) (Date)