

1. Meeting Attendance & Participation

- a. All members are expected to participate in the Club by:
 - Attending meetings while in town
 - Following assigned stocks and reporting on them monthly
 - Staying current with monthly investment payments
- b. When a member has not participated as described above, or has not been in contact with a Club Officer for 3 consecutive months, the President will contact the member to seek an understanding of their desired membership status. To continue in the Club, the member must become current in their payments within 30 days, and as soon as possible, regain active participation. Unique personal circumstances will be considered.

2. Proposed VIP Meeting Agenda

- | | |
|--------|--|
| 30 min | General Business <ul style="list-style-type: none"> * Minutes * Treasurers Report * Old Business * New Business |
| 60 min | Existing Portfolio Stock Review |
| 15 min | Break |
| 30 min | Sell Discussion & Decision <ul style="list-style-type: none"> * List stocks suggested as potential sells, and that meet the "potential sell flags" * Have defend or sell discussion and decision |
| 30 min | Purchase Discussion & Decision <ul style="list-style-type: none"> * Discuss stocks to consider for purchase * Make purchase decisions |
| | Adjourn |

3. Stock Analysis Software & On-Line Service

The Portfolio Manager will use his own stock charting program and online data service for Club use, and will be reimbursed at a quarterly rate as approved by the Club. (presently \$45 per quarter)

4. Club Expenses

A portion of the members regular monthly investment payments shall be used to pay Club expenses. The Treasurer shall be responsible for maintaining an available cash balance sufficient to cover Club operating expenses.

VALUE INVESTMENT PARTNERS - OPERATING PROCEEDURES (cont.) 10/2/2006

5. Member Beneficiary Forms

Beneficiary forms for each member will be completed and signed by the member.

The beneficiary forms will be kept on file in the Club. Each member is responsible for keeping their form up to date. The Club will act in accordance with the beneficiary form on file with the Club, when and if any action by the Club becomes necessary.

6. Stock Review Requirements – (Prior to consideration for purchasing)

- a. Do a complete NAIC Stock Selection Guide
- b. Computer trend technical chart
- c. Significant items of note regarding stock

7. Buy Strategy – (All of the following Criteria should be satisfied to purchase a stock)

- a. Meet NAIC criteria (except Relative Value) Must be a “Buy”, Total Return above 15%, Upside/Downside Ratio greater than 3.0
- b. A technical chart pattern displaying either:
 - 1) 15 day moving average crossing or above the 200 day MA, with a rising 200 day MA
 - 2) A price trend showing a bottom or bouncing off the channel for under priced value
- c. A stable or rising earnings growth rate trend for the last 3 months

8. Sell Strategy – Must Sell (Any of the following criteria may generate a “sell” order)

- a. The stock price drops to the established “NAIC Low” price (ie, 1/3 down)
- b. A technical chart pattern indicating the 15 day moving average crossing below the 200 day MA, when the 200 day MA is trending downward
- c. The stock price reaches “Blow Off” (sell order, or stop loss order)
- d. Credible information of corporate fraud or wrongdoing

9. Sell Strategy – Potential Sell Flags (Criteria for consideration of selling)

- a. Stock is overweight in the portfolio
- b. First Call trend is down 3 or more consecutive monthly reports
- c. Stock has suffered almost a 1/3 price drop
- d. A large difference between Barons 1 year, and Value Line 5 year projections
- e. 52 week trend is less than 15%
- f. Significant negative news regarding the company or the market segment