

PARTNERSHIP AGREEMENT

WITNESSETH:

1. **FORMATION OF PARTNERSHIP:** The undersigned hereby form a Partnership in, and in accordance with the laws of, the State of Washington.
2. **NAME OF PARTNERSHIP:** The name of the partnership shall be **Pacific Rim Investment Club.**
3. **TERM:** The Partnership shall begin on June 1, 1986 and **continue** thereafter from year to year unless earlier terminated as hereinafter provided.
4. **PURPOSE:** The purpose of the partnership is to invest the assets of the partnership solely in stocks, bonds, and securities, for the education and benefit of the partners.
5. **MEETINGS:** Periodic meetings shall be held as determined by the partnership.
6. **CONTRIBUTIONS:** The partners may make contributions to the partnership in such amounts as the partnership shall determine, provided, however, that no partner's capital account (as hereinafter defined) shall exceed twenty percent (20%) of the total capital accounts of all partners.
7. **VALUATION:** The current value of the assets and property of the partnership, less the current value of the debts and liabilities of the partnership, (hereinafter referred to as "value of the partnership") shall be determined as of the date of each periodic meeting or valuation report date. The aforementioned date of valuation shall hereinafter be referred to as "valuation date".
8. **CAPITAL ACCOUNTS:** There shall be maintained in the name of each partner, a capital account. Any increase or decrease in the value of the partnership shall be credited or debited, respectively, to each partner's capital account on the transaction date. Any other method of valuing each partner's capital account may be substituted for this method provided that said substituted method results in exactly the same valuation as previously provided here. Each partner's contribution to, or withdrawals from, the partnership shall be credited, or debited, respectively, to that partner's capital account.
9. **MANAGEMENT:** Each partner shall participate in the management and conduct of the partnership equally.
10. **SHARING OF PROFITS AND LOSSES:** Net profits and losses of the partnership shall inure to, and be borne by, the partners in proportion to the

valuation adjusted credit balances in their capital accounts or in proportion to valuation unit balances.

11. **BOOKS OF ACCOUNT:** Books of account to the transactions of the partnership shall be kept and at all times be available and open to inspection and examination by any partner.
12. **ANNUAL ACCOUNTING:** Each calendar year, a full and complete account of the condition of the partnership shall be made available to the partners.
13. **BROKER ACCOUNT:** None of the partners of this partnership shall be a broker; however, the partnership may select a broker and enter into such agreements with a broker as required, for the purchase or sale of stocks, bonds and securities. Stocks, bonds and securities owned by the partnership shall be registered in the partnership name.

Any corporation or Transfer Agent called upon to transfer any stocks, bonds and securities to or from the name of the partnership shall be entitled to rely on instructions or assignment signed or purporting to be signed by any partner without inquiry as to the authority of the persons signing or purporting to sign such instructions or assignments or as to the validity of any transfer to or from the name of the partnership.

At the time of transfer, the corporations or transfer agent is entitled to assume (1) that the partnership is still in existence and (2) that this agreement is in full force and effect and has not been amended unless the corporation has received written notice to the contrary.
14. **BANK ACCOUNT.** The partnership may select a bank for the purpose of opening a bank account. Funds in the bank account shall be withdrawn by checks signed by any partner designated by the partnership.
15. **NO COMPENSATION:** No partner shall be compensated for services rendered to the partnership, except reimbursement for approved expenses.
16. **ADDITIONAL PARTNERS.** Additional partners may be admitted at any time, upon the unanimous consent of the partners, so long as the number of partners does not exceed fifty (50).
17. **TRANSFERS TO A TRUST.** A partner may, after giving written notice to the other partners, transfer his interest in the partnership to a revocable living trust of which he is the grantor and sole trustee.
18. **REMOVAL OF A PARTNER.** Any partner may be removed by agreement of the partners whose capital accounts total a majority of the value of all partners' capital accounts. Written notice of a meeting where removal of a partner is to be considered shall include a specific reference to this matter. The removal shall become effective upon payment of the value of the removed partner's capital

account, which shall be in accordance with the provisions on full withdrawal of a partner noted in paragraphs 20 and 22. The vote action shall be treated as receipt of request for withdrawal.

19. **VOLUNTARY TERMINATION:** The partnership may be dissolved by agreement of the partners whose capital accounts total a majority in amount of the capital accounts of all the partners. Notice of said decision to dissolve the partnership shall be given to all the partners. The partnership shall thereupon be terminated by the payment of all the debts and liabilities of the partnership and the distribution of the remaining assets either in cash or in kind to the partners or their personal representative in proportion to their capital valuation accounts.
20. **WITHDRAWAL OF A PARTNER:** Any partner may withdraw a part or all of their interest. Withdrawing partner shall give notice in writing to any club officer. The withdrawing partner's notice shall be deemed to be received as of the first meeting of the club after which it was presented. If notice is received between meetings it will be treated as received at the first following meeting. In making payment the valuation statement prepared for the same meeting at which notice is received will be used to determine the value of the partner's account. The partnership shall pay the withdrawing partner the value of his interest in the partnership as shown by the valuation statement in accordance with paragraph 22 of the Partnership Agreement (this document).
21. **DEATH OR INCAPACITY OF A PARTNER:** In the event of the death or incapacity of a partner, receipt of such notice shall be treated as a notice of withdrawal. Liquidation and payment of the partner's account shall proceed in accordance with paragraphs 20 and 22.
22. **PURCHASE PRICE:** Upon the death, incapacity or withdrawal of a partner, and the exercise of the option to purchase by the other partners, said other partners shall pay the withdrawing partner or his estate, as the case may be, a Purchase Price. In the case of a complete withdrawal in liquidation of a partner's entire interest, payment may be made in cash or securities at the option of the remaining partners of the club. In the case of a partial withdrawal in partial liquidation of a partner's interest, payment may be in cash or securities at the option of the withdrawing partner. The Purchase Price will be determined as follows:
 - a) When payment is made in cash, the other partners shall pay a Purchase Price equal to the greater value of (1) ninety-nine percent (**99%**) of the value of his capital account or (2) the market value of his capital account less the actual cost of selling sufficient securities to obtain the cash to meet the withdrawal. Said Purchase Price shall be paid within 45 (forty-five) days after the meeting following receipt of notification as described in paragraph 20 above. This will

allow the club two business meetings to make transactions necessary to divest a partner.

- b) Where payment is made in securities, the full market price of the account will be paid the partner for that part of the account purchased with securities. If the partner desires an advance payment, the club at its earliest convenience may pay him/her 80% of the estimated value of his account and settle the balance of the account in accordance with the valuation date set in paragraph 7. Where payment is made in securities, the club's broker shall be advised that the ownership of the securities has been changed at least by the valuation date used for the withdrawals.

23. FORBIDDEN ACTS: No partner shall:

A) Have the right or authority to bind or obligate the partnership to any extent whatsoever with regard to any matter outside the scope of the partnership business.

B) Without the unanimous consent of all the other partners, assign, transfer, pledge, mortgage or sell all or part of his interest in the partnership to any other person whomsoever, or enter into any agreement as the result of which any person or persons not a partner shall become interested with him in the partnership.

C) Purchase an investment of the partnership where less than the full purchase price is paid for the same.

D) Use the partnership name, credit, or property for other than partnership purposes.

E) Do any act detrimental to the interest of the partnership or which would make it impossible to carry on the business or affairs of the partnership.

24. OPERATING AGREEMENT: This Agreement of Partnership is hereby declared and shall be binding upon the respective heirs, executors, administrators and personal representatives of the parties.

IN WITNESS WHEREOF, the parties have set their hands and seal the year and day first above written, or confirm via electronic format (fax, email, etc).

THIS VERSION supersedes all previous versions.

See attached list of members (Appendix A).