**Article 1:** The officers of this Partnership shall consist of a President, Vice President, Secretary and Treasurer. The term of office shall be for one (1) year. The same person shall not occupy an office for more than two consecutive terms, although they may hold the same office again after an absence of a minimum of one year.

**Article 2:** The officers shall be elected at the Januarymeeting and shall assume office by the February meeting. It is our desire to keep the election process as simple and non-political as possible. Prior to the December meeting, any partner wishing to volunteer for an officer position must inform the President. The President will announce all candidates for office at the end of the December meeting. If there is more than one candidate for any position, then a secret ballot will be taken at the January meeting and the partner who received the most votes will be awarded the position. Absent partners may vote by proxy.

**Article 3:** The duties of the President shall be as follows:

1. Preside over the monthly meetings.
2. Initiate termination procedures against a partner as necessary according to the Partnership Agreement.
3. Notify new partners of their active status.
4. See that resolutions passed by the partnership are carried out.
5. Create the Audit Committee according to the Partnership Agreement.
6. Ensure that the educational program is properly carried out.
7. Plan, generate and distribute club goals for the year by the February meeting.
8. He shall be authorized to make trades in the Partnership brokerage account.

**Article 4:** The duties of the Vice President shall be as follows:

1. Assume the responsibilities of the President if s/he is unable to discharge them.
2. Conduct that portion of the meeting dealing with stock selection, including counting of votes.
3. Assign partners to monitor stocks.

**Article 5:** The duties of the Secretary shall be as follows:

1. Take minutes of each meeting and maintain a permanent record of all meetings.
2. Maintain a list of the contact information of each partner.
3. Maintain the waiting list for new partners.
4. Email a copy of the minutes of each meeting to each partner no later than one (1) week after the meeting.
5. Maintain and update the Partnership Agreement and the Operating Procedures.

**Article 6:** The duties of the Treasurer shall be as follows:

1. Keep a record of the Club's receipts and disbursements and partners' individual interests in the Club.
2. Prepare monthly valuation reports and annual club-performance report.
3. Perform the buying and selling of securities in accordance with the partnership's directions.
4. Affect partner withdrawals and/or terminations.
5. Prepare annual tax returns and related partner K-1's.
6. Store bank and broker statements and tax filings from previous years.
7. Store all monthly valuation reports.
8. Act as the designated audit Partnership Representative, if necessary:
* Inform partnership of any audit proceedings
* Update partnership throughout audit process
* Bring all potential agreements to the club as a whole, which must approve via super-majority vote
* Cannot make audit deals, agreements, or settlements without consent of club as a whole
	+ Annually opt out of audit rules when filing returns, starting in 2018 reporting year, and include appropriate documentation in club’s return that club is making Section 6221 election

**Article 7: Each member of the club has the following responsibilities to the club:**

* Select and use a Personally Identifying Cent Amount (PICA) for all deposits
* Set up automatic bill pay from their personal bank account, to make their monthly contributions by the 3rd Wednesday of the month directly to the brokerage account
* Maintain active status in BetterInvesting
* Purchase and use the club’s officially recognized stock analysis software within 30 days of the time they are elected to membership. This software is currently Maestro Stock and Portfolio Analyzer, available at www.MaestroAnalyzer.com
* Attend partnership meetings on a regular basis
* Agree to take on an officer position on a regular basis
* Agree to perform monthly SSG updates for the stocks they are assigned to watch, within the officially designated software
* Maintain a personal (non-Ford) email address for purposes of club communications
* Agree to abide by all items in the Partnership Agreement and Operating Procedures
* Annually review SSG analysis process as outlined in LMIC’s Lemmings Guide, to maintain superior skill level of analysis

**Article 8:** The Partnership Agreement and Operating Procedures may be modified at any time by a super-majority vote of the partners, and evidence of acceptance will be recorded in the club minutes. Each modification to the Partnership Agreement will be written in the form of an addendum, separate from the original Partnership Agreement.

**Article 9:** The name of prospective partners shall be placed on the waiting list in the order in which they have been presented. As vacancies in the Club occur, new partners shall be accepted in the order they appear on the waiting list.

**Article 10:** Each partner shall be assigned to monitor one (1) or more stocks as stocks are added to the portfolio. The portfolio shall never contain more than 20 stocks, or two (2) stocks per partner, which ever is less.

**Article 11:** A goal of our club is to grow our membership with the same care and scrutiny as we grow our portfolio. We will identify prospective partners who will be compatible and able to function as part of our team. A willingness to learn and an above-average desire to learn will outweigh any previous experience or education in investing. Prospective new partners must satisfy all new member requirements of the Partnership Agreement.

**Article 12:** One of our goals is to create a portfolio of high-quality stocks, with an eye towards long-term growth (3-5 years). In order to lower the risk, it is our intention to diversify by industry and company size. However, quality of the companies overrides diversification. Once the portfolio contains a minimum of six (6) stocks, no single industry may represent more than 30% of the value of the portfolio and a single stock shall stay within the following limits:

1. Stocks with an existing position – upper limit is 15% and lower limit is 2%
2. Incremental buy on existing stock – upper limit is 12%
3. Stocks purchased new – lower limit is 4% or the investment available, whichever is less.

**Article 13:** January is the month of our Annual Meeting. This meeting will include a group lunch (paid for individually), presentation by the audit committee, a review of our portfolio and past goals, setting goals for the coming year, and the election of new officers.

**Article 14:** Each partner is expected to make every effort to attend every regularly scheduled meeting. Absences are posted in the club minutes and become part of the official record of the club

**Article 15:** Since education is one of the primary purposes of our club, the President will plan monthly education meetings to keep all abreast of latest BI teachings. Partners are encouraged to present their ideas and requests to the President, who is in charge of carrying out the educational program.

**Article 16:** No stock shall be purchased without members having had an opportunity prior to the meeting to complete a Stock Selection Guide.

**Article 17:** Many criteria will be used in the final determination of a stock purchase. However, we will strive to follow the NAIC criteria, which include:

1. A minimum of five years of financial history
2. Earnings are growing at or better than the rate of sales
3. P/E ratio equal to or less than its five-year average
4. Upside potential of 3:1 or better
5. Past performance and current events indicate that the stock will provide an average total annual return of at least 14.9% over the next three to five years.
6. Total debt is less than the industry average, preferably less than 33% of total assets

**Article 18:** No single reason shall be a determining factor for selling a stock. However, the following reasons will be used for discussion:

1. Adverse change in management
2. Declining profit margin
3. Deteriorating financial condition
4. Competition affecting profits
5. Rebalancing the portfolio
6. To replace a stock with one of equal or higher quality and greater potential growth
7. Downside potential of .5:1 or less
8. Relative Value greater than or equal to 150

**Article 19:** All decisions affecting the club and its assets will be decided by a vote. Each partner, regardless of his or her percentage of ownership in the club, will have an equal say in the voting process. All votes will be performed by an open showing of hands for or against an issue, except where noted elsewhere within the Partnership Agreement or the Operating Procedures. When voting to modify the club’s portfolio, each partner shall have a maximum of three votes, with no more than one vote per individual security proposed.

**Article 20:** Any regularly scheduled monthly meeting only requires two partners be in attendance to be valid.

**Article 21:** Any partner who causes the club to incur a fee outside of normal business expenses (i.e. a bounced check) is responsible for paying, or reimbursing the club, for said expense within 15 days of notification, or the funds shall be withdrawn from their capital account, using the prior evaluation date.

**Article 22:** For any unforeseen banking charges (e.g. overdraft) under $25, the Treasurer has discretion on how to correct. For example, the Treasurer can deposit additional personal funds to correct overdraft situation. The Treasurer will then record transactions and any follow-up action for review at the next club meeting.

For any unforeseen banking charges over $25, the Treasurer must coordinate any corrective action with all club members via email. The Treasurer will then record transactions and any follow-up action for review at the next club meeting.

**Article 23:** In case of a club audit by any recognized authority, the club’s Partnership Representative has the authority to push out any assessment to members who were partners during the time-period under audit. Any partner as of December 31, 2018 or after agrees to be bound by this.