

Partnership Agreement

Model Investment Club of Northern Virginia

This AGREEMENT of PARTNERSHIP, effective as of September 11, 2008 by and between the undersigned, to wit:

NOW, THEREFORE IT IS AGREED:

1. **Formation.** The undersigned hereby form a General Partnership in accordance with and subject to the laws of the Commonwealth of Virginia.

2. **Name of Partnership.** The name of the Partnership shall be the **MODEL INVESTMENT CLUB OF NORTHERN VIRGINIA.**

3. **Term.** The Partnership shall begin on September 11, 2008 and shall continue until December 31 of the same year and thereafter from year to year unless earlier terminated as hereinafter provided.

4. **Purposes of the Partnership.**

- A. To invest the assets of the Partnership solely in stocks, bonds, and other securities for the education and benefit of the Partners.
- B. To provide a learning environment for Partners to improve their investment skills.
- C. To illustrate BetterInvesting's investing principles, Stock Selection Guide, and other investing tools.
- D. To discuss the conditions of the current stock market environment.

5. **Partnership Categories and Requirements.**

~~A. Primary Partnership is open to all Directors, Associate Directors and volunteers of the DC Regional Chapter of BetterInvesting. There is no time limit on membership of Primary Partners.~~

~~B. Associate A. Partnership is open to all interested individuals 18 years or older. Club membership is limited to 24 months for Associate Partners. Associate Partners are eligible to become Primary Partners if they become active volunteers with the DC Regional Chapter.~~

~~C. B. Primary and Associate Partners must be a U.S. citizen or a non-citizen with a Green Card.~~

~~D. C. Primary and Associate Partners must have access to an Internet-connected computer and have a valid email address.~~

6. **Additional Partners.** Following the Club's Operating Procedures, additional Partners may be admitted, at any time **upon a vote of 2/3rds of Partners present, when there is a quorum**, as long as the total number of Partners does not exceed ~~35~~**25**. [I believe the legal limit on the number of Partners in a Limited Partnership is 25.]

7. **Meetings.** ~~Monthly Periodic~~ meetings shall be held as determined by the Partnership. **Special meetings may be called by the presiding partner upon advance notice to all the partners.**

8. **Parliamentary Authority.** The rules in the current edition of *Robert's Rules of Order Newly Revised* shall govern in all cases to which they are applicable and in which they are not inconsistent with this Partnership Agreement or any special rules of order the Partnership may adopt. **[Cover Parliamentary Authority in the Operating Procedures]**

9. **Capital Contributions.** The Partners ~~may~~ **shall** make capital contributions to the Partnership on **or before** the date of each periodic meeting in such amounts as the Partnership shall determine, provided, however, that no Partner's capital account shall exceed twenty percent (20%) of the capital accounts of all Partners. **All payments are to be made out to the current brokerage account and presented to the Financial Partner.**

10. **Value of the Partnership.** The current value of the assets of the Partnership, less the current value of the **debts and liabilities** of the Partnership (hereinafter referred to as the "value of the Partnership"), shall be determined as of a regularly scheduled date and time ("valuation date") preceding the date of each periodic meeting determined by the ~~Club~~ **Partnership**.

11. **Capital Accounts.** A capital account shall be maintained in the name of each Partner. Any increase or decrease in the value of the Partnership on any valuation date shall be credited or debited, respectively, to each Partner's capital account **in proportion to the sum of all partner capital accounts** on that date. Any other method used to value each Partner's capital account may be substituted for this method, provided the substituted method results in exactly the same valuation as previously provided herein. Each Partner's contribution to, or capital withdrawal from, the Partnership shall be credited, or debited, respectively, to that Partner's capital account.

12. **Performance.** All partners acknowledge the risks of investment and further acknowledge that no discussion ~~of~~ **or** statements made as part of the Partnership's activities should be construed as individual investment advice. No guarantees have been made regarding investment performance of the Partnership or any individual stocks or securities that have been or may be studied and/or purchased by the Partnership.

13. **Management.** Each Partner shall **have equal participate- participation equally** in the management and conduct of the affairs and activities of the Partnership. ~~Except as otherwise determined~~ **all decisions shall be made by a majority of all the Partners present, counting any submitted written proxies. An absent partner may designate another partner to vote on their behalf for a one-time, specific, stock transactions only. Blanket Proxy forms are not allowed.** [Source: BI Sample Partnership Agreement dated 7/2010]

14. ~~Voting: The right to vote is limited to Primary and Associate Partners.~~

~~A. Approved methods of voting are VERBAL, SIMPLE MAJORITY (one person, one vote), WRITTEN BALLOT, and PROXY. However, in the absence of a formal motion to conduct a given vote in another manner, all votes shall be carried by the votes cast of a simple majority of Partners present unless otherwise stated within the Agreement or Operating Procedures.~~

~~B. During meetings, the secret ballot method shall be used in all instances where membership and financial matters are acted upon.~~

~~C. If a Partner is unable to attend a meeting, said Partner may submit a written proxy to another Partner prior to the meeting (allowable via email). A Partner may cast no more than two proxy votes on any proposal.~~

[Cover Voting in the Operating Procedures]

15. **Sharing of Profits and Losses.** Net profits and losses of the Partnership shall be attributed to and be borne by the Partners in proportion to the value of each of their capital accounts.

16. **Books of Account.** Books of account of transactions of the Partnership shall be kept by the Treasurer and at all times be available and open to inspection and examination by any Partner.

17. **Annual Accounting.** Each calendar year, a full and complete account of the condition of the Partnership shall be made to the Partners.

18. **Cash Account.** The Partnership may select a bank and/or a brokerage for the purpose of opening a cash account. Funds in a cash account shall be withdrawn by checks signed by ~~any Partner designated by the Partnership~~ **the Treasurer or Vice Treasurer at the direction on the President**.

19. **Brokerage Account.** None of the Partners of this Partnership shall be a **the broker for the Partnership account**. However, the Partnership may select a broker and enter into such agreements with the broker as required for the purchase or sale of **stocks, bonds and securities**. **Stocks, bonds and S** securities owned by the Partnership shall be held in the Partnership's **account name**.

A. The Treasurer and Assistant Treasurer are the sole individuals who may do business with the broker.

B. At the time of a transfer of securities, the corporation 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.

20. **No Compensation.** No Partner shall be compensated for services rendered to the Partnership, except reimbursement for expenses.

21. **Voluntary Withdrawal (Partial or Full) of a Partner.** Any Partner may withdraw a part or all of the value of his/her capital account in the Partnership, and the Partnership shall continue as a taxable entity. The Partner withdrawing a part or all of the value of his/her capital account shall give notice of such intention in writing to the Secretary. Written notice shall be deemed to be received as of the first meeting of the Partnership at which it is presented. If written notice is received between meetings, it will be treated as received as of the next monthly meeting.

- A. In making payment, the value of the Partnership as set forth in the valuation statement prepared for the first meeting following the meeting at which notice is received from a Partner requesting a partial or full withdrawal will be used to determine the value of the Partner's account. The Partnership has three months from the meeting at which written notice is given, to pay the amount due to the withdrawing Partner. However, the withdrawing Partner is not required to make payments during these three months. The Partnership shall not dissolve on any Partner's withdrawal from the Partnership.
- B. The Partnership shall pay the Partner who is withdrawing a portion or all of the value of his/her capital account in the Partnership in accordance with paragraph 23 of this Agreement.

22. **Death or Inability of a Partner to Participate in Club Business:** In the event of the death or inability of a Partner to participate in the Club's business, which would include incapacity created by health or moving from the area or other reasons, receipt of such notice shall be treated as a notice of full withdrawal.

[Cover specifics in the Operating Procedures]

- ~~A. The withdrawal valuation date shall be the "official valuation date" which shall be set at the next meeting after which the notice is read. In the case of a death, it is possible that the executor of the estate may request the last official valuation preceding the death. In that case, both valuations will be provided to the executor, but the withdrawal will be based on the official valuation, which shall be set at the next meeting after which the notice is read.~~
- ~~B. In the event of death, the payment will be made to the deceased Partner.~~

23. **Terms of Payment.** In the case of a voluntary full **or partial** withdrawal, payment may be made in cash or securities or a mix of each at the option of the remaining Partners. Where securities are to be distributed or sold, the remaining Partners select the securities. The Partnership shall select securities and/or cash equal to a sliding scale of the value of the capital account less any brokerage fees or other fees associated with the transfer. Ninety-seven percent (97%) of the capital account will be transferred if full withdrawal is within the first six months of joining the Partnership; ninety-eight percent (98%) if within the second six months; ninety-nine percent (99%) if within the third six months; and one hundred percent (100%) if within the fourth six months or later. Securities shall be transferred as of the date of the club's valuation statement prepared to determine the value of that Partner's capital account in the Partnership. The Partnership's broker shall be advised that ownership of the securities has been transferred to the Partner as of the valuation date used for the withdrawal.

24. **Removal of a Partner.** Any Partner may be removed by agreement of 2/3rds of the Partners present when there is a quorum. 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 **immediately**, upon payment of the value of the removed Partner's capital account, which **A payment to the removed partner** shall be in accordance with the provisions of paragraph ~~25~~ **23 above**. The vote action shall be treated as receipt of request for withdrawal.

~~25. Involuntary Termination of a Partner.~~ [Cover these specifics in the Operating Procedures]

- ~~A. A Partner's Partnership may be terminated if he/she fails to meet the financial/**or** attendance requirements for membership as stated in the Operating Procedures. In this case the value of his/her interest in the Partnership shall be determined by the official valuation statement at the meeting during which the Partner is voted to be terminated.~~
- ~~B. The Secretary shall notify the delinquent Partner in writing of his/her involuntary withdrawal.~~
- ~~C. The Partner who is terminated has no voice in how the payout is done. The payment may be in cash or securities or a mix of each. The remaining Partners shall make this decision keeping the interest of the Partnership in mind.~~
- ~~D. In the case of an involuntary termination of a Partner, the Partner receives 97% of his/her capital account less any fees if the payment is made in cash. If securities are sold to obtain the cash to meet the withdrawal, the automatically terminated Partner receives 97% of his/her capital account less the actual cost of selling sufficient securities to obtain the cash and less any fees. If securities are transferred to the automatically terminated Partner, the Partner receives 97% of his/her capital account less the actual cost to the Partnership to transfer the securities and less any fees.~~

26. **Termination of Partnership.** ~~This Partnership will be terminated by agreement of two-thirds (2/3) of all the Partners.~~ Written notice of a meeting where termination of the Partnership is to be considered shall include a specific reference to this matter. ~~The Partnership shall terminate upon a 2/3rds vote of all Partners.~~ Written notice of the decision to terminate the Partnership shall be given to all the Partners. Payment shall then be made of all the liabilities of the Partnership and a final distribution of the remaining assets either in cash or in kind, shall promptly be made to the Partners or their personal representatives in proportion to each Partner's capital account.

27. **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's purpose.
- B. Assign, transfer, pledge, mortgage or sell all or part of his/her interest in the Partnership to any other Partner or other person whomsoever, or enter into any agreement as the result of which any person or persons not a Partner shall become invested with him/her in the Partnership.
- C. Purchase an investment for the Partnership where less than the full purchase price is paid for same.
- D. Use the Partnership name, credit, or property for other than Partnership purposes.
- E. Do any act detrimental to the interests of the Partnership or which would make it impossible to carry on the business or affairs of the Partnership.
- F. Sue the Partnership or any Partner who is executing his/her Partnership duties in good faith.

28. This Agreement of Partnership shall be binding upon the respective heirs, executors, administrators, and personal representatives of the Partners.

29. The **PARTNERSHIP AGREEMENT** may be amended by 2/3rds approval of the ~~Primary~~ Partners.

30. The Partners have caused this Agreement of Partnership to be executed, as modified as of ~~on~~ the dates indicated below, effective as of the date indicated above.

Date: January __, 2016

Primary Partners:

Primary Partners:

Signature _____
Printed Name _____
Date _____

Signature _____
Printed Name _____
Date _____

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Printed Name _____
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Printed Name _____
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Associate Partners:

Associate Partners:

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