

NORTH TEXAS MODEL INVESTMENT CLUB  
DALLAS CHAPTER-BETTER INVESTING

PARTNERSHIP AGREEMENT

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THE STATE OF TEXAS)

:

COUNTY OF DALLAS)

KNOWN ALL BY THESE PRESENT:

This amendment and restatement is made this 13th day of October, 2018; by and between the undersigned parties and amends and restates the partnership agreement made and entered into by the original partners effective as of September 1, 2006, previously amended and restated on June 13, 2009 and amended on August 11, 2012.

Now, therefore, it is agreed:

- 1) **Formation of Partnership:** The undersigned hereby form a General Partnership, in and in accordance with the laws of the State of Texas.
- 2) **Name of Partnership:** The name of the Partnership shall be the North Texas Model Investment Club.
- 3) **Purpose:** The purpose of the Partnership is to invest the assets of the Partnership in stocks for the education and benefit of the Partners. The Partnership shall serve as a model club for the Dallas Chapter of BetterInvesting (BI).
- 4) **Term:** The Partnership shall begin on September 1, 2006, and continue until terminated as hereinafter provided.
- 5) **Voluntary Termination of the Partnership:** The Partnership may be dissolved by unanimous agreement of the Partners. Written 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 representatives in proportion to their capital valuation accounts.
- 6) **Modification:** This Partnership Agreement may be modified with a two-thirds (2/3) majority vote of all of the Partners with the exception of those on leave of absence plus approval of

the Dallas Chapter of BI. Written notice of the meeting, where an amendment of the Partnership Agreement is to be considered, shall include a specific reference to this matter.

- 7) **Meetings:** The Partnership shall hold regularly scheduled monthly meetings.
- 8) **Membership:** Membership is open to any individual who is interested, willing to participate and maintain a membership in BetterInvesting. Members meeting these qualifications may be added at any time. The total number of Partners shall not exceed thirty-five (35).
- 9) **Contributions:** The Partnership shall determine a minimum monthly payment for each regularly scheduled meeting. During the club's calendar year, each Partner shall make a minimum annual payment equal to twelve (12) times the monthly payment, which can be paid in a single or multiple payments. No Partner's capital account (as hereinafter defined) shall exceed twenty percent (20%) of the capital accounts of all Partners.
- 10) **Capital Accounts:** A capital account shall be maintained in the name of each Partner. Each Partner's capital contribution to, or capital withdrawal from, the Partnership, shall be credited, or debited, respectively to that Partner's capital account. 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 value of each Partner's capital account on said date. Any checks received within three business days after the meeting will be valued as of the valuation date for that meeting. Checks received after the third business day will be valued and credited to the Partner's capital account on the next valuation date.
- 11) **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 close of business on the last business day prior to the next regularly scheduled meeting. The aforementioned date of valuation shall hereinafter be referred to as "valuation date."
- 12) **Tax Status:** The Partnership is a general partnership under federal and state laws. The Treasurer will prepare the Partnership Tax Return (form 1065) and file it with the Internal Revenue Service on or before the IRS due date each year. The Partnership itself does not pay tax, but passes the income and expenses to the individual partners. The Partnership tax return includes Schedule K-1's which report each partner's share of income, deductions, etc. for the year. The Treasurer will make every effort to issue Schedule K-1's to each partner by one month prior to the IRS due date for individual returns each year.
- 13) **Management:** Each Partner shall participate in the management and conduct of the affairs of the Partnership. All decisions shall be made with each Partner having one vote.

- 14) **Participation:** Whereas the Partnership was formed to demonstrate BI principles which mandate participation by all Partners, it is deemed appropriate that ongoing participation shall be required to maintain membership in the Partnership. It is also appropriate that continued support be given to the Dallas Chapter of BI.
- 15) **Sharing of Profits and Loses:** Net profits and losses of the Partnership shall inure to, and be borne by, the Partners in proportion to the value of each of their capital accounts.
- 16) **Performance:** All Partners acknowledge the risks of investment, and further acknowledge that no discussions or statements made as part of the Club's activities should be construed as individual investment advice. No representations or guarantees have been made regarding investment performance of the Partnership, or of any individual stocks that have been or may be studied and/or purchased by the Partnership.
- 17) **Books of Account:** Books of account of the transactions of the Partnership shall be kept, and at all times, be available and open to inspection and examination by any Partner.
- 18) **Annual Accounting:** Each calendar year, a full and complete account of the condition of the Partnership shall be made to all Partners to be used in determining his/her tax liability. An annual audit shall be conducted in January (or as soon as all bank and brokerage statements have been received for the December 31 yearend) and shall be presented at the next regularly scheduled meeting.
- 19) **Bank Account:** The Partnership shall select an institution for the purpose of opening a Partnership bank account. Funds deposited in said Partnership bank account shall be withdrawn by checks signed by one of the following three (3) officers:

Treasurer

Assistant Treasurer

President

20) **Broker Account:**

- a) The Partnership shall select a broker and enter into such agreements with the broker, as required, for the purchase or sale of securities. Securities owned by the Partnership shall be registered in the Partnership's name. None of the Partners of this Partnership shall serve as a broker or dealer for the Partnership.
- b) Any corporation or Transfer Agent called upon to transfer any 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.

- c) At the time of transfer, the corporation or Transfer Agent is entitled to assume
  - i) that the Partnership is still in existence and
  - ii) that this agreement is in full force and effect and has not been amended unless the corporation has received written notice to the contrary.

21) **No Compensation:** No Partner shall be compensated for services rendered to the Partnership, except reimbursement for approved and authorized expenses.

22) **Withdrawal of Interest of a Partner:** Any Partner may withdraw his/her total or partial interest in the Partnership by giving notice in writing to the Secretary. This notice shall be deemed to be officially received at the next regularly scheduled meeting. Any Partner withdrawing his/her total interest shall no longer be a member of the Partnership. If notice is received between meetings, it shall be treated as received at the next regularly scheduled meeting. In making payment, the valuation statement prepared for the first meeting following the meeting at which notice is received, shall be used to determine the value of the Partner's account. The Partnership shall pay the withdrawing Partner the value of his/her interest in the Partnership as shown by the valuation statement in accordance with Paragraph 23 of the Partnership Agreement.

23) **Terms of Payment for a Withdrawal:** In the case of a withdrawal, payment may be made in cash or securities of the partnership or a mix of each at the option of the remaining partners. Where securities are to be distributed, the remaining partners select the securities.

The partnership shall transfer to the partner (or other appropriate entity) withdrawing his/her interest in the partnership, an amount equal to the lesser of

- a) ninety-five percent (95%) of the value of the capital account in the Partnership being withdrawn if withdrawn within two (2) years of joining the club, or
- b) the value of the capital account being withdrawn less the actual expenses to the Partnership related to the withdrawal.

The amount being withdrawn shall be paid within sixty (60) business days after the valuation date used in determining the withdrawal amount.

If securities are transferred as part of the withdrawal, the value of the portion of the withdrawal payment made by the securities transferred shall be determined by the closing price of the securities on the date of the transfer. The withdrawing partner may be required to open a brokerage account at the Club's broker to facilitate the transfer.

24) **Forbidden Acts:**

- a) No Partner shall 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) No Partner shall, without the unanimous consent of all the other Partners, 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 obtain an interest in the Partnership.
- c) No Partner shall use the Partnership's name, credit or property for other than Partnership purposes.
- d) No Partner shall 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.
- e) No Partner shall purchase an investment for the Partnership where less than the full purchase price is paid for same.
- f) No Partner shall pledge the assets of the Partnership as security or collateral for any loan.

The Partners have the right to terminate any Partner for a violation of these forbidden acts.

25) **Termination of a Partner:** The Partners of this agreement, exclusive of the Partner being terminated, may terminate any Partner by a two-thirds (2/3) majority vote. Written notice of a meeting, where termination of a Partner is to be considered, shall include a specific reference to the matter. The termination shall become effective upon payment of the value of the terminated Partner's capital account, which shall be in accordance with the provisions of withdrawal of a Partner in Paragraph 23. The vote action shall be treated as receipt of request for withdrawal.

26) **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. If notice is received between meetings, it shall be treated as officially received at the next regularly scheduled meeting. In making the payment, the valuation statement prepared for that meeting shall be used to determine the value of the Partner's account. Payment of the Partner's account shall proceed in accordance with Paragraph 23. If a Partner is terminated for nonparticipation, and notification of death is received later, the purchase price shall be established by the first action. In case of death all withdrawn funds shall be paid in the name of the estate to the Executor of the estate.

27) **By-Laws:** The Partners shall establish By-Laws to facilitate the operation of the Partnership.

