

Partnership Agreement
Centre Region Model Investment Club
of the
Central Pennsylvania Chapter of BetterInvesting

This AGREEMENT of PARTNERSHIP, effective as of April 1, 2008 by and between the undersigned and revised as of July 12, 2010 and June 10, 2019 to wit:

Marion J. Briscoe	V. Star Campbell	Donna H. Diercks	John W. Diercks
Bonnie Mohammad	Lalita Patil	Patribha Vakharia	

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 Pennsylvania.
2. **Name of Partnership.** The name of the Partnership shall be the **CENTRE REGION MODEL INVESTMENT CLUB OF THE CENTRAL PENNSYLVANIA CHAPTER OF BETTERINVESTING.**
3. **Term.** The Partnership shall begin on April 1, 2008 and shall continue until December 31 of the same year and thereafter from year to year unless earlier terminated as hereinafter provided.
4. **Purpose of the Partnership.**
 - A. To invest the assets of the Partnership solely in stocks, bonds, mutual funds, 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 and Associate Directors of the Central Pennsylvania Chapter of BetterInvesting.
 - B. Associate Partnership is open to interested individuals 18 years or older.
 - C. Primary and Associate Partners must be residents of Pennsylvania.
 - D. Primary and Associate Partners must be a U.S. citizen or a non-citizen with a Green Card.
 - E. Primary and Associate partners must have access to an Internet-connected computer and have a valid email address.
6. **Meetings.** Periodic meetings shall be held as determined by the Partnership.

7. **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.
8. **Capital Contributions.** The Partners may make capital contributions to the Partnership on 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.
9. **Value of the Partnership.** The current value of the assets of the Partnership, less the current value of the 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.
10. **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 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.
11. **Performance.** All partners acknowledge the risks of investment and further acknowledge that no discussion of 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.
12. **Management.** Each Partner shall participate equally in the management and conduct of the affairs and activities of the Partnership, except as otherwise determined.
13. **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.
14. **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.
15. **Annual Accounting.** Each calendar year, a full and complete account of the condition of the Partnership shall be made to the Partners.
16. **"26 US Code 6221-6223 Designation and Election":** The Club Treasurer shall be the designated Partnership Representative (PR) for purposes of Section 6223 and shall be responsible for dealing with the IRS in the event of an audit. Unless otherwise directed by the partners, the PR shall annually, in connection with filing the Club's Form 1065 tax return, indicate the Club elects to be treated under 26 USC subsection 6221(b)(1)(a), that is, an election out of the audit rules of Section 6221. The Treasurer shall include with such election any required information to make such election effective. In the event of an IRS audit, the PR will represent the club but is not authorized to make any settlement agreement without the three-quarters majority consent of the current partners. Partners of the Club shall consist only of individuals; no trust may be a partner.
17. **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.
18. **Brokerage 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 the broker as required for the purchase or sale of securities. Securities owned by the Partnership shall be registered in the Partnership's name unless another name shall be designated by the Partnership.

- A. Any corporation or transfer agent called upon to buy, sell, or transfer any securities to or from the name of the Partnership shall be entitled to rely on instructions provided by the treasurer based on a vote by the Partnership.
- 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.

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

20. **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 President. 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.
- 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 22 of this Agreement.

21. **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.

- 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.

22. **Terms of Payment.**

- A. In the case of a partial withdrawal, payment will be made in cash. The Partnership shall transfer to the Partner (or other appropriate entity) an amount equal to one hundred percent (100%) of the portion of the capital account being withdrawn less the actual cost to the Partnership of selling securities to obtain cash to meet the partial withdrawal. The amount being withdrawn shall be paid within 60 days after the valuation date used in determining the withdrawal amount.
- B. In the case of a voluntary full 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 one hundred percent (100%) of the value of the capital account less any brokerage fees or other fees associated with the transfer. 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.

23. **Removal of a Partner.** Any Partner may be removed by agreement of 2/3rds of the Partners present. Written notice of a meeting where removal of a Partner is to be considered shall include a specific reference to this matter, and a written notice of removal shall be given to the partner before the vote to remove is taken. 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 of paragraph 24E. The vote action shall be treated as receipt of request for withdrawal.

24. **Involuntary Termination of a Partner.**

- A. A Partner's Partnership may be terminated if he/she fails to make consecutive monthly contributions. In this case the value of his/her interest in the Partnership shall be determined by the official valuation statement at the meeting at which the Partner first defaults on his/her payment.
- B. If a Partner is involuntarily terminated due to excessive unexcused absences or missing consecutive meetings, the value of his/her interest in the Partnership shall be determined by the official valuation statement at the meeting at which the Partner is voted out of the Partnership.
- C. The Secretary shall notify the delinquent Partner in writing of his/her involuntary withdrawal.
- D. 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.
- E. In the case of an involuntary termination of a Partner, the Partner receives ninety-seven percent (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 ninety-seven percent (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 ninety-seven percent (97%) of his/her capital account less the actual cost to the Partnership to transfer the securities and less any fees.

25. **Termination of Partnership.** 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' capital accounts. 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.

26. **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.

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

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

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

Primary Partners:

Primary Partners:

Signature _____
Printed Name _____
Date _____

Signature _____
Printed Name _____
Date _____

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