

**Partnership Agreement
of the
NAIC Mid-Michigan Model Investment Club**
(As amended 03/19/2018)

This partnership agreement was established on February 17, 2003. The partners at the time of this amendment include:

(list names)

The Partners agree to the following:

Formation. The undersigned hereby form a General Partnership in accordance with and subject to the laws of the State of Michigan.

Name. The name of the partnership shall be the NAIC Mid-Michigan Model Investment Club.

Term. The partnership shall begin on February 17, 2003 and shall continue until December 31 of the same year and thereafter from year to year unless earlier terminated as hereinafter provided.

Purpose. The only purpose of the partnership is to invest the assets of the partnership solely in stocks, bonds and other securities ("securities") for the education and benefit of the partners.

The club will endeavor to follow NAIC policies and guidelines for stock investing, as taught in NAIC Mid-Michigan Chapter classes, as closely as possible. All of the meetings will be open for observation.

Meetings. Monthly meetings shall be held as determined by the partnership and described in the club's Operating Policies. A quorum of 40% of the active partners must be in attendance at the meeting in order to conduct any business.

Attendance. Each partner is required to attend and participate at the monthly meetings. Four absences in a rolling twelve-month period is cause for removal of a partner. A new partner shall attend at least 5 face-to-face meetings during each of the first 2 years of membership. The president shall have the power to adjust these attendance requirements but is required to report all adjustments at the next regular meeting.

A partner who violates the attendance policy shall be contacted by the club president or a vice-president inquiring as to the intentions of the partner in regards to club partnership. The president or one of the vice-presidents shall report to the club, which will determine the status of the partner.

A chart of attendance shall be maintained by the secretary.

Request for Leave or Variance from Attendance Policy. A partner who is unable to attend for an extended period of time shall send a written request for leave to the president. The president shall use his/her discretion in making the decision. The president shall inform the club of the decision. The leave shall not exceed a rolling twelve-month period without a review by the club. If the leave is extended by the club, the extension shall be reviewed at the end of a three-month period.

Any partner on leave shall continue to make monthly contributions as specified in the Partnership Agreement and Operating Policies.

Residency. A partner with less than 2 active years in the partnership must be a resident of Michigan for at least 6 months of each year. Upon achieving 2 active years in the partnership, a partner may maintain membership without the requirement of Michigan residency, provided that there is no additional financial or paperwork burden for the club.

Capital Contributions. The partners **shall** make capital contributions to the partnership prior to or 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. A chart of payment of capital contributions shall be maintained by the treasurer.

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. The valuation shall be calculated by the treasurer no earlier than two trading days before the meeting of the club and shall be known as the official valuation. The valuation shall be reported at the meeting and recorded in the minutes.

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 of valuing 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.

Management. Each partner shall participate in the management and conduct of the affairs of the partnership. Except as otherwise stipulated, the partnership shall make decisions using the one-person, one-vote method.

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 value of each of their capital accounts.

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.

Annual Accounting. Each calendar year, a full and complete account of the condition of the partnership shall be made to the partners.

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 a partner designated by the partnership.

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 the broker as required for the purchase or sale of securities. Securities owned by the partnership shall be registered in the partnership name. 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 assignments signed by any partner without inquiry as to the authority of the person(s) signing such instructions or assignments, or as to the validity of any transfer to or from the name of the partnership. 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.

No Compensation. No partner shall be compensated for services rendered to the partnership, except reimbursement for expenses.

Prospective New Partners. New partners may be admitted upon the consent of a majority of the partners, so long as the number of partners does not exceed twenty-five (25) active partners. Prospective new partners must attend a minimum of 3 meetings and declare their intention to join the club at a meeting prior to the meeting at which the club votes on membership. A prospective new

partner must attend in person the meeting at which the club votes on membership. The prospective partner must agree to the Members Expectations listed in the Operating Policies.

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.

Removal of a Partner. Any partner may be removed by agreement of a majority of the partners. 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. The vote action shall be treated as receipt of request for withdrawal.

Termination of Partnership. The partnership may be terminated by agreement of 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 majority vote of all partner's 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 securities, shall promptly be made to the partners or their personal representatives in proportion to each partner's capital account.

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 at the first following meeting. 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 the terms of payment section of this Agreement.

Death or Incapacity of a Partner. In the event of the death or incapacity of a partner (or the death or incapacity of the grantor and sole trustee of a revocable living trust, if such trust is a partner), receipt of notice shall be treated as a notice of full withdrawal.

Terms of Payment. The remaining partners will make the decision as to how a withdrawing partner will be paid, whether in cash or securities. The partnership shall pay the withdrawing partner in installments according to the following schedule:

In the case of a full or partial withdrawal in the form of cash, the following Schedule will be used for valuation and payout:

Meeting 1 Resignation letter received or partners vote to terminate an individual partner's membership.

Meeting 2 Club pays 40% of partner's value based on Meeting 2 valuation report.

Meeting 3 Club pays 50% of partner's value based on Meeting 3 valuation report.

Meeting 4 Club pays 100% of partner's value based on Meeting 4 valuation report.

The club reserves the right to accelerate the payments at the discretion of the remaining partners.

If, at any time, securities are being sold to convert to cash payment, the withdrawing partner, or the partner requesting a partial withdrawal, will be responsible for any costs associated with the sale of said securities.

Forbidden Acts: No partner shall: (a) Exercise 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 purpose. (b) Except as provided elsewhere in this agreement, 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 partner or 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 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.

Amendment of Partnership Agreement. This Agreement of Partnership may be amended from time to time by a majority vote of all of the partners in the partnership provided that the majority represents more than 60% of the club's active members on the date of the passage of the amendment.

This Agreement of Partnership shall be binding upon the respective heirs, executors, administrators and personal representatives of the partners. The partners have caused this Agreement of Partnership to be executed on the dates indicated below, effective as of the date indicated above.

_____ Name	_____ Date	_____ Name	_____ Date
_____ Name	_____ Date	_____ Name	_____ Date
_____ Name	_____ Date	_____ Name	_____ Date
_____ Name	_____ Date	_____ Name	_____ Date
_____ Name	_____ Date	_____ Name	_____ Date
_____ Name	_____ Date	_____ Name	_____ Date
_____ Name	_____ Date	_____ Name	_____ Date

End of Signatures

OPERATING POLICIES Of the NAIC Mid Michigan Model Investment Club

Officers

The club officers shall be president, first vice-president, second vice-president, treasurer, and secretary. Election of officers will occur annually at the February meeting.

President's responsibilities:

- sets the agenda
- presides over meetings
- appoints committees
- calls special meetings

First Vice-President's responsibilities:

- plans educational topics, assigns and coordinates educational presentations
- presides over meetings if president is unavailable

Second Vice-President's responsibilities:

- decides industry selection, assigns and coordinates company studies and presentations
- presides over meetings if president and first vice-president are unavailable

Treasurer's responsibilities:

- keeps records of receipts and disbursements
- keeps capital accounts of individual partners
- places buy and sell orders (as authorized by club)
- prepares monthly valuation statements

Secretary's responsibilities:

- maintains monthly meeting notes
- maintains the partnership agreement
- maintains the operating policies
- maintains a written record of the monthly portfolio valuation statements
- maintains a record of attendance

Meetings

Regular meetings will be held on the third Monday of each month at a location designated by the president. Special meetings may be called by the president or upon the written request of five (5) members who will notify the secretary, who will in turn notify the remaining partners.

Voting Procedure

In order for any vote, including votes on buy and sell decisions, to be binding, more than 50% of the attending membership must have voted in favor of the issue. Amendments to these operating procedures require a 60% majority of those voting.

Investments to Capital Accounts

Partners must invest a minimum of \$25.00 per month to their capital account, payable prior to or at each regularly scheduled meeting. Partners may make more than a minimum investment. If a partner is unable to attend a meeting (and has not sent the minimum investment), the minimum monthly investment must

be received by the treasurer no later than 5 business days after the meeting, otherwise the investment is deemed to be late. Late payments will be credited to the member's next monthly contribution.

Any fees assessed by the bank or broker for checks that are returned for insufficient funds will be paid by the member that wrote the check.

Unit Values

The Club will operate its accounting system based on unit values. Members' investments at regular meetings will be used to purchase units in the club based on the most recent valuation statement. The club valuation shall be calculated by the Treasurer on the Friday before the monthly meeting. Members' investments that are late will be used to purchase units based on the valuation statement prepared for the next regular meeting. All withdrawals will follow the rules set forth elsewhere in this agreement.

Annual Audit

At the end of each year, the president will appoint an audit committee to inspect the club's books of account. The treasurer will meet with the committee and make all club records available to them. Upon completion of the audit, the committee will notify the remaining partners of the results at the next meeting. This audit will also be used to satisfy bonding requirements of the NAIC.

Limit of Club Size

The size of the club shall be limited to a maximum of 25 members at any one time. The secretary will maintain a waiting list of any potential members that would like to join the club when an opening is available.

Member's Expectations

Each partner must :

- be a NAIC member by having a current membership in another NAIC club, having a current membership in this club, or having a current NAIC individual membership.
- own a copy of the NAIC/BetterInvesting Stock Selection Guide Software or equivalent.
- have a subscription to the Stock Data feed.
- agree to follow the NAIC policies and guidelines
- understand that all meetings of the NAIC Mid-Michigan Model Investment Club will be open for observation.
- participate in at least 1 industry study and 1 educational presentation annually (except for the president)
- follow the fundamentals of 1 or more stocks as assigned by the president (except for the president and treasurer), including reporting to the club

Officers, Nominations and Elections

The partnership shall elect each year at the regular February meeting a President, First Vice-President, Second Vice-President, Secretary and Treasurer. The President shall be responsible for delegating duties not specified in this agreement to any and all officers. In addition the President, after his/her election, shall appoint at the February meeting an Assistant Secretary, an assistant Treasurer, a Trader, a backup Trader, a Portfolio Manager and an Assistant Portfolio Manager.

Nominations for the elected officers shall be submitted at the regular January meeting and may come from the floor at the regular February meeting.

End of Operating Policies