

# Learn & Earn Model Investment Club

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Partnership Agreement  
And Operating Procedures

**[as accepted by Primary Partners on March 10, 2018]**

[Original partnership agreement effective January 1, 1998]

## Learn & Earn Model Investment Club Partnership Agreement

The original agreement of partnership became effective January 1, 1998.

**This agreement reflects revisions and changes agreed to by the partnership since the original agreement and will totally replace the original agreement of January 1, 1998.**

1. **Formation of Partnership:** The original members, as undersigned in the partnership's original agreement dated January 1, 1998, formed a General Partnership in accordance with the laws of the Commonwealth of Pennsylvania.
2. **Name of Partnership:** The name of the partnership is "Learn & Earn Model Investment Club."
3. **Term:** The partnership became effective on the original date of the Agreement, as noted above.

**3A. Termination** The partnership may be terminated by a majority vote of the Primary Partners whose capital accounts total a majority in value of the capital accounts 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. Assets should be liquidated and disbursed as expediently as possible after the vote to terminate is carried.

4. **Purpose:** (A.) The purpose of the partnership is to invest the assets of the partnership solely in stocks and other securities for the education and benefit of the partners; and (B.) To provide a learning environment for individual investors, give club members a chance to improve their investment skills, and an opportunity to illustrate the benefits of using BetterInvesting tools, guides and principles.

**Partners:** Membership shall be comprised of two types of members, Primary Partners and Associate Partners. Membership shall be limited to 20 Associates Partners at any one time. Directors of the Central PA Chapter of BetterInvesting are considered Primary Partners with no limits as to the number of Primary Partners. Associate Partners will be a member for a maximum of thirty-six (36) months, upon which they will be cashed out, but can rejoin with a new initial deposit.

5. **Officers:** The President, Vice President, Secretary and Treasurer will be elected annually during the regular November or December meeting. The newly elected officers shall assume duties of their respective offices at the January meeting of each year. Officers may succeed themselves in the same office, but generally the Vice President will move up into the President's position as elected. The Treasurer position can only be filled by a Primary Partner.

- A. It shall be the duty of the President to preside over meetings; set meeting dates and locations, notify members of meetings, have an agenda for the meeting, appoint committees and see that resolutions passed by the partnership are carried out.

- B. The Vice President takes the place of the President when the President is absent or incapacitated. The Vice President shall assign companies to report on at Club meetings to each partner and shall be responsible for insuring that the Club's education program is properly carried out.
  - C. The Secretary shall keep a record of club business, maintain a historical file of the club, report on previous meetings and conduct club correspondence.
  - D. The Treasurer's duty is to keep a record of the Club's receipts and disbursements and partners' interests in the Club. The Treasurer will give partners a receipt for cash payments, place the buy and sell orders authorized by the partners with the Club's broker, and prepare the Club's monthly "Valuation Statement". He/she will see that the required tax information is compiled and file the necessary report/statements/forms with the IRS, Commonwealth of Pennsylvania and any other entity as required.
6. **Meetings:** Meetings shall be held once a month. During meetings, the secret ballot method shall be used in all instances where membership and financial matters are acted upon. Quorum: A quorum is necessary to conduct any business at any general meeting shall be 1/3 of the partnership with at least one (1) being an officer.
  7. **Capital Contributions:** The partners will make contributions of \$20 to \$200 (payable in increments of \$10) to the partnership during each monthly meeting, payable by check in the club's name or cash. Upon the death of a partner, his/her contributions shall cease. If the monthly meeting is canceled and cannot be rescheduled during that month, partners are required to submit a contribution to the Treasurer within seven (7) days.
  8. **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 from the "Valuation Statement" reported at the monthly meeting. The aforementioned date of valuation shall hereinafter be referred to as "valuation date."
  9. **Capital Accounts:** There shall be maintained in the name of each partner a 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. Each partner's contribution to the partnership shall be credited to that partner's capital account and club expenses also shall be charged against the partner's capital account proportionally to the value of each partner's capital account or equally to each partner if the benefit to each partner is equal. No partner shall own more than twenty-five percent (25%) of the Club's total assets.
  10. **Management:** Each partner shall participate equally in the management and conduct of the affairs of the partnership except as otherwise determined. Decisions shall be made by a 2/3s majority of the members of the partnership unless otherwise noted. Stock transactions will be voted upon as a simple majority of the partnership present.

11. **Sharing of Profits and Losses:** Net profits and losses of the partnership shall be apportioned to the partners based on their capital account balance.
12. **Books of Account:** Books of account of the transactions of the partnership shall be kept and shall be available and open to inspection and examination by any partner.
13. **Annual Accounting:** Each calendar year, a full and complete account of the condition of the partnership shall be made to the partners.
14. **Bank Account:** The partnership may select a bank for the purpose of opening a partnership bank account. Funds deposited in said bank account shall be withdrawn by checks signed by the Treasurer or any other appointed partners.
15. **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 said broker as required for the purchase or sale of stocks and securities. The President or Treasurer shall perform the managerial functions of giving orders to the broker covering the purchase or sale of stocks and securities only after said purchase or sales have been approved by a majority vote of the partners present.
16. **No Compensation:** No partner shall be compensated for services rendered to the partnership, except for reimbursement of authorized expenses.
17. **Additional Partners.** Additional partners may be admitted at any time after they have attended 3 meetings, not necessarily in succession, and by the consent of the simple majority of partners in attendance. New members are required to join BetterInvesting. They shall be required to deposit a minimum of \$50 initially at their first meeting after being voted into the club.
18. **Withdrawal:** Any partner withdrawing from the partnership will receive one of the following treatments, within 45 days of withdrawal notice acceptance.
  - A. **By Death or Incapacity:** In the event of death or physical incapacity or if a partner is unable to participate actively in the partnership for reasons to be approved by 2/3 vote of all of the partners, one hundred percent (100%) of said partner's capital account, less expenses incurred to liquidate assets to satisfy said amount, shall be made available to the partner or partner's estate. Partnership may liquidate assets to satisfy said amount.
  - B. **By Voluntary Total Withdrawal:** A partner may withdraw from the partnership by submitting a withdrawal request to the President. He/she may:
    1. Liquidate his/her account, being paid 100% of their account balance, incurring all expenses of this liquidation.
    2. The amount being withdrawn will be paid by check or stocks as selected by the remaining members of the investment club,
  - C. **Automatic Withdrawal:** Should a partner be delinquent in his/her monthly contributions for a period of 61 days or have three (3) unapproved absences, he/she will automatically be terminated as a partner and will receive an amount equal to his/her capital account incurring all expenses of this liquidation.
  - D. **Voluntary Partial Withdrawal:** Any partner may withdraw a part of the value of his capital account in the partnership one time within a 12-month period. The value of the partial withdrawal should not exceed 95% of the value of the

partner's capital account. But, the minimum partial withdrawal must be equal to, or greater than \$1,000.00.

- a) The partner withdrawing a part of the value of their 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 at the first following meeting. Partial withdrawal may only take place after a new member's six-month anniversary in the partnership. Withdrawing members, who choose to rejoin the partnership, will have the 12-month provision apply, as noted above.
  - b) Terms of Payment. In the case of a partial withdrawal, payment will be made in cash only.
  - c) The partnership shall pay to the partner withdrawing an amount equal to 100% of the value of the portion of the capital account being withdrawn, after expenses connected to the partial withdrawal are deducted from the member's capital account. The amount being withdrawn shall be paid by check to the member within 45 days after the partnership has acted on the withdrawal notice.
19. **Delinquent Contribution:** Monthly contributions to the partnership are due on each regular monthly meeting. Should a partner be delinquent in his/her monthly contribution for more than one week, a delinquent fine of \$5.00 will be imposed on the delinquent partner. Should the delinquency exceed 31 days, an additional delinquent fine of \$10.00 will be imposed on said partner. Should the delinquency exceed 61 days, said partner's membership shall be terminated.
20. **Auditing:** An auditing committee comprised of two (2) partners, appointed by the President shall inspect on an annual basis the partnership records in conjunction with the Treasurer. The audit will be completed prior to all tax preparation.
21. **Amendments:** The partnership may, at any time, amend this partnership agreement by a 2/3s majority vote of the Primary Partners.
22. **Debt:** The partnership will not incur debt.
23. **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 business.
  - B. Assign, transfer, pledge, mortgage or sell all or part of their interest to any other partner.
  - C. Use the partnership name, credit or property for other than partnership purposes.
  - D. Do any act detrimental to the best interest of the partnership or which would make impossible to carry on the business or affairs of the partnership.

This Partnership Agreement is hereby declared and shall be binding upon the respective heirs, executors, administrators and personal representatives of their partners.

In Witness, the club's Primary Partners as listed below approved this revised agreement on March 10, 2018.

Liz Rodda, President LEMIC

Dave Moore, Vice President LEMIC

Steve Wisegarver, Treasurer LEMIC

John deGroot, Secretary LEMIC

Richard Lindsay, President Central PA Chapter of BetterInvesting (CPAC)

Tim Laughman, Secretary CPAC

Ken Mobley, Immediate Past President LEMIC

Kyle Blevins, Director CPAC

Bruce Kennedy, Director CPAC

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