

PLUSH

Port Ludlow Unified Share Holders

PARTNERSHIP AGREEMENT

THIS AGREEMENT OF PARTNERSHIP, effective as of April 1, 1998, by and between the undersigned, to wit: {Names of Partners}

NOW, THEREFORE, IT IS AGREED:

1. **FORMATION:** The undersigned hereby form a General Partnership in accordance with and subject to the laws of the State of Washington.
2. **NAME:** The name of the Partnership shall be Port Ludlow Unified Share Holders (PLUSH) Investment Club.
3. **TERM:** The Partnership shall begin on April 1, 1998, and shall continue until December 31 of the same year, and thereafter from year to year, unless earlier terminated as hereinafter provided.
4. **PURPOSE:** The purpose of the Partnership is to invest the assets of the Partnership solely in stocks, bonds and other securities for the education and benefit of the partners. Emphasis is placed on following the guidelines of BetterInvesting (BI)¹ for long-term investing.
5. **PARTNERS:** A partner is any person signing this document, or a person who has agreed in writing to join the partnership stating agreement to abide by this Partnership Agreement and By-laws of this Partnership.
6. **MEETINGS:** Periodic meetings shall be held as determined by the Partnership.
7. **CAPITAL CONTRIBUTIONS:** The partners shall 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 account of all the partners.
8. **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 "value of the Partnership"), shall be determined via the bivio website² as of a regularly scheduled date and time ("valuation date") preceding the date of each periodic meeting determined by the Club.

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- 9. 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. Each partner's capital contribution to, or capital withdrawal from, the partnership shall be credited, or debited, respectively, to that partner's capital account.
- 10. MANAGEMENT:** Each partner shall participate in the management and conduct of the affairs of the Partnership. Decisions will be based upon input of the members of the partnership. A written and signed proxy assigned to a partner in attendance at a meeting will be considered the vote cast by the absent partner. No more than one proxy, however, will be accepted or voted by any partner.
- 11. 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.
- 12. BOOKS OF ACCOUNTS:** Books of account of the transactions of the Partnership are kept and available at all times via the bivio website² to 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. BROKERAGE ACCOUNT:** The Partnership may select a broker for the purpose of opening a brokerage account. Funds in the account shall be withdrawn by checks signed by any partner designated by the Partnership.
- 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 the broker as required for the purchase or sale of securities. Securities owned by the Partnership shall be held in the Partnership name unless another name shall be designated by the Partnership.

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 one of the Partnership Officers 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

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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 or transfer agent has received written notice to the contrary.

- 16. NO COMPENSATION:** No partner shall be compensated for services rendered to the Partnership, except reimbursement of authorized expenses.
- 17. ADDITIONAL PARTNERS:** Additional partners may be admitted at any time, upon the unanimous consent of all the partners, so long as the number of partners does not exceed fifteen (15).
- 18. 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 that partner is a grantor and trustee.
- 19. REMOVAL OF A PARTNER:** Any partner may be removed by agreement 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 noted in paragraphs 21 and 23. The vote action shall be treated as receipt of request for withdrawal.
- 20. TERMINATION OF PARTNERSHIP:** The partnership may be terminated by agreement of the partners. Written notice of the 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 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.
- 21. VOLUNTARY WITHDRAWAL (PARTIAL OR FULL) OF A PARTNER:** Any partner may withdraw a part or all of the value of their capital account in the Partnership and the Partnership shall continue as a

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taxable entity. The partner withdrawing a portion or all of the value of their capital account shall give notice of such intention in writing to the President. Written notice will be deemed 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.

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 written notice is received from a partner requesting a partial or full withdrawal will be used to determine the value of the partner's capital account.

The Partnership shall pay the partner who is withdrawing a portion or all of the value of his capital account in the Partnership in accordance with paragraphs 21 and 23 of this Agreement.

22. DEATH OR INCAPACITY OF A PARTNER: In the event of the death or incapacity of a partner (or the death or incapacity of a grantor and trustee of a revocable living trust, if such trust is a partner pursuant to Paragraph 5), receipt of notice of such an event shall be treated as notice of full withdrawal.

23. TERMS OF PAYMENT: In the case of a partial withdrawal, payment may be made in cash or securities of the Partnership, or a mix of each, at the option of the other partners. In the case of a full withdrawal, payment may be made in cash or securities, or a mix of each, at the option of the remaining partners. In either case, where securities are to be distributed, the remaining partners select the securities.

Where cash is transferred, the Partnership shall transfer to the partner (or other appropriate entity) withdrawing a portion or all of their interest in the Partnership an amount equal to **\$100**. The amount being withdrawn shall be paid within 90 days after the valuation date used in determining the withdrawal amount.

When securities are transferred, the Partnership shall select securities to transfer equal to the value of the capital account or a portion of the capital account being withdrawn (i.e. without a reduction for broker commissions.) 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 Club's broker shall be advised that ownership of

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the securities has been transferred to the partner as of the valuation date used for the withdrawal.

24.FORBIDDEN ACTS. 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 purpose.

Except as provided in paragraph 17, 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.

Purchase an investment for the Partnership where less than the full purchase price is paid for it.

Use the Partnership name, credit, or property for other than partnership purposes.

Do any act detrimental to the interests of the Partnership or which would make it impossible to carry on the purpose of the Partnership.

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

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SIGNATURE PRINT NAME SOCIAL SECURITY DATE

1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____
7.	_____	_____	_____	_____
8.	_____	_____	_____	_____
9.	_____	_____	_____	_____
10.	_____	_____	_____	_____
11.	_____	_____	_____	_____
12.	_____	_____	_____	_____
13.	_____	_____	_____	_____
14.	_____	_____	_____	_____
15.	_____	_____	_____	_____

¹ BetterInvesting (BI) is the current name for the National Association of Investors Corporation (NAIC).

² Bivio website: <http://www.bivio.com>