

Partnership Agreement

Model Investment Club of Northern Virginia

This AGREEMENT of PARTNERSHIP, effective as of September 11, 2008, and as revised and approved on June 26, 2023, by and between the undersigned, to wit:

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 Virginia.

2. Name of Partnership. The name of the Partnership shall be the **MODEL INVESTMENT CLUB OF NORTHERN VIRGINIA.**

3. Term. The Partnership shall begin on September 11, 2008 and shall continue until December 31 of the same year and thereafter from year to year unless earlier terminated as hereinafter provided.

4. Purposes of the Partnership.

- A. To invest the assets of the Partnership solely in stocks 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 Requirements.

- ~~A.~~ Partnership is open to all interested individuals 18 years or older. -
- B. Partners must be a U.S. citizen or a non-citizen with a Green Card.
- C. Partners must have access to an Internet-connected computer and have a valid email address.
- D. Partners must be members of Better Investing. Org
- E. Partners must consist only of individuals; no trust may be a Partner
- F. Partners must become familiar with the Stock Selection Guide (SSG) tools either by taking a class, or previous experience, and by using the online SSG tools at the Better Investing website www.betterinvesting.org
- G. Partners serve as stock watchers on the Club Portfolio, using the SSG tools, and, each year, as possible, participate in presenting either a new stock or an educational program for a MicNova Club meeting.

6. Additional Partners. Following the Club's Operating Procedures, additional Partners may be admitted at any time upon a vote of 2/3rds of Partners present, when there is a quorum, as long as the total number of Partners does not exceed 20.

7. Meetings. Meetings shall be held as determined by the Operating Procedures. Special meetings may be called by the President upon advance notice to all the partners.

8. Parliamentary Authority. Parliamentary Authority shall be covered in the Operating Procedures.

9. Capital Contributions. The Partners shall make regular capital contributions to the Partnership according to the Operating Procedures before 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.

10. Value of the Partnership. Valuation date shall be determined by the Operating Procedures.

11. Capital Accounts. A capital account shall be maintained in the name of each Partner. The Treasurer shall prepare a member status report to determine each partner's valuation in the club.

12. Performance. All Partners acknowledge the risks of investment and further acknowledge that no discussion or 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.

13. Management. Each Partner shall have equal-participation in the management and conduct of the affairs and activities of the Partnership.

14. Voting. Voting procedures will be determined by the Operating Procedures.

15. 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.

16. 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.

17. Annual Accounting. Each calendar year, a full and complete account of the condition of the Partnership shall be made to the Partners.

18. Cash Account. The Partnership may select a bank and/or a brokerage for the purpose of operating a cash account. Funds in a cash account shall be withdrawn by checks signed by the Treasurer or Assistant Treasurer at the direction on the President.

19. Brokerage Account. None of the Partners of this Partnership shall be the broker for the Partnership account. 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's name.

- A. The Treasurer and Assistant Treasurer are the sole individuals who may do business with the broker.
- 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.

20. Other Matters:

- A. **Investments.** The Club will invest only in publicly traded common stocks, exchange traded funds, and mutual funds (which may include money market funds and short term bond funds). The Club will not invest in real estate investment trusts, limited liability partnerships, foreign stocks, or other complicated securities.
- B. **Tax Filing.** As permitted by the Internal Revenue Code at 26 U.S.C. § 6221, the Club will opt out each year from the centralized partnership regime established by the Bipartisan Budget Act of 2015. The Club will not designate a Personal Representative for the partnership.

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

22. 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 as of the next monthly meeting. Details are provided in the Operating Procedures.

23. 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. Specifics will be covered by the Operating Procedures.

24. Terms of Payment. In the case of a voluntary full withdrawal or termination by death, 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 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.

25. Valuation Date and Time. The valuation of the Partnership and that of a Withdrawing Member will be determined at the close of the last trading day of the month, following the meeting in which the notice is read of a Partner's death or withdrawal.

26. Removal of a Partner. Any Partner may be removed by agreement of 2/3rds of the Partners present when there is a quorum. Written notice of a meeting where removal of a Partner is to be considered shall include a specific reference to this matter. The vote action shall be treated as receipt of request for withdrawal. The removal shall become effective immediately. A payment to the removed partner shall be in accordance with the provisions of the Operating Procedures.

27. Termination of Partnership. This Partnership will be terminated by agreement of two-thirds (2/3rds) 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. 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.

28 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 trust, other Partner, 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.

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

30. This **AGREEMENT OF PARTNERSHIP** may be amended by 2/3rds approval of the Partners.

31. The Partners have caused this Agreement of Partnership to be executed, as modified, as of the dates indicated below.

Date: June 26, 2023

Partners:

Partners:

Signature _____
Printed Name _____
Date _____

Signature _____
Printed Name _____
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Associate Partners:

Associate Partners:

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