



**Partnership Agreement of
GenXchange Investment Club General Partnership**

This agreement of general partnership, effective February 2000, by and between the undersigned:

NOW, THEREFORE, IT IS AGREED:

1. **Formation.** The undersigned hereby form a General Partnership (the "partnership") in, and in accordance with and subject to the laws of the State of Texas.
2. **Name.** The name of the partnership shall be GenXchange Investment Club.
3. **Term.** The partnership shall begin on 26 February 2000 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 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.
5. **Meetings.** Periodic meetings shall be held as determined by the partnership.
6. **Contributions.** Partners may make capital contributions to the partnership on the date of each periodic meeting provided, that no partner's capital account exceeds the partner-dependent maximum percentage of the partnership. $(100 / (\text{Number of Active Partners})) + 10\%$. Rounding up to the nearest 5% with a minimum of 20%.
 - a. **Joining Fee:** The initial non-refundable contribution made by each partner is \$100.
 - b. **Capital Contribution:** The minimum contribution per periodic meeting is \$25, payable by check or money order, to the club's broker.
 - c. **Yearly Dues:** The yearly non-refundable contribution made by each partner shall be \$100, due in January of each term. This due is prorated \$25 per quarter for partners who joined after March of the previous term.
7. **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 on the last business day of every month ("valuation date") or as determined by the partners.
8. **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. Any other method of valuation of 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 capital contribution to, or capital withdrawal from, the partnership, shall be credited, or debited, respectively, to that partner's capital account.
9. **Management.** Each partner shall participate in the management and conduct of the affairs of the partnership. Except as otherwise determined, the partners shall make all decisions.

10. **Sharing of Profits and Losses.** Net profits and losses of the partnership shall inure to, and be borne by all partners in proportion to the value of each of their capital accounts.
11. **Books of Accounts.** 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.
12. **Annual Accounting.** Each calendar year, a full and complete account of the condition of the partnership shall be made to the partners.
13. **Bank Account.** The partners may select a bank or banks for the purpose of opening bank accounts or to conduct such business as is necessary to carry on the purpose of the partnership as is stated in paragraph 4. Funds in the accounts may be withdrawn, by checks signed by any of the financial partners or by any partner as designated by the partners.
14. **Broker Account.** None of the partners of this partnership shall be the club's broker, or work for the club's brokerage firm. However, the partners 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 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 or transfer agent has received written notice to the contrary.
15. **No Compensation.** No partner shall be compensated for services rendered to the partnership except reimbursement for expenses.
16. **Partners.** Partners are full voting partners of the club, and are bound by all club documents.
17. **Additional Partners.** Additional partners may be admitted with the unanimous vote of the partners, so long as the number of partners does not exceed twenty-five. Prospective partners are required to attend and participate in three of four consecutive meetings, provide a written request to join the partnership, pay a minimum of \$125 for initial contribution and first month's investment, present a stock report, and sign the partnership agreement and by-laws.
18. **Removal of a Partner.** Any partner may be removed by agreement of a two-thirds (2/3) 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 for full withdrawal of a partner noted in paragraph 21.
19. **Authority to Act.** The partners, by 2/3 consent, may at their discretion, grant to, or remove from any partners, the authority to act and participate in the management and affairs of the partnership.
20. **Termination of Partnership.** The partnership shall terminate upon a 2/3 vote of all partners. 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. **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 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 Secretary or Treasurer. Written notice will be deemed received as of the last business day of the month in which it is presented. In the case of termination, notice shall be deemed as the date of removal from the club. The value of the partner's capital account as set forth in the valuation statement prepared for the month the withdrawal notice is received will be used to determine the value of the partner's capital account. Withdrawal fees shall be determined by the partnership.
22. **Death, Incapacity, or Termination of a Partner.** In the event of the death, incapacity or termination of a partner, receipt of notice of such an event shall be treated as notice of full withdrawal. In the case of death, the partner's capital account shall be paid to their estate.
23. **Terms of Payment.** In the case of a partial or full withdrawal, payment must be made with cash, check, or securities from the partnership. In the case of a partial withdrawal by the partner, payment may be made within 90 days of the last day of the month the written notice was received. In the case of a full withdrawal by the partner payment may be made within 120 days of the last day of the month the written notice was received.
24. **Forbidden Acts.** No partner or 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 purpose.
 - (b) Assign, transfer, pledge, mortgage or sell all or part of their 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 vested with the partner in the partnership.
 - (c) Purchase an investment for the partnership where less than the full purchase price is paid for it.
 - (d) Use the partnership name, credit or property for other than partnership purpose.
 - (e) Do any act detrimental to the interests of the partnership or which would make it impossible to carry out the purpose of the partnership.
 - (f) Failure to adhere to tax laws regarding the partnership. If violated, fees if assed to the club will be collected from the violating partner.
25. **Risks Inherent to Investing.** It is understood that any investment involves a certain element of risk. By signing this agreement, you are stating that you understand and accept these risks and agree not to hold the partnership or any of the partners liable for any losses that can or may occur.
26. **Buying and Selling.** Purchases on margin and short sales are prohibited.
27. **Amendments to the Partnership Agreement.** Should the partners decide this agreement needs to be changed or updated, a 2/3 vote is needed to ratify the changes.

This Agreement of General Partnership is hereby declared and shall be binding upon the respective heirs, executors, trustees, administrators and personal representatives of the parties. The parties have caused this Agreement of General Partnership to be executed on the dates indicated below, effective on the date indicated above.

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