

August 2005

ABLE Investment Club I Partnership Agreement

THIS AGREEMENT OF PARTNERSHIP, effective as of ____ (date) ____ by and between ABLE, Inc. (the undersigned) and _____ {name of partner}

NOW, THEREFORE IT IS AGREED:

1. Formation. The undersigned hereby form a General Partnership in accordance with and subject to the laws of your state.

2. Name. The name of the partnership shall be ABLE Investment Club I (ABLE-ICI).

3. Term. The partnership shall begin on ____ (date) ____ and shall continue until December 31 of the same year and thereafter from year to year unless earlier terminated as noted in the following terms throughout this agreement, including the following:

- Each partner must maintain the following:
 - Active ongoing ABLE membership status. Payment of each current fiscal year's dues (if assessed) will be verified by end of December (End of ABLE's first fiscal quarter) for the upcoming ABLE-ICI calendar year.
 - Active monthly contributing status to avoid termination of the agreement. A minimum of \$25 bi-weekly or \$50 per month is required.
- All terminations due to inactive status will be reviewed by the ABLE National Board of Directors (hereafter referred to as the Board) for confirmation to end the partner's agreement with the ABLE Investment Club I.
Exception Clause:
 - Request for Inactive status due to job loss or financial hardship must be submitted to the Board as evidence to support temporary suspension of contributions for 6 months or less. If approved by the Board, the requestor's partnership will be extended in inactive status for no more than 6 months. After such time, if the partner is unable to resume capital contributions the partner will be required to withdraw.
- A partner can terminate the agreement at any time following the anniversary date of their joining the club by providing at least a 30-day notice to the Board. The Board will have within 90 days from receipt of the termination to distribute funds due to said partner.

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 financial benefit of the partners.

5. Meetings. The ABLE National Board shall hold quarterly meetings.

6. Capital Contributions. The active partners must make capital contributions to the partnership via auto-drafts from the partners bank accounts as arranged with UBS on a bi monthly or monthly basis at a minimum of \$50/month. (See reference to Request For

Inactive Status above for exception). In addition, with the exception of an ABLE National Capital account, no individual partner's capital account shall exceed twenty percent (20%) of the capital accounts of all partners.

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 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.

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 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.

9. Management. Each partner may participate in the management and conduct of the affairs of the partnership through participation in the periodic meetings. The Board shall govern the overall management and decisions of the partnership with buy in from the majority vote of the partners.

10. 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.

11. Books of Account. Books of account of the transactions of the partnership shall be kept and at all times be available via NAIC Online 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 Board, on behalf of the partners, may select a bank for the purpose of opening a bank account. Funds in the bank account shall be withdrawn by checks signed by the partner designated by the Board on behalf of the partners.

14. 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 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 ABLE's National Board Treasurer or Economic Development VP 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.

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

16. Additional Partners. Additional partners may be admitted at any time, upon the unanimous consent of the Board on behalf of the partners, so long as the number of

partners does not exceed twenty five (25) per ABLE Investment Club. Per UBS, additional clubs of 25 partners maximum will be established as interest warrants.

16A. 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.

16B. Removal of a Partner. Any partner may be removed by agreement of the Board. 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 18 and 20. The vote action shall be treated as receipt of request for withdrawal.

17. Termination of Partnership. The partnership may be terminated by agreement of the Board. 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 the Board. 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.

18. Voluntary Withdrawal (Partial or Full) of a Partner. After 1 year, any partner may withdraw a part or all of the value of his 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 capital account shall give a 30 day notice of such intention in writing to ABLE's National Treasurer or the National Economic Development VP. 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. 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 notice is received from a partner requesting a partial or full withdrawal, will be used to determine the value of the partner's 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 paragraph 20 of this Agreement.

19. 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 partner pursuant to Paragraph 16A hereof), receipt of notice shall be treated as a notice of full withdrawal.

20. 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 partner making the partial withdrawal. 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 Board. 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 his interest in the partnership, an amount equal to the lesser of (i) ninety-seven percent (97%) of the value of the capital account being withdrawn, or (ii) the value of the capital account being withdrawn, less the actual cost to the partnership of selling securities to obtain cash to meet the withdrawal. The amount being withdrawn shall be paid within 10 days after the valuation date used in determining the withdrawal amount. If the partner withdrawing a portion or all of the value of his capital account in the partnership desires an immediate payment in cash, the partnership at its earliest convenience may pay eighty percent (80%) of the estimated value of his

capital account and settle the balance in accordance with the valuation and payment procedures set forth in paragraphs 18 and 20. Where 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 the securities has been transferred to the partner as of the valuation date used for the withdrawal.

21. 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 16A, without the unanimous consent of the Board, 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 same. 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 business or affairs of the partnership. 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, effective as of the date indicated above.

Partner: {Signature of Partner}_____

**Mail Agreement to: ABLE Investment Club I, PO Box 8136, Bridgewater, NJ 08807
For registration material, please visit www.ableinc.org**