

47348

PARTNERSHIP AGREEMENT

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THIS INDENTURE made and entered into this 28th day of April, 1978 between STEVEN C. JOSSE AND MARY ANN JOSSE, husband and wife, herein-after called First Party, and D. PAUL AND MARIE ANN WILSON, herein-after called Second Party.

W I T N E S S E T H :

The said parties hereto have mutual confidence, each in the other, and do therefore, hereby form between them a co-partnership for the purpose of purchasing real property, and building houses for resale and/or rentals. Said partnership shall commence on the date of these articles and will continue indefinitely until terminated. .

The firm name of this partnership shall be Western Sun Properties. The principal place of business of the partnership shall be at Route 1 Box 10, Bonanza, Oregon 97623.

The initial capital of this partnership shall consist in the sum of \$33,700.00 (Thirty Three Thousand, Seven Hundred Dollars) contributed, or to be contributed by D. Paul and Marie Ann Wilson. Steven C. and Mary Ann Josse will provide the management and book-keeping services and day to day running of the partnership business.

The partners will share equally in the net losses and profits derived therefrom after both parties have been reimbursed for their capital outlay and/or business expenses. It is further agreed between the partners that any profits earned will be deposited from time to time upon the mutual agreement of the partners.

Neither partner shall be required to make additional contributions of capital to the partnership; however, voluntary contributions of capital may be made from time to time in the future with the consent of both partners.

The fiscal year of the partnership shall commence on the 1st day of January, 1978 and shall extend one year thereafter.

Each of the partners hereto shall diligently employ himself in the venture of the co-partnership and be faithful to the other in all transactions related to the same and give whenever required a true account of all business transactions arising out of or connected with the conducting of the co-partnership, and neither shall without the consent of the other, employ either the capital or the credit of the co-partnership in any other business venture.

The books and accounts shall be kept by the co-partnership, entries shall be made therein of all monies received, debts becoming due, purchases, receipts and the like. Said books shall be open to the inspection of either partner at any time.

Each partner shall have equal rights in the management and conduct of the partnership business. Any differences arising as to ordinary matters connected with the partnership business that cannot be resolved by mutual agreement of the partners shall be decided by arbitration. Said arbitration shall be effected by each partner appointing an arbitrator, and if the two arbitrators cannot agree, then they shall appoint a third arbitrator, and the majority vote of the arbitrator shall be binding on both the arbitrators and the partners.

A partner shall have the right to retire from the partnership at the end of any fiscal year upon mailing written notice of his intention to retire to the remaining partner. Said notice shall be mailed at least ninety (90) days prior to the close of the fiscal year. Waiver of the notice period may be effected by the other partner, thus permitting the partner to resign at a date earlier than the close of the fiscal year, and upon less than ninety (90) days written notice.

Upon the death, retirement, or disablement of either partner, the remaining partner shall have the right either to dissolve and liquidate the partnership or to continue the partnership business under its present status upon the payment to the terminating partner or his Personal Representative of the value of his interest in the partnership assets to be determined under the provisions of this agreement. Written notice of the exercise of the option to purchase shall be given to the following persons within the following periods:

1) Where a partner has died, notice of exercise of the option shall be given to the Personal Representative of his estate within sixty (60) days after the appointment of the Personal Representative.

2) Where a partner has given notice of retirement, notice of exercise of the option shall be given to the retiring partner by the continuing partner within sixty (60) days after the remaining partner has received notice of retirement.

3) Where a partner is disabled, notice of exercise to the option shall be given to the partner at the same time he is served with the notice of intention to terminate his interest.

Payment for the interest of the deceased, retired, or otherwise terminated partner shall be made as follows:

1) The terminated partner or his legal representative shall be paid such amount as shall be computed to pay off said interest within a reasonable time following such event, considering the annual net profits of the partnership. In no event shall said payment exceed a period of five (5) years from such event.

The value of a partner's share under the option to purchase provisions of this agreement shall be computed as of the date of his death, retirement or termination of a partner, and shall consist of the sum of the following items:



- 1) The balance of paid in capital in the partner's capital account
- 2) The plus or minus balance in the income account of the partner
- 3) Any other sums due the partner; but
- 4) Less any indebtedness owing from the partner to the partnership.

The partnership shall maintain checking and saving accounts at such banks as the partners shall determine. D. Paul and Marie Ann Wilson grant power of attorney to Steven C. and Mary Ann Josse for the purposes of obtaining loans, selling partnership assets, and conducting general partnership business. However, no partner shall engage in any of the following acts without the verbal consent of the other partner:

- 1) Assign, pledge, hypothecate, or mortgage any assets belonging to the firm or execute any bond or lease in the firm name.
- 2) Pledge the credit of the firm in any way except in the ordinary course of the partnership business.
- 3) Make an assignment for the benefit of creditors.
- 4) Release, assign, or transfer a partnership claim, security, commodity, or any other assets belonging to the firm.
- 5) Make, draw, or accept any notice, bill of exchange, or any obligations for the payment of monies.
- 6) Become a surety, grantor, endorser, or accommodation endorser for any other person or firm.
- 7) Draw any money in the name of the firm, or lend any money belonging to the firm.
- 8) Submit a partnership claim or liabilities to arbitration or reference, or confess a judgement against the partnership; or

9) Sell, mortgage, hypothecate or assign his share in the partnership or in profits or capital, other than to the other partner.

This Agreement may be amended at any time by written attachment hereto signed by the partners.

This Agreement shall be binding upon the partners hereto and their respective heirs, personal representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have signed this Partnership Agreement on the day and year first above written.

Return to  
Mary Josse  
Rt 1 Box 10  
Bonanza, Or. 97623

Steven C. Josse  
Steven C. Josse

Mary Ann Josse  
Mary Ann Josse  
FIRST PARTY

D. Paul Wilson  
D. Paul Wilson

Marie Ann Wilson  
Marie Ann Wilson  
SECOND PARTY

STATE OF OREGON; COUNTY OF KLAMATH; ss.  
and for record at request of Mary Josse  
this 11th day of May A. D. 1978 at 10:34 AM, or  
duly recorded in Vol. 478, of Partnership on Page 9622

Wm D. MILNE, County Clerk  
By Bernetha J. Litch

Fee \$15.00