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MTC 7633-L

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PARTNERSHIP AGREEMENT

This agreement made in six identical counterparts this 21st day of April, 1979, between Norman D. Pohll et ux, William H. Pohll et ux, George ^APohll et ux, Norman W. Pohll et ux, Clifford ^EPlanchon et ux, Robert ^MWampler et ux, hereinafter referred to either by their names or collectively as the partners;

WITNESSETH:

The parties above named hereby join themselves together as partners to acquire, own, manage and develop real property anywhere in the State of Oregon for profit.

The partnership entity, and each Partner for himself as an individual, and each Partner in his separate relationship with each of the Partners acknowledge and agree that each of the Partners is engaged in various other business activities other than the business of this Partnership. For Example, Norman D. Pohll is in the real estate business, William H. Pohll is a school administrator, Robert Wampler is in the logging business and that everyone involved in the Partnership recognizes that each of the Partners has his own separate business interests which are superior to the business of this Partnership and primary with each individual Partner as his area of economic activity.

Accordingly, it is the understanding of all the parties that each Partner does not have the usual duty of a Partner to bring to the attention of the Partnership all business deals of every kind and nature which might be of interest to the Partnership, before the party shall be privileged to go ahead on his own in any particular venture. For example, Norman D. Pohll has no duty whatever to bring real estate deals to the attention of this partnership before he

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proceeds on his own to get involved in another real estate deal.

The business of this Partnership shall be to acquire, own, manage and develop real property in the State of Oregon for profit.

This Partnership shall continue in business until terminated by mutual agreement of all parties in writing, by operation of law, or on the 21st day of April, 2050, whichever event occurs first.

The Partnership shall be conducted under the assumed business name and style of P.P.&W. PROPERTIES with its principal office at *5430 Sylvia St. N. Falls Dr.*, or at such other place as the Partnership shall designate from time to time. The assumed business name shall be filed with the Corporation Commissioner for the State of Oregon and in such counties as the Partnership shall transact significant business.

All Partnership funds coming into the possession of any Partner shall promptly be delivered to the Managing Partner and are to be deposited in the Partnership bank account to be selected by the Managing Partner. Withdrawals from the Partnership bank account shall be made by the Managing Partner or such persons as the Managing Partner and not fewer than three of the partners may agree upon in writing.

The affairs of this Partnership shall be administered by a Managing Partner who shall be one of the Partners and shall be selected by the written agreement of no fewer than four of the Partners. A duly selected, qualified and acting Managing Partner shall have authority to execute any and all documents of every kind and nature necessary and convenient to carry out the affairs and legitimate business purposes of the Partnership.

Profits shall be shared and losses shall be borne in the amount set forth opposite the names of the Partners as follows:

William H. Pohll, et ux	16.70%
Norman D. Pohll, et ux	16.66%
George Pohll, et ux	16.66%
Norman W. Pohll, et ux	16.66%
Robert Wampler, et ux	16.66%
Clifford Planchon, et ux	16.66%

Each Partner is required to report to the Managing Partner promptly all information coming to his attention touching on the Partnership's affairs. The Managing Partner shall have the obligation to cause a written record to be kept of all Partnership transactions, with financial records to be kept in accordance with the usual and generally accepted accounting principals prevailing in the State of Oregon, in order that at any moment a complete written record of all the affairs of the Partnership is promptly and immediately available for examination by any Partner or his designated attorney or accountant.

The Partnership's fiscal period shall be the calendar year. Not later than the 1st day of February in each year, the Managing Partner shall cause to be distributed to each Partner a copy of a Partnership Information Tax Return for the prior calendar year, plus appropriate audit information, to be prepared by a certified public accountant selected by the Managing Partner. After selection and employment by the Partnership, the certified public accountant shall have continuing responsibility to advise the Managing Partner as to appropriate accounting procedures to be followed in order to enhance the Partnership's taxable-event position to minimize taxes payable by the Partners to the Internal Revenue Service and the Revenue Department of the State of Oregon and of California.

Partnership meetings to transact Partnership business may be scheduled by the Managing Partner on not less than seventy-two hours notice to the Partners. Any Partner may cause the Managing Partner to give notice of a Partnership meeting upon furnishing to the Managing Partner written notice for such a meeting, not less than one hundred and forty-four hours prior to the time of the requested meeting. All Partnership meetings shall be held at the place so designated by the Managing Partner. Any Partner timely notified of a Partnership meeting waives protest rights to Partnership decisions made at a meeting the Partner fails to attend. No Partnership decisions may be made at a meeting attended by fewer than four Partners.

Initially five Partners have equal shares capital accounts amounting to 16.66% of the capital and one Partner has 16.70%. All Partners agree that the capital accounts of every Partner shall remain proportionately the same as initially established except as influenced by changes in their ratio resulting from acquisition of a retiring or deceased Partner's interest by the Partnership entity.

Hardship Withdrawal: It is not the desire of the Partners to be hard-nosed in every case involving the withdrawal of a Partner. For example, in the case of the death of a Partner, or in case of the desire of a Partner to withdraw from the Partnership for reasons which four of the Partners consider a legitimate hardship withdrawal, the withdrawing Partner or the nominees or devisees or personal representative of a deceased Partner shall have an absolute duty to sell to the Partnership and the Partnership has an absolute duty to purchase from these respective parties the hardship withdrawal Partner's interest or the deceased Partners' interest at its fair asset value with payment by the Partnership to be made to the appropriate receiving parties in sixty equal payments including interest at the prevailing

commercial interest rate with the first monthly payment to be made on the 1st day of the fourth calendar month following the withdrawal of death of the Partner. In order to arrive at the value of such Partners interest, the Partnership shall nominate an appraiser, the withdrawing Partner or the Personal representative or designated successor in interest for a deceased Partner shall nominate an appraiser with the two appraisers so nominated to appoint a third appraiser. These three appraisers shall, within thirty days after their selection, report in writing with supporting documentation the agreed opinion of a least two of the appraisers as to the total reasonable market value of the Partnership's assets as of the effective day of the withdrawal or death of a Partner. Fees and expenses of the arbitration shall be paid entirely by the withdrawing or deceased Partner's estate.

Notwithstanding any other provisions of the Partnership Agreement, any Partner at any time may withdraw as a Partner by simply giving written notice to the managing Partner setting forth the effective date of his withdrawal as a Partner. In no case shall the effective date be prior to the date the notice is received nor shall it be more than three days following the date of receipt of the notice of withdrawal. Unless this withdrawal is considered to be a hardship withdrawal as herein otherwise defined, the extent of the Partner's claim against the Partnership shall be the dollar amount of the withdrawing Partner's capital account plus interest at 9% per year from the effective date of withdrawal, payable in sixty equal monthly instalments commencing with the seventh calendar month following the month in which the withdrawal is effective and payable each successive month thereafter until the dollar amount of the withdrawing Partners' capital account has been paid together with the interest at 9% per year on the unpaid balances.

The Partnership entity is absolutely bound to make this payment to a withdrawing Partner.

All notices provided for in this agreement, or otherwise, shall be directed to the Partners at the addresses herein set forth or to such other address as the Partners shall furnish to the Managing Partner from time to time, and to the Partnership at its principal office herein designated, such notices to be considered delivered if written and posted by United States mail to the intended recipient. Actual notice by telephone message, telegram or other form of communication subject to unequivocal satisfactory proof shall constitute the equivalent of this formal notice.

Except as herein specially modified, changed or otherwise provided, it is the intention of all parties to this agreement that the relationship between the parties be governed by the Uniform Partnership Act as provided by the laws of the State of Oregon and changes of such laws hereafter made.

It is the intention of the parties to this Partnership Agreement that all controversies and disagreements hereafter arising and resulting from the relationship between the Partners created by this agreement shall be settled by arbitration and award. Should the parties involved in a controversy, suit or quarrel be unable to agree on the selection of a single arbitrator then the appropriate provisions of Section 33.210 through 33.340 Oregon Revised Statutes shall govern the relationship of the parties in the appointment of an arbitrator, compensation for the arbitration and, in general, the relationship of the parties in settling the controversy, suit or quarrel. The parties further intend to be bound by any future amendments or modifications of these statutes covering arbitration and award, it being the overriding intention that controversies be kept out of the Courthouse for settlement except insofar as it may be necessary to enlist the aid of

the courts in enforcing the arbitration procedure and the awards made as a result of this procedure.

No modification of this agreement, or waiver of any term or condition hereof, shall be of any force or effect, unless the same is in writing, signed by all parties hereto, and all contracts and agreements concerning this Partnership Agreement heretofore made by the parties hereto, or their agents, are merged into and superseded by this agreement.

William H. Pohl

William H. Pohl

Norman W. Pohl

Norman W. Pohl

Robert M. Wampler

Robert M. Wampler

George A. Pohl

George A. Pohl

Clifford E. Planchon

Clifford E. Planchon

Norman D. Pohl

Norman D. Pohl

5430 Sylvia St. Klamath Falls

Address

2948 HOPETON, LA CRESCENTA, CA 91214

Address

285 Chilgwin, Ore. 97624

Address

P.O. Box 301 Chilgwin, Oregon 97624

Address

840 14th Ave Menlo Park CA 94025

Address

86399 N. Modesto Dr.

Address

Eugene, Oregon

STATE OF OREGON; COUNTY OF KLAMATH; ss.

led for record at request of Mountain Title Co.

this 1st day of May A. D. 1979 at 10:53 clock A. M., and

fully recorded in Vol. 179, of Partnerships on Page 9801

Wm D. MILNE, County Clerk

By Bernice J. Litsch

\$21.00

MTC