

## **\General Partnership Agreement**

This Agreement, which forms a General Partnership (the Partnership) pursuant to the provisions of the laws of the State of Utah, is entered into this the 19th day of March, 2016, by Bobby Businessman, Earl Estate, and Tommy Trust as "Partners."

### **Article 1 NAME OF PARTNERSHIP**

This name of the Partnership shall be "Run Your Own Real Estate Partnership."

### **Article 2 PURPOSE OF CONTRACT**

The Partnership shall be contracted for the purpose of carrying on the business of owning, developing, and leasing both real and personal property. The partnership shall also be authorized to engage in such other activities as may be permitted under the laws of the State of Utah and may be mutually agreed upon by the Partners.

### **Article 3 PRINCIPAL PLACE OF BUSINESS**

The principal place of business for the Partnership shall be Provo, Utah, or at such other place or places as may be determined from time to time by mutual agreement of the Partners.

### **Article 4 DURATION OF AGREEMENT**

The term of this Agreement shall be for twenty (20) years, commencing on March 30, 2016, and terminating on March 29, 2034, unless sooner terminated by mutual consent of the parties or by operation of the provisions of this Agreement.

### **Article 5 PERFORMANCE BY PARTNERS**

Each Partner shall apply his experience, training, and the ability in discharging his assigned functions in the Partnership and in the performance of all work that maybe necessary or advantageous to further business interested of the Partnership.

The names and addresses of the Partners are as follows:

<b>Name</b>	<b>Address</b>
<u>Bobby Businessman</u>	<u>465-A Tree Street</u> <u>Provo, UT 84601</u>
<u>Earl Estate</u>	<u>9000 E. 105 S.</u> <u>Provo, UT 84604</u>
<u>Tommy Trust</u>	<u>90 Luther St. #4</u> <u>Provo, UT 84601</u>

**Article 6**  
**ADDITIONAL PARTNERS**

Additional persons may be admitted as Partners with the written consent of all the three existing Partners, execution of an Amended Partnership Agreement, compliance with all applicable laws and regulations, if any, of the State of Utah, and subject to other provisions of this Agreement.

**Article 7**  
**SUBSTITUTE PARTNERS**

Subject to other provisions of this Agreement, an individual may be admitted to the Partnership as a substitute Partner with the written consent of all the three existing Partners, the execution of an Amended Partnership Agreement, and compliance with all applicable laws and regulations, if any, of the State of Utah.

**Article 8**  
**MANAGING PARTNER**

Bobby Businessman shall be the initial Managing Partner and shall act on behalf of all of the Partners. Except as provided herein, he shall manage the Partnership business and shall have all of the rights, powers, and duties usually vested in the Managing Partner of a partnership organized for the purposes for which the Partnership has been organized, including the administration of the Partnership business, the determination of its business policies, and the amounts to be distributed to the parties out of the Partnership earnings. He shall also see to the completion of preliminary and preparatory work, including acquisition, finances, developing, and leasing of both real and personal property; financing and perform such other duties as may be necessary and pertinent to the general success of the purposes of the Partnership.

The Managing Partner may hire employees, including himself, to operate the business of the Partnership and may limit the authority of such employees as determined appropriate by the Managing Partner. The employees may be Partners, but their authority to represent and bind the Partnership shall be restricted to the authority delegated to them by the Managing Partner.

Notwithstanding the Managing Partner's powers and rights, without first obtaining written approval from all the General Partners, he shall not sell or exchange Partnership property, refinance or further encumber Partnership property, executive leases or make capital improvements requiring the use of cash available for distribution, which approval the other General Partners shall not unreasonably withhold.

In the event of the death or adjudicated incompetence or withdrawal of Bobby Businessman, the Managing Partner, a successor Managing Partner shall be elected by all persons owning Partnership interests. Each such Partner shall have a vote, in proportion to its Partnership interest, in electing a successor Managing Partner. Partnership interests owned by or for persons who shall not have attained the age of majority, should there be any, shall be voted by legal guardian of the interest owner.

The Managing Partner shall receive reasonable compensation for its services as manager as determined unanimously by all Partners.

**Article 9**  
**ADDITIONAL AND SUBSTITUTE PARTNERS**  
**BOUND BY AGREEMENT**

Prior to admission to the Partnership all individuals being admitted as additional or substitute Partners shall agree in writing as be bound by all of the provisions of this Agreement, notwithstanding other provisions of this Agreement to the contrary.

**Article 10**  
**CAPITAL AND CAPITAL CONTRIBUTIONS**

The Partners shall make contributions to the Partnership as set forth on Schedule "A" which is attached to this Agreement. Each Partner's interest in the Partnership shall be defined as follows:

Bobby Businessman	<u>40%</u>
Earl Estate	<u>30%</u>
Tommy Trust	<u>30%</u>

A. No withdrawals of the Partnership capital will be permitted except upon the written approval of all the Partners. All withdrawals of capital shall be in the ratio of the above percentages.

B. The capital of the Partnership shall be credited or debited, as the case may be, at least annually, with the profit or loss of the Partnership as determined under the provisions of this Agreement.

C. The capital of the Partnership may be increased or decreased from time to time by reason of contributions by or distributions to the Partners.

1. In the event of contributions to the capital of the Partnership by a Partner, the capital account of the Partnership shall be credited with the amount of cash and/or the fair market value of the property contributed on the date of contribution.

2. In the event of distributions to a Partner from the capital of the Partnership, whether in termination of the Partner's interest or otherwise, the capital account of the Partnership shall be debited with the amount of cash and/or the fair market value of the property contributed on the date of distribution.

D. Separate capital accounts for each Partner shall be maintained on the books of the Partnership. The capital account of each Partner shall be credited for all capital contributions as made by each partner and shall be debited for all contributions withdrawn by or returned to any Partner in accordance with the foregoing provisions. Such credits and debits shall be made as and when the related contributions or the withdrawals or return thereof occur. The Partners' capital accounts shall not be debited or credited for any other transaction, including (without limitation) any depreciation, other expenses, loss, income or gain, and any distributions to the Partners of their respective shares of income or gain, it being the understanding of the Partners that other separate accounts shall be maintained on the books of the Partnership for such other transactions, items and distributions and they shall not be closed out to the Partners' capital accounts.

The words "respective contributions" or substantially identical words used in this Agreement shall mean, unless the context clearly expresses a different meaning, the balances standing to the credit of the Partners in their respective capital accounts on the books of the Partnership, unaffected by any other transactions that affect the other Partnership accounts.

**Article 11**  
**LIMITATION OF LIABILITY**

In no event shall any Partner be liable for more than the amount of his capital account or for more than his proportionate share of any indebtedness or liability owned by the Partnership, whether assumed or otherwise, whichever is less, and each Partner does hereby agree to indemnify and save and hold harmless the other Partners from and against his respective proportionate share of any indebtedness of liability, to the extent of his capital account.

**Article 12**  
**PROFITS AND LOSSES**

Allocation of Income and Losses. The profit or loss of the Partnership for each year shall be allocated to and credited or charged to the capital accounts of the respective Partners in proportion to their percentage interests in the Partnership as originally set forth above or as such percentages may be set forth in any Amended Partnership Agreement.

**Article 13**  
**SALE OF PARTNERSHIP INTEREST**

No Partner shall sell or convey his Partnership interest unless the selling Partner shall have first made an offer to sell his Partnership interest to the other Partnership interest to the other Partners by giving written notice to the other Partners of his intent to sell and the terms and conditions of any proposed sale, including the name and address of the proposed bona fide purchaser. The other Partners, pro rata, shall have sixty (60) days after receipt of such notice of offer to sell, to accept or reject the purchase of the interest of the selling Partner on the terms and conditions as stated. If the offer of the selling Partner's interest is rejected, the selling Partner shall have thirty (30) days following the initial 60-day period to consummate his intended sale to a third party strictly in accordance with the terms and conditions set forth in the notice and subject to the terms of this Agreement.

In the event the Managing Partner shall sell any of his interest to a third party, the other General Partners have the right to elect a new Managing Partner of their choice.

Any offer to sell made pursuant to the provisions of this Section shall be accepted within sixty (60) days by the other Partner(s) after there has been mailed to the other Partner(s) a written notice of offer which shall contain the following: (1) the nature and

size of the interest to be sold; (2) the name and address of both the selling Partner and the proposed bona fide purchaser; (3) the selling price and all terms of payment thereof; and (4) the proposed closing date which shall be within seventy (70) days after notice.

Failure on the part of the other Partner(s) to accept the offer within the time specified shall free the offering Partner to close his sale with the said third party but with no other party.

**Article 14**  
**PROCEDURE UPON THE DEATH, DIVORCE,**  
**OR BANKRUPTCY OF A PARTNER**

The Partnership shall not be dissolved upon the death, divorce, or bankruptcy of a Partner, and the occurrence of such event shall have no effect upon the continuation of the Partnership business.

If any Partner shall be adjudicated bankrupt or files a petition under any bankruptcy law, or becomes insolvent as defined under any state or federal law, or makes an assignment for the benefit of creditors, or if a receiver shall be appointed for a Partner, then the other Partners shall have the absolute right, at their sole discretion, to purchase the interest of such Partner in the Partnership.

If upon the death of any Partner his or her Partnership interest shall pass by will or otherwise to any person other than his or her descendants, or if upon the divorce of a Partner his or her Partnership interest shall be allocated to a spouse (divorced spouse) not then an existing Partner, then the other Partners shall have the absolute right, at their sole discretion, to purchase the interest of such Partner in the Partnership.

The Partner's trustee in bankruptcy, receiver, assignee, representative, divorced spouse, or other legal representative, shall upon purchase of the Partnership interest execute such documents as are necessary to effect the transfer, which documents shall be in a form satisfactory to the purchasing Partner.

If such trustee, receiver, assignee, personal representative, divorced spouse, or legal representative fails or refuses to execute such documents, the other Partners are hereby granted the authority to execute such documents of transfer in the name of and on behalf of the selling Partner and, for such purposes, the other Partners are hereby given an irrevocable power of attorney to do any and all things, including such execution and delivery of all documents necessary to transfer to the other Partners the bankrupt, insolvent, dead or divorced Partner's interest pursuant to the provisions of this paragraph.

This option shall be exercised by the other Partners within sixty (60) days from the date the Partners are notified in writing of the adjudication, filing, insolvency, assignment or appointment, or within sixty (60) days after receiving actual acknowledge of the Partner's death or divorce, and the purchase price shall be paid within thirty (30) days from the date of the exercise of the option.

## **Article 15 TERMINATION**

The Partnership shall continue until the end of the term hereof, or if sooner dissolved, but only upon the occurrence of any of the following events;

- (a) The written consent of all Partners to dissolve the Partnership or sell the Partnership assets;
- (b) The death, incompetency, or withdrawal of the Managing Partners and inability to elect a Successor Manager of the Managing Partner;
- (c) The dissolution of the Partnership except by way of merger, consolidation or corporate reorganization;
- (d) The disposition of all interest in real estate and other Partnership assets;
- (e) The expiration of twenty (20) years from the date of initial formation of the Partnership;
- (f) The dissolution of this Partnership by judicial decree or operation by law.

The Partners shall share in the profits and losses of the business during dissolution in the same proportions in which they shared such profits and losses prior to dissolution.

Upon termination, the assets of the Partnership should be distributed in the following order of priority:

- (a) Payment to creditors of the Partnership, other than Partners, in the order of priority provided by law;
- (b) Payment to Partners for loans or payables owed them by the Partnership;

- (c) To all Partners in repayment of their capital accounts;
- (d) The balance to the record owners of Partnership interests in proportion to their respective ownership interests.

**Article 16**  
**INTEREST EVALUATION**

In any event requiring evaluation of a Partnership interest, such as the bankruptcy, death, or divorce of a Partner, the value of a Partnership interest in the Partnership property shall be the greater of (i) the sum of his capital account plus this proportionate share of accrued net income of the Partnership to the date of bankruptcy, death, or divorce or (ii) an amount determined by the averaging of two independent appraisals made by two (2) competent appraisers selected by the General Partner or his representative.

Each Partner shall look solely to the assets of the Partnership for the return of the capital investment and, if the Partnership property remaining after the payment and discharge of the debts and liabilities of the Partnership is not sufficient to return the capital investment of each Partner, no Partner shall have a recourse against the Managing Partner, the Partnership's employees, or any other Partner.

Any property distributions in kind shall be valued and treated as though the property were sold and cash proceeds distributed.

**Article 17**  
**ADMINISTRATIVE PROVISIONS**

**A. Fair Market Value of Assets.** In the event it becomes necessary for the purposes of any provision of this agreement to determine the fair market value of any assets, such determination shall be made as follows:

The fair market value of any assets shall be determined by the then Managing Partner, who shall give written notice of such valuation to the Partner or Partners or other persons affected. If any one or more of the Partners or other persons affected by the determination of the fair market value of any assets shall desire, he may require that such determination be submitted for consideration by a board of appraisers, which determination shall be made in the following manner:

Notice by the affected Partner or other person to the effect that he disagrees with such determination shall be made by written notice to the Managing Partner within



thirty (30) days after receipt of such written notice of determination of fair market value from the Managing Partner.

1. The Managing Partner shall choose an appraiser to serve as a member of the board of appraisers provided for herein.

2. If a single Partner or person shall disagree with the determination by the Managing Partner, he shall select an appraiser. If more than one Partner or person shall disagree with the determination by the Managing Partner, those Partners or persons shall jointly select an appraiser to serve as a member of the board of appraisers.

3. If the two appraisers selected shall be unable to jointly determine the fair market value of any asset subject to valuation, the two appraisers shall jointly select a third appraiser who shall participate in the determination, and the majority determination of the three appraisers shall be final and conclusive in the determination of the fair market value of the asset.

**B. Sale of Assets.** In the event that Partnership assets are sold, any gain or loss recognized thereon shall be distributed in accordance with the Partner's respective ownership interests.

**C. Method of Accounting.** The Partnership books shall be kept on a cash basis in accordance with generally accepted accounting practices.

**D. Accounting Year.** The accounting year to be used by the Partnership shall be the calendar year .

**E. Books, Records, and Financial Reports.** Accurate and complete books and records shall be kept by the Partnership wherein shall be entered all Partnership matters, and the accounts of the Partnership shall be kept in accordance with good accounting practices applicable thereto. The books and records of the Partnership shall be kept at the principal place of business of the Partnership, and each Partner shall, during regular business hours, have access to any of them. The good will, if any, and the firm name of the Partnership shall not be deemed an asset or as having any property value for any purpose whatsoever.

As soon as practicable after the end of each calendar year, the Managing Partner shall render to each Partner a yearly written report setting forth the financial position of the Partnership as of the close of business of the last day of the next preceding year, showing the profit or loss of the Partnership for the next preceding year and the

Partnership Units. Such report shall be prepared from the books and records of the Partnership but need not be prepared by the auditors of the Partnership, if any.

## **Article 18 NOTICE**

All notices under this Agreement shall be deemed to have been duly give three (3) days after posting, if sent by registered mail, return receipt requested, to either party at the following locations:

1. In the case of the Partnership:

Bobby Businessman, Managing Partner  
465-A Tree Street  
Provo, UT 84601

2. In the case of Marketing Representative:

Last known address on the books of the Partnership

Any party may change the location or the name of the person to whom such notices are to be sent by providing written notice thereof.

This Agreement contains the entire understanding among the Partners and supersedes any prior written or oral agreements between them respecting the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Partner relating to the subject matter of this Agreement which are not expressed herein.

## **Article 19 SEVERABILITY**

If any provision or provisions of the Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

## **Article 20 AMENDMENTS**

No amendment to the Agreement shall be effective unless it is in writing and is dated and signed by all of the Partners.

**Article 21**  
**HEADINGS NOT CONTROLLING**

Headings used in the Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

**Article 22**  
**GOVERNING LAW**

This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

- A. Pronoun. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person, persons, entity or entities may require.
- B. Default. In the event of default by any party in the performance of the terms and conditions of this Partnership Agreement, the defaulting party agrees, in addition to other remedies available, to pay all costs incurred by the other party, including reasonable attorneys' fees and costs.

IN WITNESS WHEREOF, the parties have signed this Partnership Agreement, effective as of the 19th day of March, 2016.

GENERAL PARTNERS:

\_\_\_\_\_  
Bobby Businessman

\_\_\_\_\_  
Earl Estate

\_\_\_\_\_  
Tommy Trust

**Schedule "A"**

Attached to RUN YOUR OWN REAL ESTATE PARTNERSHIP dated the 19th day of March, 2016, is the following:

Description of Partnership Assets:

- 1. \$1,000.00
- 2. Lot S, plat A, Partnership Subdivision, according to the plat on file at the Emerald County Recorder's Office, Emerald County, Utah .

\_\_\_\_\_  
Bobby Businessman

\_\_\_\_\_  
Earl Estate

\_\_\_\_\_  
Tommy Trust

STATE OF UTAH )  
 : SS  
COUNTY OF EMERALD )

On the 19th day of March 2016, personally appeared before me Bobby Businessman, Earl Estate, and Tommy Trust, the signers of the within instrument, who duly acknowledged to me that they executed the same.

\_\_\_\_\_  
NOTARY PUBLIC