Wealthbuilders Investment Club

Membership Agreement

**PURPOSE**

Purpose -The purpose of the *Club* is to invest assets of the *Club* in stocks, bonds, notes and other securities (collectively herein referred to as “securities”) for the education and benefit of the Members.

**GOVERNANCE**

The *Club* is a privately owned and operated limited liability company controlled by the Owner Members or their designees. A separate Operating Agreement provides the rules for the operation of the enterprise. There are officer roles of President, Secretary and two Treasurers which are appointed by the Owner Member(s) and which comprise the Board of Directors who govern the enterprise. There is also a Board of Advisors, elected by the Investor Members, who collectively make investment decisions for the *Club* subject to the rules of the *Club*.

## CLUB MEMBERSHIP

Club Membership - There are several levels of membership including: Individual Investor Membership, Corporate Investor Membership, Entrepreneurial Membership, and Associate Membership. Spouses are NOT members but may participate in *Club* functions subject to prescribed limitations.

Student Investor Members – Students Investor Members are considered to be individuals enrolled in High School or a University. Each student individual, “disregarded entity,” or beneficial interest holder seeking Investor Membership in the *Club* must submit an application and must agree to be bound by all of the then current terms and conditions as specified in this Membership Agreement. Each Investor Member shall be obliged to contribute a minimum $50 in funds for investment purposes per month in addition to a $7.50 per month administrative fee.

Individual Investor Members - Each individual, “disregarded entity,” or beneficial interest holder seeking Investor Membership in the *Club* must submit an application and must agree to be bound by all of the then current terms and conditions as specified in this Membership Agreement. Each Investor Member shall be obliged to contribute a minimum $100 in funds for investment purposes per month in addition to a $15 per month administrative fee.

Corporate Investor Members – Each corporation, limited liability company, or trust which is not a disregarded entity seeking Investor Membership in the *Club* must submit an application and must agree to be bound by all of the then current terms and conditions as specified in this Membership Agreement. Each Investor Member shall be obliged to contribute a minimum $100 in funds for investment purposes per month in addition to a $25 per month administrative fee.

Entrepreneurial Members – Each enterprise wishing to be considered for funding by the *Club* needs to submit an application and must agree to be bound by all of the then current terms and conditions as specified in this Operating Agreement. Each Entrepreneurial Member shall be obliged to contribute a minimum $100 in funds for investment purposes per month in addition to a $25 per month administrative fee.

Associate Members – Each individual seeking Associate Membership in the *Club* must submit an application and must agree to be bound by all of the then current terms and conditions as specified in this Membership Agreement. Associate members shall be allowed to attend meetings and receive information about prospective and actual investments of the *Club* but they shall NOT be entitled to hold office, vote or receive distributions and shall not be considered members for voting purposes including quorum requirements. Each Associate Member shall be obliged to contribute a $15 per month administrative fee paid in advance.

Spouses - Spouses may attend regular meetings but they shall NOT be entitled to hold office, vote or receive distributions and shall not be considered members. Neither will a spouse’s attendance relieve one of his or her own attendance requirements, if any. A Spouse may vote on behalf of a spouse Member by proxy if the proper document has been filed. If the voting Member leaves the *Club,* the spouse must leave also.

Additional Members - Additional Member(s) may be admitted at any time upon the majority approval of the Members so long as the number of Members does not exceed any then effective limits of membership. Any new Member will be furnished a copy of this Membership Agreement, must sign the original and will be bound by all the then current terms and provisions as herein contained in the same manner as other Members.

Changes In Membership - A Member can withdraw from the *Club* at any time provided that he/she gives written notice to the other Members sixty (60) days prior to the date of withdrawal and subject to conditions specified elsewhere in this Operating Agreement.

Transfer of Membership - A Member may not transfer, sell, assign, offer as collateral, or pledge his/her ownership in the *Club* without prior written approval of the Board of Advisors and Board of Directors as computed before the transfer is carried out. This transfer restriction also applies to the Members voting rights.

Beneficiaries – Members are required to assign and name a beneficiary prior to making any capital contribution to the *Club*.

Death or Incapacity – In the event of the death or incapacity of a Member, the receipt of notice of such an event shall be treated as notice of full withdrawal, and a withdrawal penalty shall not be assessed. Upon the death or incapacity of a Member, the Member’s shares and their proportionate capital account shall be liquidated as soon as possible and all proceeds transferred to the named beneficiary, heirs, or estate of the Member as named in their beneficiary statement.

## CLUB MEETINGS

Regular Meetings **-** Regular meetings of the *Club* shall be held periodically at a time and place to be determined by the *Club*. All *Club* meetings will have a short social period scheduled either before or after the meeting.

Annual Meeting **-** The April regular meeting is designated as the annual meeting. This meeting will have a special agenda, which includes the election of new officers, a review of the *Club’s* portfolio and past goals, goal setting for the year to come, and the scheduling of calendar events.

Special Meetings **-** Special meetings may be called by the Officers upon twenty-four hours notice to each Member of the *Club* although Special Meetings shall be exempt from required attendance.

Attendance **-** Each Member is encouraged but not required to attend the regularly scheduled meetings. Attendance will be posted in the minutes and become an official record of the *Club*. The absent Member will be responsible for contacting one of the attending Members to cover his or her responsibilities, if any, and to obtain copies of handouts.

Agenda **-** The agenda for the monthly meeting will be set by the President. Anyone wishing to add to a meeting’s agenda should contact the President at least two days prior to the meeting. The agenda plays an important role in the organizational success of the *Club*, and should be honored as such. All Members are asked to adhere to the agenda.

Minutes - Minutes of all meetings shall be taken and made available to all Members. A copy shall be placed in the *Club* minute book.

## VOTING

Ownership Percentage - Each Investor Member in good standing shall have one vote to be exercised yearly at the designated annual meeting wherein Advisors are elected. Properly executed proxies are acceptable. The duly elected Advisors make all the investment decisions for the *Club* concerning investment options, operations, and management.

Good Standing - Members in “good standing” are those Members who have made all of their required contributions or payments to the *Club* and have no deficiencies in regards to attendance.

One Vote Per Member - Each Investor Member in good standing shall be entitled to vote on the election of Advisors for the *Club* at the designated annual meeting. Investor Members shall be allowed to nominate prospective Advisors at the meeting prior to the meeting where Advisors are elected and ballots shall be created by the Secretary reflecting those nominations. At the meeting wherein the election takes place, each Investor Member or their duly authorized representative by proxy shall cast votes totaling the same number as the Advisors positions to be filled. Candidates receiving the most votes shall become the Advisors of the *Club*.

Investment Voting – Operations and Management of the *Club*, including Investment-related decisions, shall be controlled by the duly elected Advisors of the *Club* otherwise referred to as the Board of Advisors.

Proxies – Voting Members may designate another voting member to cast their vote in regards to any matter upon which a voting member may vote as long as a duly authorized proxy is submitted to an Advisor prior to the vote being taken. Duly authorized proxies must state what types of votes the proxy covers and the time frame the proxy is to be in effect. Both the voting member and the holder of the proxy must be members in good standing before any votes by proxy will be counted.

Decisions about investments shall be made by the duly elected Advisors of the *Club* otherwise referred to as the Board of Advisors and are therefore not subject to either direct or proxy voting by the voting membership.

## ELECTIONS

Prior to the Annual Meeting, all Members will be given the opportunity to volunteer for any existing Advisor’s position. This will include the current Member holding an Advisor’s position. Should more than one Member volunteer for a given position, a secret ballot will be taken and the Member who receives the most votes will assume the position. This is provided a quorum is represented either directly or indirectly by proxy. Absent Members may vote by proxy.

Quorum - A quorum for the transaction of business shall be a majority of the Members. The election of Advisors and the transacting of other business shall be made by a majority of the Members present, provided a quorum is present.

Voting Procedures - All decisions that affect the investments of the *Club* and its assets will be decided by a vote. Each Member’s vote, regardless of his or her percentage of ownership in the *Club*, will have an equal say in the voting process. All votes will be performed by an open showing of hands for or against an issue, except the election of officers, which will be performed by a secret ballot. All decisions will be based on a majority rule of the Members present and voting, provided there is a quorum,

## OPERATIONS

Management - Each Member shall participate in the management and conduct of the affairs of the *Club*. Except as otherwise provided herein, all investment decisions shall be made by the Board of Advisors. .

Buy and/or Sell Action - Buy and/or sell action may be taken after a discussion by the Members and when approved by the Board of Advisors and ratified by the Board of Directors.

Brokerage Accounts - The *Club* shall use the services of Benchmark Financial Services, Inc. or its designee to broker the *Club*’s securities transactions. Accordingly, the *Club* will enter into such agreements with Benchmark and its associates or their designees as may be required or desirable, for the purchase or sale of stocks, bonds and other securities. Stocks, bonds and securities owned by the *Club* shall be registered in the *Club* name unless another name shall be designated by the *Club*.

Transfer Agent - Any third party, custodian or Transfer Agent called upon to transfer any stocks, bonds and other securities to or from the accounts in the name of the *Club* shall be entitled to rely on instructions or assignments signed or purporting to be signed by one of the two Treasurers, without inquiry as to the authority of the person signing or purporting to sign such instruction or assignments or as to the validity of any transfer to or from the accounts in the name of the *Club*.

At the time of transfer, the third party, custodian or transfer agent is entitled to assume (1) that the *Club* is still in existence and (2) that this Membership Agreement is in full force and effect and has not been amended unless there is written notice to the contrary delivered to said third party, custodian or transfer agent.

Broker Restrictions - No Member who is a certified broker or financial planner by trade may be the *Club* Treasurer. However, the *Club* may select a commercial broker and enter into such agreements as required for the purchase or sale of stocks, bonds, and other securities. The Treasurer will be the primary Member responsible for the dealing with the banks and brokers.

Banking - The Treasurers of the *Club* shall establish bank account(s) with a bank that meets the approval of the Board of Directors. Either of the two Treasurers may sign on the account and have the authority to draft funds from said accounts for payment of *Club* obligations. No Advisor of the *Club* shall have the authority to borrow money or obtain lines of credit without express written approval of the Board of Directors of the *Club*. This does not, however, apply to credit accounts opened with suppliers where the Board of Advisors shall have authority to approve such transactions. Bank and brokerage account statements shall be available to all Members during normal business hours at the offices of the third party accountant.

Bank Account **-** The *Club* has chosen Fifth Third Bank for the *Club* checking account. Funds shall be withdrawn by check, signed by an authorized Member, usually a Treasurer. Bank statements shall be maintained, and stored by the Treasurer(s). Current statements will be presented for inspections at all meetings.

## INVESTING GUIDELINES

The general strategic goal to be employed in this Investment *Club* is that one half of all funds contributed for investing be used to purchase “traditional” investments while the remainder half is to be used to loan or invest in “entrepreneurial” businesses such as real estate investing, start-ups and the like. The criteria that follow relate to the traditional component while the entrepreneurial portion is subject to evaluation on a case-by-case basis even if there is no performance history. Each investor shall have the right to “earmark” which of the microlending options, if any, to invest their funds in.

Buy and/or Sell Actions **-** Buy and/or sell action may be taken after a discussion by the members and when approved by the Board of Advisors at a regular meeting.

Criteria for Buying Securities **-** The goal is to create a portfolio that consists of high quality securities. There will be many criteria used in the final determination of a security purchase. The following are some of the guidelines.

1. Minimum of five years of financial history;
2. Earnings are growing at or better than the rate of sales;
3. Total debt – preferably 33% or less of total assets, or less than industry average;
4. P/E ratio equal to or less than its five year average;
5. Upside potential of 3:1 or better;
6. Past performance and current events indicate the stock will provide an average total annual return of, at least, 14.9% over the next three years.

Criteria for Selling Securities **-** No single reason shall be a determining factor for selling a security. However, the following reasons will be used for discussion.

1. Adverse changes in management;
2. Declining profit margin;
3. Deteriorating financial condition;
4. Competition affecting profits;
5. Dependence on a single product;
6. To balance the portfolio or to purchase a better stock.

Diversification **-** In order to lower the risk in the portfolio, diversification by industry and by company size should be used. However, quality of the companies will override diversification. No stock or industry should dominate the total value of the portfolio.

Dividends **-** Since education and portfolio growth are primary goals, all dividends will be reinvested. If a dividend paying stock has a reinvestment program, and we elect to use it, the *Club* will be instructed to use the dividend to purchase fractional shares of stock. If a DRIP program does not exist, the dividends will be placed in the *Club’s* checking or brokerage account and used for general purchases.

DRIP Plans **-** DRIP is short for Dividend Reinvestment Plan. These plans allow the *Club* to purchase additional shares of stock directly through a given company without having to pay a broker’s commission. DRIP plans will be used when it is deemed appropriate by a majority vote of the Members.

How to Present New Securities **-** Searching out securitiesfor the *Club* is part of the responsibilities of each Member. If you have found a security that you wish to present at a *Club* meeting, please follow these procedures:

1. Complete a security selection guide to ensure the stock meets the *Club’s* buying criteria;
2. Contact the President to have your SecuritiesReport placed on the agenda;
3. Keep the report brief and to the point when making your presentation;
4. Provide copies of your security report to all in attendance.

Investing – How Often **-** Unless it would cause an undo hardship on the *Club*, securities will be purchased at least once every quarter. This may include new securities or securities currently held by the *Club*.

Market Orders **-** Market orders are restrictions or qualifiers placed on buy and sell orders given to brokers. The *Club* shall use these market orders, from time to time, upon a majority vote of the Board of Directors.

Sharing Profits & Losses **-** Net profits and losses of the *Club* shall inure to, and be borne by, the Members, in proportion to the balances in their capital accounts. Any tax liability, stemming from annual capital gains, shall be divided, in proportion to the capital account balances, and is the responsibility of each Member to pay.

Speculating **-** Speculating is considered any non-fundamental approach to investing in the stock market, along with market timing, short buying or selling, purchasing IPOs, short term holding of stocks, etc.

Stock Certificates - On occasion, the *Club* will invest in DRIP plans that allow us to purchase stock directly through a company. In these cases, the stock certificates will be registered in the *Club’s* name and retained by the *Club* for safekeeping. In the event the *Club* does not provide a safekeeping device, certificates will be kept in a locked fire safe at the home of a Member to be decided at the Annual Meeting, or at a special meeting. When the *Club* purchases stocks that do not have DRIP plans, the stock certificates shall be registered in street name and kept by the brokerage.

Allocation of Investment-Related Costs - Investor Members ARE allowed to make additional contributions to the *Club*. These additional contributions shall be added to the previously made monthly required contributions and used to calculate each Member’s claim on the invested assets of the *Club* and to allocate certain expenses, including brokerage fees amongst Members. A Member's "membership percentage" shall the calculated as follows: the Member’s total capital contributions divided by the total contributed capital shown on the books of the *Club*. Transfer of a Member's membership in the *Club* may only take place upon approval of the Board of Advisors and ratified by the Board of Directors.

## ACCOUNTING & TAX PROVISIONS

Accounting - The *Club* shall have a tax year beginning January 1 and ending December 31 of each year. Accordingly, the *Club* shall be known as a calendar year taxpayer. The books of the *Club* shall be maintained on a cash basis with income being recognized when it is received, and expenses recognized when they are paid. Each calendar year, a full and complete account of the condition of the *Club* shall be made to the Members. The *Club* shall utilize the services of Professional Business Services, Inc. or its designee to carry out all necessary or desirable bookkeeping and tax preparation functions. If the assets of the *Club* exceed $1,000,000 the *Club* shall, in cooperation with Professional Business Services, Inc., secure audited financial statements.

Property - Title to all property purchased or leased for the *Club* shall be titled in the name of the *Club*. Officers are hereby granted authority to lease equipment on behalf of the *Club* in due course of business.

## FINANCE

Capital Contributions - Upon joining the *Club*, each individual member must make a deposit of $100. After joining the *Club*, each member shall make a contribution of $100 each month on or before the regular monthly meetings. A Member who fails to make such payment must “catch-up” and pay the delinquent amount at or before the next monthly meeting in addition to the payment due at that meeting. The Members may make additional contributions to the *Club* at any time the Treasurers choose to accept it. Each Member shall remit their monthly contributions to a Treasurer at or before the time scheduled for each monthly meeting.

In consideration for their percentage voting ownership in the *Club*, Members shall contribute cash, property, or services to the *Club*. Cash received shall be deposited in the *Club's* bank account. Title to any property given shall be transferred to the *Club*. Ledgers of contributions given by the Members in exchange for their Membership in the *Club* shall be kept and made available at the *Club* offices during normal business hours. Valuation of property or services contributed to the *Club* shall be determined by Board of Advisors and ratified by the Board of Directors. The value of services must be mutually agreed upon before their performance. If no agreement can be reached on the value of contributed property then the property shall be returned to the contributing Member.

Voluntary Additional Contributions **-** Members may make additional contributions to the *Club* at or before the monthly meeting or at any time the Treasurers choose to accept it. Any additional contributions can be made in any amounts acceptable to the Treasurer. Since each Member is allotted the same voting power, there are no restrictions on the amount of additional contributions that any Member may make.

Additional Scheduled Contributions - Members may be required to make additional scheduled capital contributions as prescribed by *Club* rules. If those additional capital contributions are late or short, then the Member may be assessed a financial penalty which will not be credited to the Member’s capital account.

Capital Accounts - There shall be maintained in the name of each Member, a capital account. Each Member’s capital contribution to, or capital withdrawal from, the *Club*, shall be credited, or debited, respectively, to the Member’s capital account and reported as of a date no more than one month previous to the regular meeting date at which they will be reported. Any other method of valuating each Member’s capital account may be substituted for this method, provided the substituted method results in exactly the same valuation as previously provided herein. Net profits and losses of the *Club* shall inure to, and be borne by, the Members in proportion to the value of their capital accounts.

Valuation – Valuation shall be calculated for purposes of reporting to the Members and third parties and determining proceeds upon liquidation. Valuation shall be calculated by taking the current value of the assets of the *Club*, less the current value of the debts and liabilities of the *Club* and then dividing by the weighted average of member’s capital account to derive the value per each member.

Valuation Date - The Valuation Date is a predetermined day each month on which the value of the portfolio will be assessed. The prices of securities on this date will determine the value of the *Club* as a whole, and be the basis of buying and selling decisions, and the determining value for Members entering or leaving the *Club*. In order to provide the Treasurer(s) and *Club* Agent with enough time to prepare the necessary documents, the Valuation Date will be the Friday (closing prices) preceding each *Club* meeting.

Capital Valuation Formula

The valuation shall be a function of the number of days per year involved as well as the percentage of capital assets invested in the *Club.*

Per-Share, Per-Day Formula = Item K times (% of securities owned) times (% of year owned)

Members can calculate the value of their own account by multiplying the per unit value times the number of units they own. It should be calculated as of the day of the valuation date.

Capital Withdrawals - Members will be allowed to withdraw their capital contributions subject to the rules of the *Club*. A Member may withdraw a part or all of their shares no sooner than thirty days after their last contribution. The withdrawing Member shall deliver written notice of intent to withdraw to a Treasurer. If written notice is received at a regular meeting, it shall be deemed to have been received as of the date of that meeting. If written notice is received between regular meetings, it will be treated as having been received at the next following regular meeting.

Partial Withdrawals - In order to grow the assets of the *Club*, partial withdrawals of Profits will be discouraged. However, the needs of Members will be considered on a case-by-case basis and subject to a majority vote of the Board of Advisors and ratified by the Board of Directors, provided there is a quorum.

Terms of Payment – In the case of a partial withdrawal of less than 25% of the member’s capital account balance, payment shall be made in cash (i.e., a check). In the case of a full withdrawal or an amount greater than 25% of the member’s account balance, payment may be made in cash or securities or a mix of each at the option of the Board of Advisors and ratified by the Board of Directors. Where securities are to be distributed, the Board of Advisors select the securities.

Where cash is transferred, the *Club* shall transfer to the Member (or designee) withdrawing a portion or all of his interest in the *Club*, an amount equal to ninety-seven percent (97%) of the value of the capital account in the *Club* being withdrawn or if securities are sold, the value of the capital account being withdrawn, less the actual cost to the *Club* of selling securities. The amount being withdrawn shall be paid within sixty (60) days after the valuation date used in determining the withdrawal amount.

If a Member withdrawing a portion or all of the value of his capital account in the *Club* desires an immediate payment in cash, the *Club* at its earliest convenience may pay twenty-five percent (25%) of the estimated value of his capital account and settle the balance in accordance with the valuation and payment procedures set forth elsewhere in this Membership Agreement.

When securities are transferred, the *Club* 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 the Member’s capital account in the *Club*. The *Club*’s broker shall be advised that ownership of the securities has been transferred to the Member as of the valuation date used for the withdrawal.

When cash is required to meet a withdrawal, if necessary, the Board of Advisors will determine the assets to be sold before the date of the preparation of the liquidating value statement used to determine the value of the withdrawal.

The *Club* shall make every attempt to liquidate the Member’s assets as quickly as possible but the *Club* reserves the right to have the period of sixty (60) days after receiving a withdrawal notice to pay the Member in full.

Loans – Loans to Members may be approved from time to time as circumstances arise but must be approved by the Board of Advisors and ratified by the Board of Directors.

Loans can only be made to Members for up to, and not to exceed, fifty percent (50%), of the Member’s capital account. Members will also be required to pay any and all necessary and required document preparation fees and interest on said loans in an amount to be determined at the time by current market rates.

Distributions – From time to time distributions may be made from profits, sale of assets, or other sources. Before payment, distributions shall be approved by the Board of Advisors and shall be paid to each Member in proportion to their membership percentage as reported by the *Club* in its last, most recent periodic report regarding accumulated capital contributions which determines each Member’s percentage of membership. In the event that the *Club* ceases operations, distributions of cash and property shall be made to the Members after all creditors and suppliers are paid. Such a distribution shall be made to the Members in proportion to their membership percentages.

## ADDITIONAL PROVISIONS

*Club* Records - The *Club* Secretary must maintain all records for the *Club* as required by law. This may include, but not be limited to, a list of all Members including their addresses and membership percentage, records of membership transfers, minutes of all Member meetings, bank statements, reports to government authorities and accounting records. These records are to be kept at the principal office of the *Club* and may be reviewed by any Member by giving at least one day's notice to the *Club*'s Secretary.

Authority - Board of Advisors of the *Club* and/or any Member of the *Club* may have authority to transact any business or enter into any transaction of the *Club* or further its financial interest in the due course of business with one exception: No Member has authority to obtain loans, lines of credit or commit the *Club* to any bank or lending institution without prior written approval of Board of Advisors and ratified by the Board of Directors of the *Club*.

Disputes - In the event of a dispute between the Members regarding this Membership Agreement or any matter regarding the *Club*, the dispute shall be presented to the Board of Advisors for resolution. If the dispute involves any Board Member then those Board Members involved in the dispute shall be excluded from voting on the matter.

If the decision of the Board of Advisors still does not resolve the dispute then the matter shall be presented to the Board of Directors for resolution. If the decision of the Board of Directors still does not resolve the dispute then the matter shall be submitted to arbitration according to the rules of the American Arbitration Association. The arbitration or mediation service hearing the dispute shall be agreed in advance upon by the Members affected by the outcome of the dispute. The cost of the arbitration/mediation shall be borne by the losing Member(s) jointly and severally.

If the dispute cannot be settled by arbitration, the matter may go to a court with jurisdiction in such matters. If the matter goes before a court, then the Members individually shall bear the cost of the proceedings. The prevailing party may seek reimbursement of expenses related to the court proceedings.

Changes - This document is the only agreement between the Members of the *Club* and replaces any verbal or written agreement between Members. It cannot be replaced, amended or altered in any way without the approval of the Board of Advisors and ratified by the Board of Directors of the *Club*. If any provision of this Membership Agreement is determined to be legally unenforceable then that provision only shall be stricken from the agreement, leaving the remainder of the agreement in force.

Implementing Club Resolutions **-** Any Member responsible for carrying out a *Club* resolution (i.e., depositing *Club* dues, buying and selling a stock, etc.) will do so the first business day after the meeting (or whenever stipulated by the resolution), or recruit another Member to assist in the timely completion of the assignment.

## INVOLUNTARY TERMINATION

Forbidden Acts – No Member Shall:

Have the right or authority to bind or obligate the *Club* to any extent whatsoever with regard to any other matter outside the scope of the *Club* business.

Without an affirmative vote of the Board of Advisors and ratified by the Board of Directors of the *Club*, no Member shall be allowed to assign, transfer, pledge, mortgage or sell all or part of their interest in the *Club* to any other Member or other person whomsoever, or enter into any agreement as the result of which any persons not a Member shall have any interest in the *Club*.

Use the *Club* name, credit or property for other than *Club*/Membership purposes.

Do any act detrimental to the interest of the *Club* or which would make it impossible to carry on the business or affairs of the *Club*.

Arrears **-** After each meeting, any Member in arrears will be posted in the Secretary’s report and will become an official record of the *Club*. Any Member who is in arrears for more than sixty-one (61) days will be automatically withdrawn from the *Club*. Any Member who fails to comply with the monthly deposit requirement shall be considered to have withdrawn from the *Club*, unless otherwise determined by a majority vote of the Board of Advisors of the *Club*.

Removal of a Member - Any Member may be removed by agreement of an absolute majority of Members or at the discretion of the Board of Directors. Written notice of a meeting where removal of a Member 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 Member's capital account, which shall be in accordance with the provisions on full withdrawal of a Member.

## CONFLICT OF INTEREST

**THERE IS AN ACTUAL CONFLICT OF INTEREST BETWEEN THIS CLUB, INCLUDING THE MEMBERS THEREOF, AND THE FOUNDER OF THE *CLUB*, GREGORY NOE, BENCHMARK FINANCIAL SERVICES, INC., THE DESIGNATED SECURITIES ADVISOR, PROFESSIONAL BUSINESS SERVICES, INC., THE DESIGNATED ACCOUNTANT, BOTH OF WHICH GREGORY NOE OWNS.**

**FURTHER, SOME MEMBERS MAY HAVE INTERESTS IN PROJECTS FUNDED OR PROSPECTIVELY BEING FUNDED BY THE *CLUB*.**

## EXECUTION

This Membership Agreement is hereby declared and shall be binding upon the Members and their respective heirs, executors, administrators, and personal representatives.

As evidenced by their signatures below, the Members of the *Club* hereby adopt this Membership Agreement in its entirety and agree to be bound by its terms.

Further, each Member acknowledges the CONFLICT of INTEREST as described above and nonetheless agrees to join the *Club*.

Each Member hereby acknowledges that he/she has utilized, or has had the opportunity to utilize, the services of other professional advisors including legal counsel, concerning the execution of this MEMBERSHIP AGREEMENT. Further, irrespective of whether such advice is deemed unnecessary, actually sought, utilized or ignored, Member hereby warrants that Member is of sufficient business acumen to execute this MEMBERSHIP AGREEMENT and make it binding.

Member understands, recognizes, and agrees that there are certain risks, dangers, and perils inherent in the operation of an investment club and by joining this *Club*, Member agrees to assume these risks being under no compulsion or duress.

The signatures need not be notarized.

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Date Member Signature Member’s Name Printed

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