

# RainFrog Ethical Investment, Limited Partnership

## Agreement of Partnership

- I. *Name.* The undersigned agree to form a limited partnership, to be known as RainFrog Ethical Investment, Limited Partnership and herein after referred to as "The Partnership", in accordance with and subject to the laws of Wisconsin.
- II. *Term.* The Partnership shall begin on June 10, 2001 and shall continue until June 30 of the same year, and thereafter from year to year unless earlier terminated as hereinafter provided.
- III. *Purpose.* The only purpose of The Partnership is to invest the assets of The Partnership solely in socially and environmentally responsible stocks, bonds, mutual funds, and other securities (collectively hereinafter referred to as securities) for the education and benefit of the partners.
- IV. *Officers.*
  - A. The officers of The Partnership shall be President, Vice-President, and Treasurer, Webmaster, and one or more Assistant Treasurers elected from the partnership.
  - B. Officers shall be elected at the time of the annual meeting, take office on the day of election, and serve for one year or until new officers are elected. Upon the occurrence of a vacancy, an interim election shall be held to fill the vacancy for the balance of the year.
- V. *Duties.*
  - A. *President.* The president shall preside over meetings as hereinafter described, appoint committees, and oversee all activities of The Partnership.
  - B. *Vice-President.* The vice-president shall take the place of the president when the president is absent or incapacitated. At the time of meetings, the vice-president shall vote all non-respondent shares.
  - C. *Treasurer.* The treasurer shall keep record of the receipts and disbursements of The Partnership, and of the partners' interest in The Partnership. The Treasurer shall collect and disburse funds, and maintain books covering the financial operations of The Partnership, assets, and partners' shares. The treasurer will give receipt for placements, place buy and sell orders as directed by the president, and prepare a monthly valuation statement for The Partnership. The treasurer shall see that the needed tax information is compiled and file the necessary reports.
  - D. *Webmaster.* The webmaster shall maintain an accessible Internet web site for The Partnership. This site shall include the amended bylaws of The Partnership, an updated portfolio of the assets of The Partnership, and an updated record of the partners' interest in The Partnership.
  - E. *Assistant Treasurer(s).* An Assistant Treasurer shall be elected from among the partners resident in each country in which the Treasurer is not resident. The Assistant Treasurer(s) shall collect the capital contributions of partners resident in those countries. The Assistant Treasurer(s) shall work under the direct supervision of the Treasurer. The Treasurer may designate the Assistant Treasurer(s) to collect dividends and receive financial statements issued in the Assistant Treasurer's country of residence.
- VI. *Membership.* In this document, "partner" shall refer to general and limited partners unless otherwise specified. Additional partners may be admitted to the Partnership at any time upon simple majority approval of the partners, as hereinafter defined. New partners will be furnished a copy of this agreement, shall provide a signed copy of this agreement to be kept on file by the president, and shall be bound by all terms and provisions herein in the same manner as other partners.
  - A. *General and limited partners.* Any partner admitted to The Partnership as a general partner shall complete and deliver to The Partnership an amendment to the certificate of limited partnership, and The Partnership shall file this amendment with the State of Wisconsin as required by Wisconsin Statute 179.12 (2m). Any partner who does not complete and file an amendment to the certificate of limited partnership shall be a limited partner as provided by Wisconsin statute 179 subchapter III, and may rely upon limitation of liability as provided by Wisconsin statute 179.23. No partner shall become a general partner simply by signing this Agreement of Partnership.
  - B. *Limitation fee.* Upon capital contribution to The Partnership, each limited partner shall pay to The Partnership a limitation fee equal to one percent of the value of his or her capital contribution, except that no partner shall be required to pay limitation fees totaling more than \$10 US over the term of his or her partnership.
- VII. *Meetings.* The Partnership shall conduct monthly meetings via email as hereinafter described.

- A. The date of record for the monthly meetings of The Partnership shall be the first Saturday of each month except January, and in January shall be January 1st.
- B. The June meeting is designated as the annual meeting.

C. *Procedure.*

- 1. Any investment proposals, applications for membership, or bylaw amendments shall be submitted to the president by midnight of the second Saturday before the monthly meeting. Each partner shall submit an "Intent to Invest" or an "Intent to Withdraw" notice to the treasurer by the same date. Both the Intent to Invest and Intent to Withdraw notices are non-binding, but in the case of Intent to Withdraw, no partner's withdrawal for the month may exceed the amount submitted on this date.
- 2. The president shall compile new investment proposals, membership applications, and bylaw amendment ballots, and shall email these ballots to all partners by midnight of the first Saturday before the monthly meeting. New capital contributions and confirmation of Intent to Withdraw notices shall be delivered to the treasurer by the same date. The president and treasurer will work together to ensure that new investment proposals voted on by The Partnership take into account the investments and withdrawals for the month.

3. *Ballot Results.*

- a. The votes of the partners shall be due to the president by midnight of the meeting date.
  - b. The votes of partners who do not respond to ballot questions shall be exercised by the vice-president, except when said partners have indicated to the president their intent to actively abstain voting on that ballot question.
  - c. Each partner shall exercise a vote proportional to the value of the capital account of said partner. However, no partner shall exercise a vote with more than  $\frac{1}{2}$  the voting power of all other partners combined.
  - d. In the case of investment proposals and membership applications, the partners shall make all decisions whose capital accounts total a majority of the value capital accounts of all of the partners, herein referred to as "simple majority approval." However, purchases on margin and short sales are strictly prohibited.
  - e. Approval of the partners whose capital accounts total  $\frac{2}{3}$  of the value of the capital accounts of all of the partners, hereinafter referred to as " $\frac{2}{3}$  majority approval", shall be required to amend the partnership agreement or bylaws of The Partnership. Amendments to the partnership agreement or bylaws of The Partnership which are approved by less than unanimous consent will take effect as of the first monthly meeting after the meeting at which they are approved.
- 4. The president shall immediately compile the results of the voting of the partners, and shall order the treasurer to execute the decisions of the partners.
  - 5. The president, vice-president, and treasurer, acting jointly in a situation which they deem to be an emergency, may make and execute investment decisions on behalf of The Partnership. All such investment decisions shall be submitted to the partners for approval at the next regularly scheduled monthly meeting. Should the partners fail to approve said investment decisions, the president, vice-president, and treasurer shall resign and interim elections shall be held to fill the vacancies.

VIII. *Portfolios.* The Partnership shall maintain two discrete investment portfolios, hereinafter referred to as The Growth Portfolio and The Income Portfolio. Management of each portfolio shall be at the discretion of partners holding capital accounts in that portfolio, except as restricted elsewhere in this Partnership Agreement.

- A. A minimum of 80% of the net assets of The Income Portfolio shall be held at all times in government-backed or investment grade accounts, bonds or preferred stocks.

IX. *Capital Contributions.*

- A. The partners may make capital contributions to The Partnership in Japanese yen or US dollars. Partners may direct capital contributions to be held in either The Growth Portfolio or The Income Portfolio. Capital contributions will be credited on the date of each monthly meeting, as described in VII. C. 1 and 2.

B. *Capital Contributions in US Dollars.*

1. Capital contributions in US dollars to The Growth Portfolio shall be subject to a front-end load equal to the average front-end load incurred by The Partnership in the purchase of all current investments of The Growth Portfolio, plus the sum of the start-up costs experienced by The Partnership and the one-time cost incurred by investment in all current assets of The Growth Portfolio and the estimated cost of liquidating those same assets, exclusive of Japanese yen, to US dollars divided by the total value of the assets of The Growth Portfolio.
  2. Capital contributions in US Dollars to The Income Portfolio shall be subject to a front-end load equal to 1% of the value of the capital contribution.
  3. Clauses IX. B. 1 and 2 notwithstanding, The Growth Portfolio shall be permitted to hold a capital account in The Income Portfolio, and shall pay no commission on contributions into that account. Subject to the restrictions of VIII. A. above, The Income Portfolio shall be permitted to hold a capital account in The Growth Portfolio, and shall pay no commission on contributions into that account. However, at no point shall The Growth Portfolio hold a capital account in The Income Portfolio while The Income Portfolio also holds a capital account in The Growth Portfolio.
- C. *Capital Contributions in Japanese Yen.* The US dollar value of a capital contribution made in Japanese yen shall be determined as of the closing bell of the New York Stock Exchange on the final Friday before the monthly meeting. Capital contributions made in Japanese yen shall be subject to the same front-end load as investments made in US dollars, plus an additional load equal to the average cost of converting yen to US dollars.
- X. *The Value of the portfolios.* The current value of the assets of each portfolio less the estimated cost of liquidating the assets of that portfolio to US dollars (hereinafter referred to as "the value" of the portfolio) shall be determined as of the closing bell of the New York Stock Exchange on the final Friday before each monthly meeting (hereinafter referred to as "the valuation date").
- XI. *Capital Accounts.* A capital account shall be maintained in either or each portfolio in the name of each partner. On the valuation date, any increase or decrease in the value of each portfolio shall be credited or debited, respectively, to each partner's capital account in that portfolio. Each partner's capital contribution to, or capital withdrawal from, each portfolio shall be credited or debited, respectively, to that partner's account in that portfolio. Capital accounts in each portfolio will be rounded down to the nearest \$0.01 US, and should the combined value of any partner's capital account in both portfolios fall below \$0.01 US, this will be taken as notice of the full withdrawal of that partner from The Partnership.
- XII. *Sharing of Profits and Losses.* Net profits and losses of each portfolio shall inure to, and be borne by, the partners in proportion to the value of each of their capital accounts in said portfolio.
- XIII. *Books of Accounts.* Books of accounts of the transaction of The Partnership shall be kept and at all times available and open to inspection and examination by any partner.
- XIV. *Annual Accounting.* Each calendar year, a full and complete account of the condition of The Partnership shall be made to the partners.
- XV. *Bank Account.* The Partnership may select a bank for the purpose of opening a bank account. Funds in the bank shall be withdrawn by checks signed by the treasurer, or by the president and vice-president, of The Partnership.
- XVI. *Broker Account.* Securities owned by The Partnership shall be held in the name of The Partnership 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 any general partner without inquiry as to the authority of the persons(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 or transfer agent has received written notice to the contrary.
- XVII. *Contributions In-kind.*
- A. Each partner shall contribute one hour per year in service to the partnership for each \$500 in that partner's capital account. In-kind contributions shall be coordinated by the officers and recorded by the president.
  - B. Partner's not wishing to make contributions of service may opt instead for a 1% annual management fee to be assessed in monthly increments of 0.0833% and collected annually or upon withdrawal from the partnership. Management fees collected by the partnership shall be distributed among partners in

proportion to the amount by which each partner's annual in-kind contributions exceed the requirement set forth in XVII. B. above.

XVIII. *Closure and Partial Withdrawal of Capital Accounts.*

- A. Any partner may withdraw a part or all of the value of his or her capital accounts and The Partnership shall continue as a taxable entity. The partner withdrawing a part or all of his or her capital accounts shall give notice to the treasurer by the second Saturday before the monthly meeting, and shall confirm his or her intent to withdraw by the first Saturday before the monthly meeting, as described in VII. C. 1 and 2 above.
- B. The value of the withdrawing partner's capital accounts shall be determined as of the first valuation date not less than two weeks subsequent to the receipt of an Intent to Withdraw, and not less than one week subsequent to a Confirmation of Intent to Withdraw.
- C. A partner voluntarily or involuntarily withdrawing all of his or her shares shall be considered to have withdrawn from The Partnership.

XIX. *Terms of Payment.*

- A. The Partnership is NEVER entitled to refuse a duly requested withdrawal.
- B. The Partnership is entitled to pay the full value of the withdrawing partner's capital accounts in US dollars.
- C. Full payment shall be made to the withdrawing partner within 20 days after the monthly meeting at which the withdrawal is duly registered.
- D. By special agreement with the withdrawing partner, The Partnership may elect to make payment in non-dollar assets.

XX. *Death or Incapacity of a Partner.* In the event of the death or incapacity of a partner, receipt of notice of such an event shall be treated as Intent to Withdraw and Confirmation of Intent to Withdraw the full value of the member's capital account.

XXI. *Removal of a Partner.* Any partner may be removed by agreement of the partners whose capital accounts total a 2/3 majority of the capital accounts of all of the partners. The removal shall become effective upon full payment of the removed partner's capital accounts, which shall be in accordance with the provisions on full withdrawal of a partner noted in paragraphs XVIII and XIX. The vote action shall be treated as receipt of Intent to Withdraw and Confirmation of Intent to Withdraw the full value of the member's capital accounts.

XXII. *Termination of Partnership.* The Partnership may be terminated by agreement of the partners whose capital accounts total a simple majority of the value of the capital accounts of all of the partners. The Partnership shall terminate upon a duly conducted majority vote of all partners' capital accounts. The full assets of The Partnership shall be converted to US dollars, and payment shall promptly be made to the partners or their personal representatives in proportion to their capital accounts. Distribution of assets to partners shall be accomplished no later than sixty (60) days following the date of the agreement to terminate The Partnership.

XXIII. *Forbidden Acts.* No Partner Shall:

- A. Have the right or authority to borrow money in the name of The Partnership or to bind or obligate The Partnership to any extent whatsoever with regard to any matter outside the scope of The Partnership business.
- B. Without unanimous consent of all other partners, assign, transfer, pledge, mortgage or sell all or part of his or her interest in The Partnership to any other partner or other whomsoever, or enter into any agreement as a result of which any person not a partner shall have an interest in The Partnership.
- C. Use The Partnership name, credit, or property for purposes other than those of The Partnership.
- D. Do any act detrimental to the interest of The Partnership, or which would make it impossible to carry on the business or affairs of The Partnership.
- E. Purchase an investment for The Partnership where less than the full purchase price is paid for the same.

XXIV. *Hold Harmless Clause.* Each partner agrees to hold harmless each and every other partner and The Partnership for any financial loss that is sustained as a result of investment decisions made by The Partnership. Each partner acknowledges that there is inherent risk in investing in individual stocks, bonds, mutual funds, and other securities, and that there can be no guarantee as to how securities will perform. As a result, each and every partner waives any right he or she may have for arbitration, trial by jury, or to file a law suit against any other partner or The Partnership for damages for any financial loss sustained by The Partnership as a result of investments made by The Partnership.

This Agreement of Partnership is hereby declared, and shall be binding upon the respective heirs, executors, administrators, and personal representatives of the partners.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_