

ARTICLES OF PARTNERSHIP  
OF  
BI-RA CO.

Show this to Hal  
Brown

A General Partnership

1. This agreement is entered into and effective this 1st  
day of July 1965, between the undersigned parties.

2. This partnership now owns sixteen (16) unit apartments,  
located at 6250 - 6264 $\frac{1}{2}$  Stanley, San Diego, California, which were  
purchased for \$98,000.00, with a downpayment of \$15,000.00, which  
sum was contributed by the partnership and represents the initial  
partnership capital.

3. The firm name of this partnership shall be "BI-RA CO."

4. The principal place of business of the partnership shall  
be at 7053 University Avenue, La Mesa, California, or such other  
places as the partners shall hereafter determine.

5. The partnership shall commence on July 1, 1965, and shall  
continue for a period of two (2) years, and thereafter from year  
to year unless one of the partners shall give to the remaining  
partners sixty (60) days' written notice of his desire to terminate  
the agreement. Said notice shall be given at least sixty (60)  
days prior to the anniversary date of the commencement of the  
partnership.

6. The business of this partnership shall be to invest,  
acquire and hold for investment any real property.

7. The initial capital of this partnership shall consist of  
cash contributed by the partners in the following amounts:

the annual profits from his income account without the consent of the majority in interest. Upon the purchase of a partner's interest his share of any undistributed profits shall be paid to him.

13. The profits and losses of the partnership shall be divided between the partners in the same proportions as initial capital accounts bear each to the other. No additional share of profits or losses shall inure to any partner by reason of fluctuations in the capital accounts of the partners.

Depreciation shall be allocated in the same manner as the partners share in the profits and losses.

14. No partner is required to devote any time to the business of the partnership except to attend meetings of the partners, and no partner shall be paid a salary.

15. All decisions of the partnership shall be controlled and made by a majority in interest of the partners. A majority in interest shall consist of those partners who shall together represent fifty-one percent (51%) or more of the initial invested capital of the partnership. For voting purposes, husband and wife, as listed in paragraph 7 hereof, shall constitute a single voting entity. Each voting entity shall be entitled to one (1) vote for each \$500.00 initial invested capital.

16. The partnership shall from time to time appoint a business manager, who, subject to the direction of the partnership through decisions made by a majority in interest of the partners, shall have exclusive control over the ordinary operating business of the partnership. King D. Milligan is hereby appointed business manager until changed by the partnership. The business manager may be paid reasonable compensation; however, King D. Milligan agrees to act

as business manager for the first year without charge. No partner other than a partner acting as business manager in the scope of his delegated authority will do any act to subject the partnership to liability without the consent of a majority in interest of the partners or do any act in contravention of this agreement.

17. The members of this partnership have the right to terminate the interest of any partner at any time on the happening of any of the following events:

- (1) Filing of a petition in bankruptcy against the said partner, or
- (2) Any adjudication of insanity or incompetency of the said partner in any judicial proceedings, or commitment to a mental institution of the said partner, or
- (3) The issuance of a charging order against the interest of the said partner without the immediate removal thereof.

Service of written notice upon such partner setting forth the effective date of termination, shall terminate all powers of said partner as of the effective date, and shall further terminate his right to share in profits.

18. The death, retirement, bankruptcy, or subjection of a partner's interest to a charging order without immediate removal thereof shall work an immediate dissolution of the partnership; however, the business of the partnership may continue under the same name.

19. Upon the bankruptcy, insanity or subjection of a partner's interest to a charging order without immediate removal thereof, the remaining partners shall have the right either to dissolve and liquidate the partnership or to continue the partnership business

under its present name upon the payment to the terminating partner or his legal representative of a purchase price for his interest in the partnership.

The purchase price shall be determined by adding to the partner's share of initial invested capital an amount equal to a ten percent (10%) per annum return on such investment from the date of the commencement of the partnership to the date of purchase, and deducting from such total amount all profits distributed over such period or credited to the terminating partner, provided that if such profits exceed a return of ten percent (10%) on the initial invested capital, the purchase price shall be a sum equal to the initial invested capital, only.

Written notice of exercise of the option shall be given to the terminating partner within thirty (30) days after the event causing the termination. The purchase price shall be paid within thirty (30) days after the event causing the termination.

The option to purchase under this agreement may be exercised by the remaining partners in such proportions as their contributions to the initial invested capital bear each to the other. If any partner fails to exercise his option to purchase, those partners electing to exercise their option shall have the right to purchase.

20. After the initial two (2) year term, if a partner desires to retire from the partnership, he shall give sixty (60) days' written notice of his intention to retire. The remaining partners shall have the right either to dissolve and liquidate the partnership or to continue the partnership business under its present name upon the payment to the retiring partner of a purchase

price determined in the same manner as provided for in paragraph 19 hereof. The option to purchase shall be exercised within sixty (60) days after receipt of the written notice of intention to retire and the purchase price shall be paid within such period of time.

21. In the event of the death of a partner, his estate shall become a partner, and the partnership business shall continue under its present name. In the event the deceased partner's estate desires to liquidate the deceased partner's interest in the partnership, the estate shall offer such interest to the remaining partners who shall have the right to purchase the deceased partner's interest in the partnership for a purchase price determined in the same manner as provided in paragraph 19 hereof. The option to purchase and the purchase price shall be paid to the estate within sixty (60) days after notice from the estate of an intention to sell. The remaining partners may participate in such purchase in the same proportions as provided in paragraph 19 hereof.

22. If a deceased partner's interest is distributed to his heirs or legatees, such heirs or legatees shall have the right to join the partnership by agreeing to be bound by this agreement. Such election shall be exercised by written notice thereof within fifteen (15) days after any decree of distribution transferring the deceased partner's interest in the partnership to his heirs or legatees. If such option is not exercised, the remaining partners shall have the right to purchase the interest of the deceased partner in the partnership by paying to such heirs or legatees the purchase price determined in the same manner as

provided in paragraph 19, hereof, and the remaining partners may participate in such purchase in the same proportion as provided in paragraph 19, hereof. Exercise of such option to purchase shall be made within thirty (30) days after notice to the remaining partners of the entry of any such decree of distribution, and payment of the purchase price shall be made within such thirty (30) day period of time.

23. These articles may be amended by an agreement of all of the partners, at any time during the continuance of the partnership. The agreement may be amended or modified in whole or in part, but any amendment or modification shall be in writing and signed by all of the partners. Any amendment or modification of this agreement shall be dated, and where any conflict arises between the provisions of said amendment or modification and provisions incorporated in earlier documents, the most recent provisions shall be controlling. It shall not be necessary to revise the entire partnership agreement where only minor changes are effected and alterations shall be permitted either on the face of this instrument, by way of addendum, or in an entirely new document, providing only, that such alteration shall be dated and the signatures of all of the partners shall appear in reasonable proximity to such alteration. If it shall be desired by all of the partners that the term of the partnership be extended, then it shall be sufficient that the partners shall endorse such a declaration upon this agreement, and set forth a new expiration date.

24. The partnership shall keep reasonable and adequate financial books and records and quarterly or more operating statements shall be supplied by the business manager to the partners.

The partnership shall maintain a checking account and a savings account. King D. Milligan and George Benedict, or either of them, shall be authorized signatures on the checking account, or such other partners as may from time to time be appointed. Thad Williams and George Benedict, jointly, shall be authorized signatures on the savings account or such other two (2) partners acting jointly as the partnership from time to time may appoint.

Operating funds only shall be maintained in the checking account in such amount as the business manager or partnership may from time to time determine, and all excess funds shall be deposited in a savings account.

25. No partner shall engage in any of the following acts without the written consent of all of the other partners:

(1) Assign, pledge, hypothecate, or mortgage any asset 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 partnership business;

(3) Make an assignment for the benefit of creditors;

(4) Release, assign, or transfer a partnership claim, security, commodity, or any other asset belonging to the firm;

(5) Make, draw, or accept any notice, bill of exchange, or any obligation for the payment of money;

(6) Become a surety, guarantor, endorser, or accommodation endorser for any other person or firm;

(7) Borrow any money in the name of the firm or lend any money belonging to the firm;

(8) Submit a partnership claim or liability to arbitration or reference, or confess a judgment against the partnership; or

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

26. All notices under this agreement shall be in writing and shall be effective either upon personal delivery, or if sent by registered mail, return receipt requested, addressed to the last known address of the party to whom such notice is to be given. Notice sent as above shall be deemed served twelve (12) hours after deposit in the United States mail and issuance of the registr receipt.

27. The partnership shall keep adequate books and records at its place of business, setting forth a true and accurate account of all business transactions arising out of or connected with the conduct of the partnership. A partner shall have the right at all times to have access to, and to inspect and copy the partnership books.

28. In the event any controversy or claim arising out of this partnership agreement cannot be settled by the partners or their legal representatives, such controversy or claim shall be settled by arbitration in accordance with the then current rules of the American Arbitration Association and judgment upon the award may be entered in any court having jurisdiction thereof.

*Earl B. Gilliam*

EARL B. GILLIAM

*Barbara J. Gilliam*

BARBARA J. GILLIAM

*King D. Milligan*

KING D. MILLIGAN

*Pauline M. Milligan*

PAULINE M. MILLIGAN

*George Benedict*

GEORGE BENEDICT

*Ruth S. W. Benedict*

RUTH S. W. BENEDICT



Grandison W. Phelps  
GRANDISON W. PHELPS

Shirley J. Phelps  
SHERLEY J. PHELPS

Ernest H. Mason  
ERNEST H. MASON

Joy A. Mason  
JOY A. MASON

J. A. DeLamarter  
J. A. DeLAMARTER

Geraldine B. DeLamarter  
GERALDINE B. DeLAMARTER

Aaron Oliver  
AARON OLIVER

Mary Eunice Oliver  
MARY EUNICE OLIVER

Thad Williams  
THAD WILLIAMS

Carroll H. Wayton  
CARROLL WAYTON

