

**NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS
UNIFORM LAW CONFERENCE OF CANADA
MEXICAN CENTER ON UNIFORM LAW
JOINT PROJECT TO CREATE A HARMONIZED LEGAL FRAMEWORK FOR
UNINCORPORATED NONPROFIT ASSOCIATIONS IN NORTH AMERICA**

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A. Preamble.

This document sets forth the basic principles that the countries engaged in this project (Canada, Mexico and the United States) will incorporate into their statutory framework governing an unincorporated nonprofit association (UNA). These principles deal with the following issues: (1) definition of the types of organizations covered; (2) the relation of the principles to other existing law; (3) the ability of a UNA to own and dispose of property and to sue and be sued in its own name; (4) the contract and tort liability of a UNA and its members, and managers; (5) internal governance, fiduciary duties, and agency authority; and (6) dissolution, merger and conversion (transformation).

The ideal format is to have all of these principles incorporated into a single chapter of the enacting jurisdiction's code of laws in a manner that conforms to the jurisdiction's statutory drafting conventions. The objective is consistency of basic principles governing UNAs between the enacting jurisdictions, not necessarily identity of statutory language. That is why the term "harmonized legal framework" is used rather than uniform act to describe this project. If the enacting jurisdiction already has statutes incorporating some of the basic principles, it may be appropriate under the enacting jurisdiction's drafting conventions either to utilize cross-references to these other statutes in the UNA chapter rather than to move these provisions to the UNA chapter. An enacting jurisdiction might also want to cover additional issues in its UNA

statute. The Appendix contains a partial list of these issues and, in some instances, examples of statutory language from existing statutes.

B. Scope.

1. A UNA is an unincorporated association formed pursuant to an agreement, written or oral, by two or more persons to pursue common nonprofit purposes that is not organized as a trust, a cooperative, a domestic partnership, or, except as otherwise provided in this Act, any other statute that governs the organization and operation of unincorporated associations, and that is not merely a means of holding title to property as co-owners. A UNA has members who elect managers and has governing principles that govern its operations and the rights and obligations of its members and managers.

Comments:

1. *An organization cannot be a UNA if it is organized as a corporation or is a for profit unincorporated entity, e.g., a partnership. On the other hand, not every form of unincorporated nonprofit organization should automatically become a UNA and therefore to be able to have limited liability and the other benefits of this statute. That is the reason for the language excluding trusts, domestic partnerships, and agreements merely to hold title to property as co-owners. The laws governing the rights of creditors, trustees and beneficiaries of trusts are well developed and therefore the legal principles in this Act are unnecessary. In some jurisdictions cooperatives are classified as unincorporated associations and may be considered nonprofits since they distribute their net proceeds to their members. Since there is extensive existing statutory and common law governing cooperatives, they should be excluded from this Act. Domestic partnership statutes provide certain rights to adults co-habiting together who are not legally married. Living together in this manner can probably qualify as an association having a nonprofit purpose, but for public policy reasons a registered domestic partnership*

should not be able to qualify automatically as a UNA and therefore avoid individual liability for taxes and other liabilities. For similar reasons, mere co-ownership of property, even if for nonprofit purposes, should not automatically result in the applicability of this Act. An enacting jurisdiction can choose to expand or reduce the number of types of exclusions consistent with the concept that a UNA is a default form of organization for unincorporated nonprofit entities.

2. *The agreement to form a UNA can be in writing, or oral, or both. The agreement to form a UNA is part of the UNA's overall "governing principles." See Principle 2. Although it is always preferable to have written agreements, most existing UNAs are quite informal and have few, if any, writings setting forth the agreements governing the purpose and operation of the organization. Moreover, most UNAs are formed and operate without independent legal advice. Imposing a statute of frauds writing requirement would, therefore, have the effect of excluding most existing UNAs from being able to qualify under the Act. The enacting jurisdiction's general rules governing the proof and effect of oral agreements and the priority of written provisions over subsequent inconsistent oral provisions apply to UNA governing principles. See Principle 8 and Comment 2.*

3. *The nonprofit purpose requirement carries with it the implicit understanding that the purpose is not a criminal activity and is otherwise lawful. Each enacting jurisdiction needs to determine whether this limitation needs to be set forth explicitly in the Act.*

4. *The two-person requirement for forming a UNA is quite minimal, assuming a standard broad definition of person that includes entities of all kinds as well as natural persons is incorporated into the Act (see Cal. Corp. Code § 18030 – "Person" includes a natural person, corporation, partnership or other unincorporated organization, government or governmental subdivision or agency, or any other entity.") At least two persons are required because that is*

the minimum number necessary to have an agreement under general legal principles. If one person wants to create a nonprofit organization, it is possible to do so by means of a trust, a nonprofit corporation, or in many jurisdictions, a single member limited liability company.

5. *The Act shall apply to all UNAs, whether they be classified as religious, public benefit or mutual benefit or whether they are classified as tax-exempt under the laws of the enacting jurisdiction. Therefore, the Act will cover unincorporated philanthropic, educational, scientific, social and literary clubs, unions, trade associations, political organizations, churches, hospitals, neighborhood and property owner associations, and sports organizations such as Little League baseball teams. If the enacting jurisdiction decides to exempt one or more types of UNAs from the Act, it needs to draft specific provisions listing the exemptions.*

6. *The terms “members,” “managers” and “governing principles” are defined in Principles 2-4.*

2. The agreement forming the UNA becomes part of the UNA’s “governing principles,” an important term that should be defined in the Act. Governing principles are all the agreements that govern the purpose or operation of a UNA and the rights and obligations of its members and managers. If written, they are usually found in the UNA’s constitution, articles of association, bylaws or regulations. If unwritten, they would be established practices, which should also be a defined term (*see Calif. Corp. Code §18010*) (“established practices” means the practices used by an unincorporated association without material change or exception during the most recent five years of its existence, or if it has existed for less than five years, during its entire existence.”)

Comments:

1. *Principles 27-35 in particular deal with issues that would normally be dealt with in a UNA's governing principles.*

3. "Members" of a UNA are the persons who, under the governing principles of a UNA, are entitled to participate in the selection of persons who are authorized to manage the affairs of the UNA or in the development of the UNA's policies. Persons who do not have these rights are not "members" under this Act, even though they may be called or designed as members by the UNA, e.g., individuals whose only connection with the UNA is a gift of money that are listed as members of a group who have given a similar range of gifts.

Comments:

1. *The persons organizing a UNA do not have to be members of the UNA after it is formed, although in most cases they will become members and often are referred to as founding members.*

4. "Managers" are all those persons who have managerial responsibility within the UNA. The term includes directors, trustees and officers and anyone else (e.g., the minister of a church that is a UNA) who has been authorized to exercise managerial authority. A manager may or may not be a member of a UNA.

5. A UNA may engage in for profit activities but any profits that result from such activities must be used or set aside for the UNA's nonprofit purposes.

Comments:

1. *Many existing unincorporated nonprofit organizations engage in activities that are intended to produce a profit, e.g., a bingo parlor operated by a church where the profits are used to buy food for a homeless shelter. It is easy to understand why this type of for profit*

endeavor should not disqualify the organization from being a UNA if it otherwise qualifies. A for profit activity might endanger the nontax status of the organization or may generate taxable income, but these are separate issues and should not affect the organizational status of a UNA or the rights of its members and managers.

2. *The fact that some or all of the members receive some direct or indirect benefit from a UNA's for profit activities will not disqualify an unincorporated nonprofit organization from being a UNA under this Act so long as the benefit is in furtherance of the UNA's nonprofit purposes.*

3. *An investment club established to educate its members about sound investment principles presents a more difficult qualification question because the stated purpose is consistent with a nonprofit purpose but the ultimate purpose, although not stated, is to generate profit from the investments that the club makes. These profits will presumably be reinvested in new investments and all the net profits will ultimately be distributed to the members when they withdraw from the club or it is liquidated. Whether this type of endeavor should be able to be operated as a UNA should be left up to the enacting jurisdiction.*

6. As of the effective date of this Act, all pre-existing organizations that meet the definitional requirements of a UNA are governed by this Act without the organization having to take any action. The Act also applies to UNAs formed prior to or subsequent to the effective date of this Act under comparable law of another jurisdiction with the exception that the law of the jurisdiction in which the foreign UNA has its chief executive office governs the relations among the members and managers and between the members, managers and the UNA. The Act shall not affect an action or proceeding commenced or right accrued before its effective date.

Comments:

1. *The first sentence, providing for automatic applicability to pre-existing UNAs, and the last sentence, which is essentially what is known as a savings clause, are standard types of provisions. Because the existing laws governing UNAs are, for the most part, incomplete and the Act may change some of the common understanding of what the law is, an enacting jurisdiction whose standard rule is to have a new statute effective when signed or at the beginning of the next fiscal year after signing may want to have a delayed effective date of 6 or 12 months to provide time to educate the affected organizations and their advisors about the changes.*

2. *The second sentence covering this Act's effect on UNAs formed in other jurisdictions is necessary because in all other types of entities, the internal affairs rules of the jurisdiction of the entity's formation (e.g., the governance rules and duties and responsibilities of the owners and managers to each other and the entity) control; but it is difficult to determine the jurisdiction of a UNA's formation since it does not, in most jurisdictions, file any public document upon its formation. Some mechanism for choosing the internal rules jurisdiction is necessary. Selecting the chief executive office, which might be defined as the jurisdiction in which the UNA conducts the main part of its operations, is the mechanism chosen by the Uniform Partnership Act (see UPA (1996) Section 106(a)), the for profit equivalent of a UNA. Another term, such as principal place of business, could be chosen. Whatever term is used, the same term should be used by all the enacting jurisdictions.*

7. A UNA is a legal entity separate and apart from its members and managers.

Comments:

1. *The separate legal status of a UNA is a fundamental concept that undergirds all the principles that allow a UNA to hold and dispose of property in its own name and to sue and be sued in its own name and that insulates the assets of the members from claims against the UNA. In civil law countries the separate legal person doctrine for unincorporated entities may not be a radical departure from existing law. In common law countries such as the United States, however, this is a reversal of traditional common law principles that treat partnerships and other unincorporated entities under an aggregate theory.*

8. Once formed, a UNA continues in existence until it is dissolved or its purposes have been fulfilled or cannot be accomplished.

Comments:

1. *See Principle 36 for the rules governing dissolution and liquidation of a UNA.*

C. The Applicability of Other Law.

9. General principles of law and equity apply to UNAs except to the extent this Act displaces a particular provision of these general provisions.

Comments:

1. *This is a very broad principle and an enacting jurisdiction may decide to include specific provisions of the other law that is applicable, some of which are described in the following comment.*

2. *Examples of other law that apply are general principles of contracts, agency, fraud, estoppel, the priority of written provisions of an agreement over prior inconsistent oral provisions or subsequent oral amendments (and the exceptions), enforcing civil and criminal procedural rules, and rules for enforcing judgments.*

3. *Drafting conventions as to whether these general principles of law are set forth in separate provisions in an act like this one vary greatly. NCCUSL Acts, as a general rule, do not have provisions other than what is stated in Principle 9.*

10. A provision in a statute in the enacting jurisdiction governing a particular type of UNA prevails over an inconsistent general provision of this Act, to the extent of the inconsistency.

Comments:

1. *Many jurisdictions have existing statutes governing particular types of UNAs, e.g., churches. This principle establishes the rule that in the event of an inconsistency between this Act and the statute governing a specific type of UNA, the latter will control. Under generally accepted statutory interpretation principles, there is a strong presumption against inconsistency, i.e., the presumption is that the provisions of the two acts are not inconsistent. Therefore, this inconsistency principle will generally only rarely be applicable.*

11. This Act supplements the enacting jurisdiction's regulatory laws and rules that are applicable to nonprofit organizations. In the event of a conflict, these other laws and rules prevail.

Comments:

1. *Most jurisdictions have statutory provisions giving the chief legal officer of the jurisdiction oversight supervisory powers over nonprofit organizations, including the power to enjoin or prohibit various activities. Most jurisdictions also have statutes that require licenses or permits to engage in certain activities, e.g., fundraising from the public, and the filing of reports, e.g., assumed name filings, tax forms, and the like. All of these existing and future statutes, rules and regulations are applicable to UNAs. Whether specific provisions stating this*

principle need to be included in the Act depends on the enacting jurisdiction's statutory drafting conventions.

D. Ownership of Property; Claims by and Against the UNA.

12. A UNA can acquire, hold, encumber and transfer property in its own name, may execute contracts in its own name, and may be a beneficiary of a trust, a legatee, or a devisee under a will.

Comments:

1. *This is consistent with the separate legal entity status of a UNA, but in many jurisdictions it is currently not possible for an unincorporated organization to hold or dispose of property in its own name without specific statutory authority. In these jurisdictions, the general rule is that a conveyance to a UNA in the organization's name is in effect a conveyance to all of the members or managers as tenants-in-common and to avoid this result title to property is usually taken in the name of one or more individuals as trustees for the organization. The Appendix contains provisions from the Uniform Unincorporated Nonprofit Association Act (UUNAA) that vests title that was previously attempted to be conveyed to the UNA in the name of the UNA after the effective date of this Act.*

2. *This principle applies to all types of and interests in property, real, personal and intangible.*

3. *Because of the uncertainty as to how title to UNA real property is held in many jurisdictions under current law in many jurisdictions, the enacting state may want to adopt a transition statute similar to Section 19 of the Uniform Unincorporated Nonprofit Association Act (UUNAA) in the Appendix.*

13. A UNA, in its own name, may institute, intervene, or participate in a judicial, administrative, or other governmental proceeding or in any arbitration, mediation or other form of alternative dispute resolution.

14. A claim for relief against a UNA does not abate merely because of a change in its members or managers.

15. This Act does not affect an action or proceeding commenced or right accrued before its effective date.

16. A judgment or order in an action or proceeding against a UNA is effective only against the UNA and not against any of its members or managers unless the members and managers have been properly named, and served, as parties to the action and proceeding and the judgment order is issued against them individually as well as against the UNA.

17. Provisions for service of pleadings, venue or actions against a UNA and enforcement of judgments or orders against a UNA should be included in the Act, unless they exist in the enacting jurisdiction's other statutes and regulations.

Comments:

1. *Principles 13-17 set forth the basic framework for claims by and against a UNA. They supplement the enacting jurisdiction's other civil action statutes and regulations.*

2. *The Appendix contains examples of some of the types of provisions in Principle 17 that have been incorporated in UUNAA. Sections 10-12.*

E. Contract and Tort Liability.

18. A UNA is liable for its acts or omissions and for the acts or omissions of its managers, employees and agents acting within the scope of their office, employment and agency to the same extent as if the UNA were a nonprofit corporation.

Comments:

1. *The effect of principles 18-24 is to provide members and managers of a UNA with the same protection against vicarious liability for the debts and obligations of the UNA and tort liability imposed on the UNA as the members and managers of a nonprofit corporation would have under the enacting jurisdiction's laws. These principles, taken together, constitute what is known as the limited liability doctrine under which a member or manager is personally liable for his or her own tortious conduct under all circumstances and is personally liable for contract liabilities incurred on behalf of the UNA if the member or manager guarantees or otherwise assumes personal liability for the contract or fails to disclose that he or she is acting as the agent for the UNA. A member or manager is not otherwise personally liable for the tort or contract liabilities imposed against the UNA; and a creditor with a judgment against the UNA must seek to satisfy the judgment out of the UNA's assets but cannot levy execution against the assets of a member or manager. The one exception is the alter ego doctrine (also known as the veil piercing doctrine) set forth in Principle 24. Under this doctrine, the separate entity status of a UNA is disregarded and the assets of the UNA and its members and managers are aggregated and subject to UNA creditor's claims in the same manner a judgment creditor of a general partnership collects a judgment against the assets of a general partner in a partnership.*

2. *The drafting conventions for expressing Principles 19-24 in statutory form will vary from jurisdiction to jurisdiction. In some jurisdictions, it may, because of other statutes or well-established case law, be accomplished in a few sentences. In other enacting jurisdictions, the necessary statutory language may be longer and more complex than stated in the principles.*

19. Except as otherwise provided in Principle 24, a monetary judgment against a UNA may be enforced only against the property of the UNA.

20. A member or manager of a UNA is not liable for a debt or liability of the UNA merely by reason of being a member or manager of the UNA.

21. A member or manager of a UNA is liable for a contractual obligation of the UNA if the member or manager expressly assumes personal liability for the obligations or the member or manager executes a contract on behalf of the UNA without authority to execute the contract or without disclosing that the member or manager is acting as an agent on behalf of the UNA.

22. Liability for a tortious act or omission for which a UNA is liable is not imputed to a member or manager of the UNA merely by reason of being a member or manager of the UNA.

23. A member or manager of a UNA is liable for the member's or manager's own tortious acts or omissions.

24. A member or manager of a UNA may be subject to liability for the debts and other obligations of the UNA under the alter ego liability doctrine that applies to shareholders of a corporation, taking into account differences in form between a UNA and a corporation.

F. **Internal Governance, Fiduciary Duties and Agency Authority.**

25. In the absence of provisions to the contrary in the UNA's governing principles, members of a UNA have equal governance rights and a majority of votes cast on a matter by members present and voting at a properly called meeting shall govern as to that matter.

Comments:

1. *The three principles set forth in this paragraph (all members have governing rights, members vote on a per capita basis, and majority vote for approval of actions) are all default rules. They apply unless there are different rules in the UNA's governing principles. Thus, if a UNA's bylaws specified that only some members have voting rights, then only those so designated would have voting rights. Similarly, if the bylaws specified that all members are entitled to vote on specific actions (e.g., election of a board of directors), but a subset of*

members (e.g., the board of directors) were the approving authority for all other matters the bylaws would trump the default rules. In addition, bylaw provisions that provided for a higher (or lower) voting percentage rather than the majority vote required by the statutory default rule would control.

2. *The enacting jurisdiction may decide to require supermajority voting (e.g., two-thirds majority) for transactions that are not in the ordinary course of business such as dissolution, merger or conversion, or amendment of the UNA's governing principles. The default voting requirements for similar transactions under the enacting jurisdiction's nonprofit corporation law would be an appropriate model for structuring the voting requirements for a UNA.*

26. Members solely in their capacity as members of a UNA are not agents of the UNA and have no power to bind the UNA. Only managers have the power to bind the UNA in accordance with general agency principles.

Comments:

1. *A member is personally liable for his or her own actions. The UNA, however, is not liable for the actions of a member who is not a manager or authorized agent. An exception would be a case where a member is deemed to be a manager or agent under an estoppel or holding out theory. The enacting jurisdiction will have to determine whether this exception needs to be expressed in the statute.*

27. A manager becomes a manager in accordance with the UNA's governing principles. If the UNA's governing principles do not provide a method for selecting managers, all the members shall be deemed to be managers.

Comments:

1. *“Manager” is a defined term. See Principle 4.*

2. *The default rule is all members are managers. This will rarely be the case, however, because the governing principles (see Principle 2) will in most situations provide a selection process for managers.*

3. *The agency authority to convey real estate is a significant issue in many jurisdictions. In order to facilitate transfer of interests in real estate owned by a UNA, an enacting jurisdiction may want to consider adopting a provision similar to Section 5 of the UUNAA in the Appendix.*

28. The notice and quorum requirements for meetings of members and managers are determined by the UNA’s governing principles. In the absence of applicable governing principles, advance notice of a meeting is [2] business days and a quorum is established if one or more members or managers are present.

Comments:

1. *Query whether this is appropriate as a governing principle. This Act is intended to provide a bare bone legal structure for UNAs. It is not supposed to be a lengthy statute that deals with every issue that may have to be resolved. If that is what the organization wants, it should incorporate under the enacting jurisdiction’s nonprofit corporation statute.*

2. *If this principle is retained, then query whether the Act should include a specific provision dealing with proxies. The common law rule is that directors of corporations and general partners in a partnership cannot give a proxy to another person. Should that rule be incorporated into the general principles (or should it be a default rule)?*

29. Members and managers of a UNA shall have the same rights to inspect and copy the UNA's records and to disclosure of information about the UNA's operations as members (or shareholders) and directors and officers of nonprofit corporations have under the enacting jurisdiction's nonprofit corporation code. These rights may be limited, if not manifestly unreasonable, but not eliminated by the governing principles of the UNA.

Comments:

1. *Principles 29-31 are generally designated as fiduciary duties. The basic concept is that members of a UNA will have the same fiduciary duties as shareholders of a corporation, and managers of a UNA will have the same fiduciary duties as directors and officers of the enacting jurisdiction's nonprofit corporation act.*

30. Members and managers of a UNA have the same duties of loyalty, good faith and care that members (or shareholders) and directors and officers of a nonprofit corporation have under the enacting jurisdiction's nonprofit corporation law.

31. Members and managers of a UNA are liable for breaches of the duties specified in Principle 30 to the same extent as members (or shareholders) and directors and officers of a nonprofit corporation have under the enacting jurisdiction's nonprofit corporation code.

Comments:

1. *If an enacting jurisdiction's nonprofit corporation code contains a provision allowing a maximum limit for liability for monetary damages, a similar provision should be included in this Act.*

2. *Members and managers of a UNA should have the same defenses (e.g., the business judgment rule) to liability as members and managers of nonprofit corporations in the*

enacting jurisdiction's nonprofit corporation code. Whether those defenses need to be set forth in this Act depends on the clarity of the law on these issues in the enacting jurisdiction.

32. Members and managers of a UNA should have the same right to indemnification and advancement of attorneys' fees and other costs of litigation as members (or shareholders) and directors and officers of a nonprofit corporation have under the enacting jurisdiction's nonprofit corporation code.

Comments:

1. *The right to indemnification and advancement of costs varies greatly from jurisdiction to jurisdiction. Tying the indemnification and advancement right to the enacting jurisdiction's nonprofit corporation act creates consistency of policy between UNAs and nonprofit corporations in the enacting jurisdiction.*

33. A person becomes a member of a UNA and can be suspended, dismissed or expelled from a UNA in accordance with the UNA's governing principles. In the absence of applicable governing principles, an individual can become a member or be suspended, dismissed or expelled from a UNA by majority vote of the members.

Comments:

1. *Some jurisdictions have existing statutes governing election and expulsion of a member. If those statutes continue in effect, they would trump this principle. See Principle 11.*

2. *See Sections 18310 and 18320 of the California Corporation Code in the Appendix for examples of statutory provisions that incorporate Principles 33 and 34.*

34. A member may voluntarily withdraw from membership in a UNA in accordance with the UNA's governing principles. In the absence of applicable governing principles, a

member may withdraw at any time but shall remain liable for any monetary obligation the member owes to the UNA at the time of withdrawal.

Comments:

1. *Preventing someone from voluntarily withdrawing from a UNA would in all probability be void on public policy grounds. A UNA should, however, be able to impose reasonable restrictions on the resignations, for example, requiring 30 days' advance notice.*

35. Unless otherwise provided in the UNA's governing principles, a member cannot transfer any of the member's membership interest in the UNA.

Comments:

1. *This is a basic common sense rule. A member of a church, for example, should not be able to transfer his or her membership to someone else. There may be situations where the UNA might be willing to allow transfers. In those situations, the transfer could be made in accordance with the UNA's governing principles.*

G. **Dissolution, Merger and Conversion.**

36. Dissolution, winding up, and termination of a UNA must proceed as follows:

(a) All known debts and liabilities of the UNA must be paid or adequately provided for;

(b) Any assets subject to a condition requiring return to the person designated by the donor should be transferred to that person;

(c) Any assets subject to a trust (e.g., endowment or restricted gifts) must be distributed in accordance with the trust agreement; and

(d) Any remaining net assets must be distributed as follows:

(i) As required by other law (e.g., tax law) that requires assets of a nontaxable UNA to be distributed to another nontaxable UNA with similar purposes;

(ii) In accordance with the UNA's governing principles; and in the absence of applicable governing principles, to the current members of the association per capita; or

(iii) If neither (i) nor (ii) apply, the net assets will escheat to the enacting jurisdiction by the means generally provided for escheated property in the enacting jurisdiction's law.

Comments:

1. *Under Principle 25, the vote required for dissolution would be a majority vote of the members, unless the governing principles require a higher vote. Consideration should also be given to how an inactive UNA can be dissolved. See Calif. Corp. Code §18410 (vote by the board or court order if the UNA has been inactive for three or more years) in the Appendix.*

37. Provisions for mergers of UNAs with or into any other type of legal entity, and for conversion (transformation) of a UNA into another type of legal entity should be specifically authorized by the Act, unless authority for these types of transactions already exists in the enacting jurisdiction's other statutes. The provisions should contain the types and contents of documents (e.g., plan of merger or conversion), the required vote to approve the transaction and the legal effect of the transaction. *See Model Entity Transactions Act Articles 2 and 5.*

Comments:

1. *These types of transactions are increasingly common. There is no important policy reason for limiting a merger or conversion of a UNA into another UNA or other type of nonprofit organization.*

2. *Any applicable approval or review of these transactions by various governmental agencies, e.g., the enacting jurisdiction's chief legal officer, or legal restrictions on these types of transactions will continue to exist. See Principles 10 and 11.*