

HARMONIZED UNIFORM BUSINESS ORGANIZATION CODE*

Drafted by the

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

AMERICAN BAR ASSOCIATION

and by it

APPROVED AND RECOMMENDED FOR ENACTMENT
IN ALL THE STATES

at its

ANNUAL CONFERENCE
MEETING IN ITS ONE-HUNDRED-AND-TWENTIETH YEAR
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WITHOUT PREFATORY NOTE OR COMMENTS

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Jointly By
NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS
and
AMERICAN BAR ASSOCIATION

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*The following text is subject to revision by the Committee on Style of the National Conference of Commissioners on Uniform State Laws.

CONTAINING:

- Sections from the amended Harmonized Uniform Business Organization Code (“Hub”) including amendments to the Model Registered Agents Act
- Sections from the Harmonized Model Entity Transactions Act that contain non-Hub amendments
- Sections from the following amended acts that contain unique provisions: Harmonized Uniform Limited Liability Company Act, Harmonized Uniform Limited Partnership Act, Harmonized Uniform Statutory Trust Entity Act, Harmonized Uniform Partnership Act, Harmonized Uniform Limited Cooperative Association Act, and Harmonized Uniform Unincorporated Nonprofit Association Act.

Changes to the currently effective text of the act are shown by ~~striking through text to be deleted~~ and underlining text to be added. Regular type is used to show changes that (i) adopt language from META or MORAA, (ii) are merely relocations of current language, or (iii) are corrections for the sake of internal consistency within the act. *Changes that adopt language from other unincorporated entity laws are shown in italics.* CHANGES THAT DO NOT HAVE A SOURCE IN ONE OF THE EXISTING UNINCORPORATED ENTITY LAWS ARE SHOWN IN SMALL CAPS. The changes shown in SMALL CAPS made in this act are replicated in other acts as a matter of harmonization and are shown in those acts in regular type.

HARMONIZED UNIFORM BUSINESS ORGANIZATIONS ~~ACT~~ CODE

[ARTICLE] 1

GENERAL PROVISIONS

[PART] 1

GENERAL PROVISIONS

SECTION 1-101. SHORT TITLES.

(a) This [act] may be cited as the Uniform Business Organizations ~~Act~~ Code.

(b) This [article] may be cited as the Uniform Business Organizations ~~Act~~ Code - General Provisions.

(c) [Part] 4 may be cited as the Model Registered Agents Act.

SECTION 1-102. DEFINITIONS. In this [act], except as otherwise provided in definitions of the same terms in other articles of this [act]:

(1) “[Annual] [Biennial] report” means the report required by Section 1-211.

(2) “Business corporation” means a domestic business corporation incorporated under or subject to [Article] 3 or a foreign business corporation.

(3) “BUSINESS TRUST” MEANS A TRUST FORMED UNDER THE STATUTORY LAW OF ANOTHER STATE WHICH IS NOT A FOREIGN STATUTORY TRUST AND DOES NOT HAVE A PREDOMINATELY DONATIVE PURPOSE.

~~(3)~~ (4) “Commercial registered agent” means a person listed under Section 1-405.

(5) “COMMON-LAW BUSINESS TRUST” MEANS A COMMON-LAW TRUST THAT DOES NOT HAVE A PREDOMINATELY DONATIVE PURPOSE.

~~(4)~~ (6) “Debtor in bankruptcy” means a person that is the subject of:

(A) an order for relief under Title 11 of the United States Code or a comparable

order under a successor statute of general application; or

(B) a comparable order under federal, state, or foreign law governing insolvency.

(7) “DISTRIBUTIONAL INTEREST” MEANS THE RIGHT UNDER AN UNINCORPORATED ENTITY’S
ORGANIC LAW AND ORGANIC RULES TO RECEIVE DISTRIBUTIONS FROM THE ENTITY.

~~(5)~~ (8) “Domestic”, with respect to an entity, means governed as to its internal affairs by
the law of this state.

~~(6)~~ (9) “Effective date”, when referring to a record filed by the [Secretary of State],
means the time and date determined in accordance with Section 1-203.

~~(7)~~ (10) “Entity”:

(A) means:

- (i) a business corporation;
- (ii) a nonprofit corporation;
- (iii) a general partnership, INCLUDING A LIMITED LIABILITY PARTNERSHIP;
- (iv) a limited partnership, INCLUDING A LIMITED LIABILITY LIMITED

PARTNERSHIP;

- (v) a limited liability company;
- [(vi) a general cooperative association;]
- (vii) a limited cooperative association;
- (viii) an unincorporated nonprofit association;
- (ix) a statutory trust, business trust, or common-law business trust; or
- (x) any other person that has:

(1) a legal existence separate from any interest holder of that
person; or ~~that has~~

(II) the power to acquire an interest in real property in its own name; and

(B) does not include:

(i) an individual;

(ii) a testamentary; OR inter vivos; TRUST WITH A PREDOMINATELY DONATIVE PURPOSE or A charitable trust; ~~EXCEPT A STATUTORY TRUST, BUSINESS TRUST, OR COMMON LAW BUSINESS TRUST;~~

(iii) an association or relationship that is not a partnership solely by reason of [Section 202(c) of the Revised Uniform Partnership Act] [Section 7 of the Uniform Partnership Act] or a similar provision of the law of another jurisdiction;

(iv) a decedent's estate; [or]

(v) a government or a governmental subdivision, agency, or instrumentality [; or]

[(vi) ~~an entity~~ a person excluded under Section 1-106].

~~(8)~~ (11) "Entity filing" means a record delivered ~~for filing~~ to the [Secretary of State] for filing pursuant to this [act].

~~(9)~~ (12) "Filed record" means a record filed by the [Secretary of State] pursuant to this ~~[article]~~ [act].

~~(10)~~ (13) "Filing entity" means an entity ~~THAT IS FORMED BY~~ WHOSE FORMATION REQUIRES THE filing OF a public organic record. THE TERM DOES NOT INCLUDE A LIMITED LIABILITY PARTNERSHIP.

~~(11)~~ (14) "Foreign", with respect to an entity, means governed as to its internal affairs by the law of a jurisdiction other than this state.

~~(12)~~ (15) “General cooperative association” means a domestic general cooperative association formed under or subject to [cite statute of this state under which an incorporated cooperative association is formed] or a foreign general cooperative association.]

~~(13)~~ (16) “General partnership” means a domestic general partnership formed under or subject to [Article] 5 or a foreign general partnership. The term includes a limited liability partnership.

~~(14)~~ (17) “Governance interest” means a right under the organic law or organic rules of an unincorporated entity, other than as a governor, agent, assignee, or proxy, to:

(A) receive or demand access to information concerning, or the books and records of, the entity;

(B) vote for the election of the governors of the entity; or

(C) receive notice of or vote on ~~ISSUES~~ AN ISSUE involving the internal affairs of the entity.

~~(15)~~ (18) “Governor” means:

(A) a director of a business corporation;

(B) a director or trustee of a nonprofit corporation;

(C) a general partner of a general partnership;

(D) a general partner of a limited partnership;

(E) a manager of a manager-managed limited liability company;

(F) a member of a member-managed limited liability company;

[(G) a director of a general cooperative association;]

(H) a director of a limited cooperative association;

(I) a manager of an unincorporated nonprofit association;

(J) a trustee of a statutory trust, business trust, or common-law business trust; or

(K) any other person under whose authority the powers of an entity are exercised and under whose direction the ~~BUSINESS~~ ACTIVITIES and affairs of the entity are managed pursuant to the ~~entity's~~ organic law and organic rules of the entity.

~~(16)~~ (19) “Interest” means:

(A) a share in a business corporation;

(B) a membership in a nonprofit corporation;

(C) a partnership interest in a general partnership;

(D) a partnership interest in a limited partnership;

(E) a membership interest in a limited liability company;

[(F) a share in a general cooperative association;]

(G) a member’s interest in a limited cooperative association;

(H) a membership in an unincorporated nonprofit association;

(I) a beneficial interest in a statutory trust, business trust, or common-law business trust; or

(J) a governance interest or ~~transferable~~ distributional interest in any other type of unincorporated entity.

~~(17)~~ (20) “Interest holder” means:

(A) a shareholder of a business corporation;

(B) a member of a nonprofit corporation;

(C) a general partner of a general partnership;

(D) a general partner of a limited partnership;

(E) a limited partner of a limited partnership;

(F) a member of a limited liability company;

[(G) a shareholder of a general cooperative association;]

(H) a member of a limited cooperative association;

(I) a member of an unincorporated nonprofit association;

(J) a beneficiary *or beneficial owner* of a statutory trust, business trust, or common-law business trust; or

(K) any other direct holder of an interest.

~~(18)~~ (21) “Jurisdiction”, used to refer to a political entity, means the United States, a state, a foreign country, or a political subdivision of a foreign country.

~~(19)~~ (22) “Jurisdiction of formation” means the jurisdiction whose law includes the organic law of an entity.

~~(20)~~ (23) “Limited cooperative association” means a domestic limited cooperative association formed under or subject to [Article] 8 or a foreign limited cooperative association.

~~(21)~~ (24) “Limited liability company” means a domestic limited liability company formed under or subject to [Article] 7 or a foreign limited liability company.

~~(22)~~ (25) “Limited liability limited partnership” means a domestic limited liability limited partnership formed under or subject to [Article] 6 or a foreign limited liability limited partnership.

~~(23)~~ (26) “Limited liability partnership” means a domestic limited liability partnership registered under or subject to [Article] 5 or a foreign limited liability partnership.

~~(24)~~ (27) “Limited partnership” means a domestic limited partnership formed under or subject to [Article] 6 or a foreign limited partnership. The term includes a limited liability limited partnership.

~~(25)~~ (28) “Noncommercial registered agent” means a person that is not a commercial registered agent and is:

(A) an individual or domestic or foreign entity that serves in this state as the REGISTERED agent ~~FOR SERVICE OF PROCESS~~ of an entity; or

(B) an individual who holds the office or other position in an entity ~~WHO~~ WHICH is designated as the REGISTERED agent ~~FOR SERVICE OF PROCESS~~ pursuant to Section 1-404(a)(2)(B).

~~(26)~~ (29) “Nonfiling entity” means an entity that is formed other than by filing a public organic record.

~~(27)~~ (30) “Nonprofit corporation” means a domestic nonprofit corporation incorporated under or subject to [Article] 4 or a foreign nonprofit corporation.

(31) “Nonregistered foreign entity” means a foreign entity that is not registered to do business in this state pursuant to a statement of registration filed by the [Secretary of State].

~~(28)~~ (32) “Organic law” means the law of an entity’s jurisdiction of formation ~~which governs~~ governing the internal affairs of the entity.

~~(29)~~ (33) “Organic rules” means the public organic record and private organic rules of an entity.

~~(30)~~ (34) “Person” means an individual, business corporation, nonprofit corporation, partnership, limited partnership, limited liability company, [general cooperative association,] limited cooperative association, unincorporated nonprofit association, statutory trust, business trust, ~~or~~ common-law business trust, estate, trust, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

~~(31)~~ (35) “Principal office” means the PRINCIPAL EXECUTIVE office OF AN ENTITY,

~~WHETHER OR NOT THE OFFICE IS LOCATED in OR OUTSIDE this state, DESIGNATED BY A FILING ENTITY AS ITS PRINCIPAL OFFICE IN THE MOST RECENT FILED RECORD THAT CONTAINS THAT DESIGNATION.~~

~~(32)~~ (36) “Private organic rules” means the rules, whether or not in a record, that govern the internal affairs of an entity, are binding on all of its interest holders, and are not part of its public organic record, if any. The term includes:

- (A) the bylaws of a business corporation;
- (B) the bylaws of a nonprofit corporation;
- (C) the partnership agreement of a general partnership;
- (D) the partnership agreement of a limited partnership;
- (E) the operating agreement of a limited liability company;
- [(F) the bylaws of a general cooperative association;]
- (G) the bylaws of a limited cooperative association;
- (H) the governing principles of an unincorporated nonprofit association; and
- (I) the ~~governing~~ trust instrument of a statutory trust; OR SIMILAR RULES OF A

business trust; or common-law business trust.

~~(33)~~ (37) “Proceeding” includes a civil action, arbitration, mediation, administrative proceeding, criminal prosecution, and investigatory action.

~~(34)~~ (38) “Property” means all property, WHETHER real, personal, or mixed; or tangible or intangible, or any RIGHT OR interest therein.

~~(35)~~ (39) “Public organic record” means the record the ~~PUBLIC~~ filing of which BY THE [SECRETARY OF STATE] IS REQUIRED TO FORM FORMS an entity and any amendment TO or restatement of that record. The term includes:

(A) the articles of incorporation of a business corporation;

(B) the articles of incorporation of a nonprofit corporation;

(C) the certificate of limited partnership of a limited partnership;

(D) the certificate of organization of a limited liability company;

[(E) the articles of incorporation of a general cooperative association;]

(F) the articles of organization of a limited cooperative association; and

(G) the certificate of trust of a statutory trust; OR SIMILAR RECORD OF A business trust; ~~OR COMMON-LAW BUSINESS TRUST.~~

~~(36) “QUALIFIED FOREIGN ENTITY” MEANS A FOREIGN ENTITY THAT IS AUTHORIZED TO DO BUSINESS IN THIS STATE PURSUANT TO A STATEMENT OF REGISTRATION FILED BY THE [SECRETARY OF STATE].~~

~~(37)~~ (40) “Receipt”, as used in this [article], means actual receipt. “Receive” has a corresponding meaning.

~~(38)~~ (41) “Record”, used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

~~(39)~~ (42) “Registered agent” means an agent of an entity which is authorized to receive service of any process, notice, or demand required or permitted by law to be served on the entity. The term includes a commercial registered agent and a noncommercial registered agent.

(43) “REGISTERED FOREIGN ENTITY” MEANS A FOREIGN ENTITY THAT IS REGISTERED TO DO BUSINESS IN THIS STATE PURSUANT TO A STATEMENT OF REGISTRATION FILED BY THE [SECRETARY OF STATE].

~~(40)~~ (44) “Sign” means, with present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol; or

(B) to attach to or logically associate with the record an electronic symbol, sound, or process.

~~(41)~~ (45) “State” means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

~~(42)~~ (46) “Statutory trust” means a domestic statutory trust formed under or subject to [Article] 40 § 8 or a ~~FOREIGN-STATUTORY~~ trust FORMED UNDER THE STATUTORY LAW OF A JURISDICTION OTHER THAN THIS STATE WHICH WOULD BE A STATUTORY TRUST IF FORMED UNDER THE LAW OF THIS STATE.

~~(43)~~ (47) “Transfer” includes:

(A) an assignment;

(B) A conveyance;

(C) A sale;

(D) A lease, MORTGAGE, AND;

(E) AN encumbrance, INCLUDING A MORTGAGE OR SECURITY INTEREST;

(F) A GIFT; AND

(G) A TRANSFER BY OPERATION OF LAW.

~~(44) “TRANSFERABLE INTEREST” MEANS THE RIGHT UNDER AN UNINCORPORATED ENTITY’S ORGANIC LAW TO RECEIVE DISTRIBUTIONS FROM THE ENTITY.~~

~~(45)~~ (48) “Type of entity” means a generic form of entity:

(A) recognized at common law; or

(B) formed under an organic law, whether or not some entities formed under that ~~organic~~ law are subject to provisions of that law that create different categories of the form of

entity.

~~(46)~~ (49) “Unincorporated nonprofit association” means a domestic unincorporated nonprofit association formed under or subject to [Article] 9 or a ~~FOREIGN UNINCORPORATED~~ nonprofit association FORMED UNDER THE LAW OF A JURISDICTION OTHER THAN THIS STATE WHICH WOULD BE AN UNINCORPORATED NONPROFIT ASSOCIATION IF FORMED UNDER THE LAW OF THIS STATE.

(50) “WRITTEN” MEANS INSCRIBED ON A TANGIBLE MEDIUM. “WRITING” HAS A CORRESPONDING MEANING.

SECTION 1-103. APPLICABILITY OF [ARTICLE]. This [article] applies to an entity formed under or subject to this [act].

SECTION 1-104. DELIVERY OF RECORD.

(a) Except as otherwise provided in this [act], permissible means of delivery of a record include delivery by hand, ~~MAIL BY~~ the United States Postal Service, commercial delivery SERVICE, and electronic transmission.

(b) Delivery to the [Secretary of State] is effective only when ~~the~~ a record is received by the [Secretary of State].

SECTION 1-105. RULES AND PROCEDURES. The [Secretary of State] may:

(1) adopt rules TO ADMINISTER THIS [ACT] in accordance with [this state’s administrative procedure act]; and

(2) ~~MAY~~ prescribe procedures ~~NOT REQUIRED TO BE ADOPTED AS RULES WHICH~~ THAT are reasonably necessary to perform the duties required of the [Secretary of State] under this [act] AND ARE NOT REQUIRED BY [THIS STATE’S ADMINISTRATIVE PROCEDURE ACT] TO BE ADOPTED AS RULES.

[SECTION 1-106. ENTITIES EXCLUSIONS. This [act] does not apply to ~~the~~
following entities:

- (1) _____;
- (2) _____;
- (3) _____.]

[PART] 2

FILING

SECTION 1-201. ENTITY FILING REQUIREMENTS.

(a) To be filed by the [Secretary of State] pursuant to this [~~ARTICLE~~ ACT], an entity filing must be received by the [Secretary of State], ~~and must~~ comply with this [act], and satisfy the following:

- (1) The entity filing must be required or permitted by this [act].
- (2) The entity filing must be physically delivered in written form unless and to the extent the [Secretary of State] permits electronic delivery of entity filings ~~IN OTHER THAN WRITTEN FORM.~~
- (3) The words in the entity filing must be in English, and numbers must be in Arabic or Roman numerals, but the name of the entity need not be in English if written in English letters or Arabic or Roman numerals.
- (4) The entity filing must be signed by ~~AN INDIVIDUAL~~ OR ON BEHALF OF A PERSON authorized OR REQUIRED under this [act] to sign the filing.
- (5) The entity filing must state the name and capacity, if any, of ~~THE EACH~~ individual who signed it, EITHER ON THE INDIVIDUAL'S OWN BEHALF OR ON BEHALF OF THE PERSON AUTHORIZED OR REQUIRED TO SIGN THE FILING, but need not contain a seal, attestation,

acknowledgment, or verification.

(b) If law other than this [act] prohibits the disclosure by the [Secretary of State] of information contained in an entity filing, the [Secretary of State] shall accept the filing if the filing otherwise complies with this ~~SECTION~~ [ACT] but may redact the information.

(c) When an entity filing is delivered to the [Secretary of State] for filing, any fee required under this [article] and any fee, tax, INTEREST, or penalty required to be paid under this [article] or law other than this [act] must be paid in a manner permitted by the [Secretary of State] or by that law.

(d) The [Secretary of State] may require that an entity filing delivered in written form be accompanied by an identical or conformed copy.

SECTION 1-202. FORMS.

(a) The [Secretary of State] may provide forms for entity filings required or permitted to be made by this [act], but, except as otherwise provided in subsection (b), their use is not required.

(b) The [Secretary of State] may require that a cover sheet for an entity filing and [an annual] [a biennial] report be on forms prescribed by the [Secretary of State].

SECTION 1-203. EFFECTIVE TIME AND DATE. Except as otherwise provided in ~~SECTION 1-204~~ THIS [ACT] and subject to Section 1-205~~(e)~~(d), an entity filing is effective:

(1) on the date and at the time of its filing by the [Secretary of State] as provided in Section 1-206;

(2) on the date of filing and at the time specified in the entity filing as its effective time, if later than the time under paragraph (1);

(3) if permitted by this [act], at a specified delayed effective time and date, which may

not be more than 90 days after the date of filing; or

(4) if a delayed effective date as permitted by this [act] is specified, but no time is specified, at 12:01 a.m. on the date specified, which may not be more than 90 days after the date of filing.

SECTION 1-204. WITHDRAWAL OF FILED RECORD BEFORE EFFECTIVENESS.

(a) ~~The parties to a filed record may withdraw the record~~ Except as otherwise provided in this [act], a record delivered to the [Secretary of State] for filing may be withdrawn before it takes effect by delivering to the [Secretary of State] for filing a statement of withdrawal.

(b) ~~To withdraw a filed record, the parties to the record must deliver to the [Secretary of State] for filing a statement of withdrawal.~~

~~(c)~~ (b) A statement of withdrawal must:

(1) ~~EXCEPT AS OTHERWISE AGREED BY THE PARTIES;~~ be signed ~~ON BEHALF OF~~ BY each ~~PARTY~~ PERSON that signed the ~~FILED~~ record being withdrawn, EXCEPT AS OTHERWISE AGREED BY THOSE PERSONS;

(2) identify the ~~FILED~~ record to be withdrawn; ~~THE DATE OF ITS FILING, AND THE PARTIES TO IT;~~ and

(3) if ~~filed~~ signed by fewer than all ~~PARTIES~~ THE PERSONS THAT SIGNED THE RECORD BEING WITHDRAWN, state that the ~~FILED~~ record ~~HAS BEEN~~ IS withdrawn in accordance with the agreement of ALL the ~~PARTIES~~ PERSONS THAT SIGNED THE RECORD.

~~(d)~~ (c) On ~~THE DELIVERY FOR~~ filing ~~TO~~ BY the [Secretary of State] of a statement of withdrawal, the action or transaction evidenced by the original filed record does not take effect.

SECTION 1-205. CORRECTING FILED RECORD.

(a) A person on whose behalf a filed record was delivered to the [Secretary of State] for filing may correct the record if:

- (1) the record at the time of filing ~~CONTAINED AN INACCURACY~~ WAS INACCURATE;
- (2) the record was defectively signed; or
- (3) the electronic transmission of the record to the [Secretary of State] was defective.

(b) To correct a filed record, ~~THE PARTIES TO THE RECORD MUST DELIVER~~ A PERSON ON WHOSE BEHALF THE RECORD WAS DELIVERED to the [Secretary of State] MUST DELIVER TO THE [SECRETARY OF STATE] FOR FILING a statement of correction.

(c) A statement of correction:

- (1) may not state a delayed effective date;
- (2) must be signed ~~on behalf of~~ by the person correcting the filed record;
- (3) must identify the filed record to be corrected ~~OR HAVE ATTACHED A COPY AND STATE THE DATE OF ITS FILING~~;
- (4) must specify the inaccuracy or defect to be corrected; and
- (5) must correct the inaccuracy or defect.

(d) A statement of correction is effective as of the effective date of the filed record that it corrects except as to persons relying on the uncorrected filed record and adversely affected by the correction. As to those persons, the statement of correction is effective when filed.

SECTION 1-206. DUTY OF [SECRETARY OF STATE] TO FILE; REVIEW OF REFUSAL TO FILE.

(a) The [Secretary of State] shall file an entity filing delivered to the [Secretary of State] for filing which satisfies ~~SECTION 1-204~~ THIS [ACT]. The duty of the [Secretary of State] under

this section is ministerial.

(b) When the [Secretary of State] files an entity filing, the [Secretary of State] shall record it as filed on the date and at the time of its delivery. After filing an entity filing, the [Secretary of State] shall deliver to the ~~DOMESTIC OR FOREIGN ENTITY OR ITS REPRESENTATIVE PERSON THAT SUBMITTED THE FILING~~ a copy of the filing with an acknowledgment of the date and time of filing.

(c) If the [Secretary of State] refuses to file an entity filing, the [Secretary of State], not later than [15] business days after the filing is delivered, shall:

(1) return the entity filing or notify the person that submitted the filing ~~not later than [15] business days after the filing is delivered~~ of the refusal; and

(2) ~~together with~~ provide a brief explanation in a record of the reason for the refusal.

(d) If the [Secretary of State] refuses to file an entity filing, the person that submitted the filing may ~~SEEK REVIEW OF THE REFUSAL BY THE [APPROPRIATE COURT] UNDER THE FOLLOWING PROCEDURES: (1) THE REVIEW PROCEEDING IS COMMENCED BY PETITIONING~~ PETITION ~~the [THE APPROPRIATE court] to compel filing of the filing AND BY ATTACHING TO THE PETITION THE. THE filing and the explanation of the [Secretary of State] of the refusal to file~~ MUST BE ATTACHED TO THE PETITION. (2) The court may ~~SUMMARILY ORDER THE [SECRETARY OF STATE] TO FILE THE FILING OR TAKE OTHER ACTION THE COURT CONSIDERS APPROPRIATE~~ DECIDE THE MATTER IN A SUMMARY PROCEEDING. (3) ~~THE FINAL DECISION OF THE COURT MAY BE APPEALED AS IN OTHER CIVIL PROCEEDINGS.~~

(e) The filing of or refusal to file an entity filing does not: ~~(1) AFFECT THE VALIDITY OR INVALIDITY OF THE FILING IN WHOLE OR IN PART; (2) AFFECT THE CORRECTNESS OR~~

~~INCORRECTNESS OF INFORMATION CONTAINED IN THE FILING; OR (3) create a presumption that the FILING IS VALID OR INVALID OR THAT~~ information contained in the filing is correct or incorrect.

SECTION 1-207. EVIDENTIARY EFFECT OF COPY OF FILED RECORD. A certification from the [Secretary of State] accompanying a copy of a filed record is conclusive evidence that the copy is an accurate representation of the original record on file with the [Secretary of State].

SECTION 1-208. CERTIFICATE OF GOOD STANDING OR REGISTRATION.

(a) On request of any person, the [Secretary of State] shall issue a certificate of good standing for a domestic filing entity or a certificate of registration for a ~~qualified~~ registered foreign entity.

(b) A certificate under subsection (a) must state:

(1) the domestic filing entity's name or the ~~qualified~~ registered foreign entity's name used in this state;

(2) ~~THAT THE~~ IN THE CASE OF A domestic filing entity, ~~IS FORMED UNDER THE LAW OF THIS STATE THAT:~~

(A) ITS PUBLIC ORGANIC RECORD HAS BEEN FILED AND HAS TAKEN EFFECT;

(B) the date OF ITS FORMATION, THE PUBLIC ORGANIC RECORD BECAME EFFECTIVE; and

(C) the period of ~~ITS~~ THE ENTITY'S duration if THE RECORDS OF THE [SECRETARY OF STATE] REFLECT THAT ITS PERIOD OF DURATION IS less than perpetual, or;

(3) ~~THAT THE QUALIFIED~~ IN THE CASE OF A REGISTERED foreign entity, THAT IT is registered to do business in this state;

~~(3)~~ (4) that all fees, taxes, INTEREST, and penalties owed to this state BY THE

DOMESTIC OR FOREIGN ENTITY AND collected through the [Secretary of State] have been paid, if:

(A) payment is reflected in the records of the [Secretary of State]; and

(B) nonpayment affects the good standing or registration of the domestic or foreign entity;

~~(4)~~ (5) that the ~~ENTITY'S~~ most recent [annual] [biennial] report required by Section 1-211 has been delivered ~~FOR FILING~~ to the [Secretary of State] FOR FILING;

~~(5)~~ (6) that THE RECORDS OF THE [SECRETARY OF STATE] DO NOT REFLECT THAT the entity has ~~NOT~~ been dissolved; ~~AND~~

(7) THAT A PROCEEDING IS NOT PENDING UNDER SECTION 1-602; AND

~~(6)~~ (8) other facts REFLECTED IN THE RECORDS OF THE [SECRETARY OF STATE] ~~of~~ record pertaining to the DOMESTIC OR FOREIGN entity ~~with the [Secretary of State]~~ which the person requesting the certificate reasonably requests.

(c) Subject to any qualification stated in the certificate, a certificate issued by the [Secretary of State] under subsection (a) may be relied upon as conclusive evidence ~~THAT THE DOMESTIC FILING ENTITY IS IN EXISTENCE OR THE QUALIFIED FOREIGN ENTITY IS REGISTERED TO DO BUSINESS IN THIS STATE~~ OF THE FACTS STATED IN THE CERTIFICATE.

SECTION 1-209. SIGNING CONSTITUTES AFFIRMATION OF ENTITY FILING.

(A) Signing an entity filing is an affirmation under the penalties of perjury that the facts stated in the filing are true in all material respects.

(b) WHENEVER THIS [ACT] REQUIRES A PARTICULAR INDIVIDUAL TO SIGN AN ENTITY FILING AND THE INDIVIDUAL IS DECEASED OR INCOMPETENT, THE FILING MAY BE SIGNED BY A PERSONAL REPRESENTATIVE OF THE INDIVIDUAL IN THE PLACE OF THE DECEDENT OR INCOMPETENT.

SECTION 1-210. DELIVERY BY [SECRETARY OF STATE]. Except as otherwise provided by Section ~~1-602~~ 1-412 or by law other than this [act], the [Secretary of State] may deliver any record to a person by delivering it to:

- (1) in person to the person that submitted it;
- (2) to the address of the person's registered agent;
- (3) to the principal office address of the person; or
- (4) to another address the person provides to the [Secretary of State] for delivery.

SECTION 1-211. [ANNUAL] [BIENNIAL] REPORT FOR [SECRETARY OF STATE].

(a) ~~Each~~ A domestic filing entity, DOMESTIC LIMITED LIABILITY PARTNERSHIP, OR ~~and~~ qualified registered foreign entity shall deliver to the [Secretary of State] for filing [an annual] [a biennial] report that ~~sets forth~~ states:

- (1) the name of the entity and its jurisdiction of formation;
- (2) the name and street and mailing ~~ADDRESS~~ ADDRESSES of the entity's registered agent in this state;
- (3) the street and mailing ~~ADDRESS~~ ADDRESSES of the entity's principal office; and
- (4) the ~~NAMES OF GOVERNORS~~ NAME OF AT LEAST ONE GOVERNOR.

(b) Information in ~~the~~ [an annual] [a biennial] report must be current as of the date the report is signed ~~on behalf of~~ by the entity.

(c) The first [annual] [biennial] report must be delivered to the [Secretary of State] after [January 1] and before [April 1] of the year following the calendar year in which the public organic record of the domestic filing entity was formed or became effective, the statement of qualification of a domestic limited liability partnership became effective, or the foreign filing

entity registered to do business in this state. Subsequent [annual] [biennial] reports must be delivered to the [Secretary of State] after [January 1] and before [April 1] of each [second] calendar year thereafter.

(d) If [an annual] [a biennial] report does not contain the information required by this ~~[part]~~ section, the [Secretary of State] promptly shall notify the reporting ~~domestic or qualified foreign~~ entity in a record and return the report for correction.

(e) If [an annual] [a biennial] report contains the name or address of a registered agent which differs from the information shown in the records of the [Secretary of State] immediately before the [annual] [biennial] report becomes effective, the differing information in the [annual] [biennial] report is considered a statement of change under Section 1-407.

[SECTION 1-212. FEES.

Alternative A

(a) The [Secretary of State] shall collect the following fees for copying and certifying the copy of any filed record:

- (1) \$ [] per page for copying; and
- (2) \$ [] for the certification.

(b) The [Secretary of State] shall collect the following fees when an entity filing is delivered for filing:

- (1) Statement of merger, \$ [].
- (2) Statement of withdrawal of merger, \$ [].
- (3) Statement of interest exchange, \$ [].
- (4) Statement of withdrawal of interest exchange, \$ [].
- (5) Statement of conversion, \$ [].

- (6) Statement of withdrawal of conversion, \$ [].
- (7) Statement of domestication, \$ [].
- (8) Statement of withdrawal of domestication, \$ [].
- (9) [Annual] [Biennial] report, \$ [].
- (10) Articles of incorporation of a business corporation, \$ [].
- (11) Articles of incorporation of a nonprofit corporation, \$ [].
- (12) Statement of qualification of a limited liability partnership, \$ [].
- (13) Certificate of limited partnership of a limited partnership, \$ [].
- (14) Certificate of organization of a limited liability company, \$ [].
- [(15) Articles of incorporation of a general cooperative association, \$ [].]
- (16) Articles of organization of a limited cooperative association, \$ [].
- (17) Certificate of trust of a statutory trust, \$ [].
- (18) Other public organic document, \$ [].
- (19) Commercial-registered-agent listing statement, \$ [].
- (20) Commercial-registered-agent termination statement, \$ [].
- (21) Registered agent statement of change, \$ [].
- (22) Registered agent statement of resignation, no fee
- (23) Statement ~~appointing an~~ designating a registered
agent ~~for service of process~~, \$ [].
- (24) Foreign entity registration statement, \$ [].
- (25) Amendment of foreign entity registration statement, \$ [].
- (26) Notice of cancellation of foreign entity registration statement, \$ [].
- (27) STATEMENT OF WITHDRAWAL, \$ [].

(28) STATEMENT OF CORRECTION, \$ [].

~~[(27)~~ (29) Other entity filings, \$ [].]

(c) The withdrawal under Section 1-204 of a filed record before it is effective or the correction of a filed record under Section 1-205 does not entitle the person on whose behalf the record was filed to a refund of the filing fee.

Alternative B

(a) The [Secretary of State] shall adopt rules in accordance with [this state's administrative procedure act] setting fees for entity filings authorized to be delivered to the [Secretary of State] for filing under this [act] and for copying and certifying a copy of any entity filing under this [act].

(b) There is no fee for filing a registered agent's statement of resignation.

(c) The withdrawal under Section 1-204 of a filed record before it is effective or the correction of a filed record under Section 1-205 does not entitle the person on whose behalf the record was filed to a refund of the filing fee.

End of Alternatives]

[PART] 3

NAME OF ENTITY

SECTION 1-301. PERMITTED NAMES.

(a) Except as otherwise provided in ~~SUBSECTIONS (B) AND~~ SUBSECTION (d), the name of a domestic filing entity or domestic limited liability partnership, and the name under which a foreign ~~FILING~~ entity ~~OR FOREIGN LIMITED LIABILITY PARTNERSHIP~~ may register to do business in this state, must be distinguishable on the records of the [Secretary of State] from any:

(1) name of ~~ANOTHER~~ A domestic filing entity or limited liability partnership;

(2) name of a foreign ~~FILING~~ entity ~~OR FOREIGN LIMITED LIABILITY PARTNERSHIP~~
~~THAT IS~~ registered to do business in this state under [Part] 5;

(3) name ~~THAT IS~~ reserved under Section 1-303;

(4) name ~~THAT IS~~ registered under Section 1-304; or

(5) assumed name registered under [this state's assumed name statute].

(b) ~~SUBSECTION (A) DOES NOT APPLY IF THE OTHER ENTITY OR THE PERSON FOR WHICH THE~~
~~NAME IS RESERVED OR REGISTERED~~ IF AN ENTITY consents in a record to the use of ~~THE~~ ITS name
and submits an undertaking in a form satisfactory to the [Secretary of State] to change its name
to a name that is distinguishable on the records of the [Secretary of State] from any name in any
category of names in subsection (a), THE NAME OF THE CONSENTING ENTITY MAY BE USED BY THE
PERSON TO WHICH THE CONSENT WAS GIVEN.

(c) Except as otherwise provided in subsection (d), in determining whether a name is the
same as or not distinguishable on the records of the [Secretary of State] from the name of another
entity, words, phrases, or abbreviations indicating the type of entity, such as “corporation”,
“corp.”, “incorporated”, “Inc.”, “professional corporation”, “PC”, “professional association”,
“PA”, “Limited”, “Ltd.”, “limited partnership”, “LP”, “limited liability partnership”, “LLP”,
“registered limited liability partnership”, “RLLP”, “limited liability limited partnership”,
“LLLLP”, “registered limited liability limited partnership”, “RLLLLP”, “limited liability
company”, or “LLC”, may not be taken into account.

(d) ~~THE HOLDER OF A NAME UNDER SUBSECTION (A)~~ AN ENTITY may consent in a record to
the use of a name that is not distinguishable on the records of the [Secretary of State] from its
name except for the addition of a word, phrase, or abbreviation indicating the type of entity
~~DESCRIBED AS PROVIDED~~ in subsection (c). In such a case, the ~~HOLDER~~ ENTITY need not change

its name pursuant to subsection (b).

(e) An entity name may not contain the words [insert prohibited words or words that may be used only with approval by the appropriate state agency].

SECTION 1-302. NAME REQUIREMENTS FOR CERTAIN TYPES OF ENTITIES.

(a) The name of a business corporation must contain the word "corporation", "incorporated", "company", or "limited", or the abbreviation "Corp.", "Inc.", "Co.", or "Ltd.", or words or abbreviations of similar import in another language.

(b) The name of a limited partnership may contain the name of any partner. ~~IF THE~~ THE ~~LIMITED NAME OF A~~ partnership THAT is not a limited liability limited partnership, ~~THE NAME~~ must contain the ~~PHRASE~~ WORDS "limited partnership" or the abbreviation "L.P." or "LP" and may not contain the ~~PHRASE~~ WORDS "limited liability limited partnership" or "registered limited liability LIMITED partnership" or the abbreviation "L.L.L.P.", "LLLP", "R.L.L.L.P." or RLLLP". If the limited partnership is a limited liability limited partnership, the name must contain the ~~PHRASE~~ WORDS "limited liability limited partnership" or the abbreviation "L.L.L.P."; OR "LLLP" "~~R.L.L.L.P.~~", OR "~~RLLLP~~" and may not contain the abbreviation "L.P." or "LP".

(c) The name of a limited liability partnership ~~that is not a limited liability limited partnership~~ must contain the words "limited liability partnership" or "registered limited liability partnership" or the abbreviation "L.L.P.", "R.L.L.P.", "LLP", or "RLLP".

(d) The name of a limited liability company must contain the words "limited liability company" or "limited company" or the abbreviation "L.L.C.", "LLC", "L.C.", or "LC". "Limited" may be abbreviated as "Ltd.", and "company" may be abbreviated as "Co.".

(e) The name of a limited cooperative association must contain the words "limited

cooperative association” or “limited cooperative” or the abbreviation “L.C.A.” or “LCA”.

“Limited” may be abbreviated as “Ltd.”. “Cooperative” may be abbreviated as “Co-op.”,

“Coop.”, “Co-op”, or “Coop”. “Association” may be abbreviated as “Assoc.”, “Assoc”, “Assn.”, or “Assn”.

(f) The name of a statutory trust may contain the words “company”, “association”, “club”, “foundation”, “fund”, “institute”, “society”, “union”, “syndicate”, “limited”, or “trust”, or words or abbreviations of similar import, and may contain the name of a beneficial owner, a trustee, or any other person.

[(g) Insert requirements for names of other types of entities that may be included in this [act], such as general cooperative associations.]

SECTION 1-303. RESERVATION OF NAME.

(a) A person may reserve the exclusive use of an entity name by delivering an application to the [Secretary of State] for filing. The application must state the name and address of the applicant and the name ~~PROPOSED~~ to be reserved. If the [Secretary of State] finds that the entity name ~~APPLIED FOR~~ is available, the [Secretary of State] shall reserve the name for the applicant’s exclusive use for a ~~[120]-day period~~ [120] days.

(b) The owner of a reserved entity name may transfer the reservation to another person THAT IS NOT AN INDIVIDUAL by delivering to the [Secretary of State] a signed notice in a record of the transfer which states the name and address of the transferee.

SECTION 1-304. REGISTRATION OF NAME.

(a) A foreign filing entity or foreign limited liability partnership not registered to do business in this state under [Part] 5 may register its name, or an alternate name ~~REQUIRED BY~~ ADOPTED PURSUANT TO Section 1-506, if the name is distinguishable ~~UPON~~ ON the records of the

[Secretary of State] from the names that are not available under Section 1-301.

(b) To register its name or an alternate name ~~REQUIRED BY~~ ADOPTED PURSUANT TO Section 1-506, a foreign filing entity or foreign limited liability partnership must deliver to the [Secretary of State] for filing an application stating ~~ITS~~ THE ENTITY'S name, THE JURISDICTION AND DATE OF ITS FORMATION, AND ANY ALTERNATE ~~OR ITS name WITH ANY ADDITION REQUIRED BY ADOPTED PURSUANT TO~~ Section 1-506, ~~AND THE JURISDICTION AND DATE OF ITS FORMATION.~~ If the [Secretary of State] finds that the name applied for is available, the [Secretary of State] shall register the name for the applicant's exclusive use.

(c) The registration of a name under this section is effective for [one year] after the date of ~~FILING~~ REGISTRATION.

(d) A foreign filing entity or foreign limited liability partnership whose name registration is effective may renew the registration for successive one-year periods by delivering, not earlier than [three months] before the expiration of the registration ~~YEAR~~, to the [Secretary of State] for filing a renewal application that complies with this section. When filed, the renewal application renews the registration for a succeeding one-year period.

(e) A foreign filing entity or foreign limited liability partnership whose name registration is effective may register as a foreign filing entity or foreign limited liability partnership under the registered name or consent in a signed record to the use of that name by: ANOTHER ENTITY.

~~(1) A DOMESTIC FILING ENTITY FORMED UNDER THIS [ACT];~~

~~(2) A LIMITED LIABILITY PARTNERSHIP SUBJECT TO THIS [ACT]; OR~~

~~(3) ANOTHER FOREIGN FILING ENTITY OR FOREIGN LIMITED LIABILITY PARTNERSHIP~~

~~AUTHORIZED TO DO BUSINESS IN THIS STATE.~~

[PART] 4

REGISTERED AGENT OF ENTITY

SECTION 1-401. DEFINITIONS. In this [part]:

(1) “~~Appointment~~ Designation of agent” means a statement ~~appointing an~~ designating a registered agent for service of process delivered to the [Secretary of State] for filing ~~filed under;~~

(A) [SECTION 10 OF THE UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT]; OR

(B) Section 1-411 by a ~~nonqualified~~ nonregistered foreign entity or domestic nonfiling entity.

(2) “~~Nonqualified~~ Nonregistered foreign entity” means a foreign entity that is not a ~~qualified foreign entity~~ registered to do business in this state pursuant to a statement of registration filed by the [Secretary of State].

~~(3) “Nonresident limited liability partnership statement” means:~~

~~(A) a statement of qualification of a domestic limited liability partnership that does not have an office in this state; or~~

~~(B) a statement of foreign qualification of a foreign limited liability partnership that does not have an office in this state.~~

~~(4)~~ (3) “Registered agent filing” means:

(A) the public organic record of a domestic filing entity;

(B) ~~a nonresident limited liability partnership statement~~ a statement of qualification of a domestic limited liability partnership;

(C) a registration statement filed pursuant to Section 1-503; or

(D) ~~an appointment~~ a designation of a registered agent.

~~(5)~~ (4) “Represented entity” means:

- (A) a domestic filing entity;
- (B) a domestic ~~or qualified foreign~~ limited liability partnership ~~that does not have an office in this state;~~
- (C) a ~~qualified~~ registered foreign entity;
- (D) a domestic or foreign unincorporated nonprofit association for which ~~an appointment~~ a designation of an agent ~~has been filed~~ is in effect;
- (E) a domestic nonfiling entity for which ~~an appointment~~ a designation of an agent has been filed; or
- (F) a ~~nonqualified~~ nonregistered foreign entity for which ~~an appointment~~ a designation of an agent has been filed.

SECTION 1-402. ENTITIES REQUIRED TO DESIGNATE AND MAINTAIN REGISTERED AGENT. The following shall designate and maintain a registered agent in this state:

- (1) a domestic filing entity;
- (2) a domestic limited liability *partnership that does not maintain a place of business in this state*; and
- (3) a ~~qualified~~ registered foreign entity.

SECTION 1-403. ADDRESSES IN ~~FILINGS~~ FILING. If a provision of this [part] other than Section 1-410(a)(4) requires that a record state an address, the record must state:

- (1) a street address in this state; and
- (2) a mailing address in this state, if different from the address described in paragraph (1).

SECTION 1-404. ~~APPOINTMENT~~ DESIGNATION OF REGISTERED AGENT.

- (a) A registered agent filing must BE SIGNED BY THE ENTITY AND state:

- (1) the name of the represented entity's commercial registered agent; or
- (2) if the entity does not have a commercial registered agent:

(A) the name and address of the entity's noncommercial registered agent;

or

(B) ~~if the entity designates an officer or employee to accept service of process,~~ the title of ~~the~~ an office or other position with the entity if service of process, notices, and demands are to be sent to the individual holding that office or position, and the address of the business office of that ~~person~~ individual.

(b) The ~~appointment~~ designation of a registered agent pursuant to subsection (a)(1) or (2)(A) is an affirmation ~~under Section 1-209~~ of fact by the represented entity that the agent has consented to serve.

(c) The [Secretary of State] shall make available in a record as soon as practicable a daily list of filings that contain the name of a registered agent. The list must:

- (1) be available for at least 14 calendar days;
- (2) list in alphabetical order the names of the registered agents; and
- (3) state the type of filing and name of the represented entity making the filing.

SECTION 1-405. LISTING OF COMMERCIAL REGISTERED AGENT.

(a) A person may become listed as a commercial registered agent by ~~filing with~~ delivering to the [Secretary of State] for filing a commercial-registered-agent listing statement signed by ~~or on behalf of~~ the person which states:

- (1) the name of the individual or the name of the entity, type of entity, and jurisdiction of formation of the entity;
- (2) that the person is in the business of serving as a commercial registered agent

in this state; and

(3) the address of a place of business of the person in this state to which service of process ~~and other notice and documents~~, notices, and demands being served on or sent to entities represented by the person may be delivered.

(b) A commercial-registered-agent listing statement may include the information regarding acceptance by the agent of service of process, notices, and demands in a form other than a written record as provided ~~FOR~~ in Section 1-412(d).

(c) If the name of a person ~~filing~~ delivering to the [Secretary of State] for filing a commercial-registered-agent listing statement is not distinguishable on the records of the [Secretary of State] from the name of another commercial registered agent listed under this section, the person shall adopt a fictitious name that is distinguishable and use that name in its statement and when it does business in this state as a commercial registered agent.

~~(d) A listing statement takes effect on filing by the [Secretary of State].~~

~~(e)~~ (d) The [Secretary of State] shall note the filing of ~~THE~~ A commercial-registered-agent listing statement in the [index of filings] [RECORDS] maintained by the [Secretary of State] for each entity represented by the agent at the time of the filing. The statement has the effect of AMENDING THE REGISTERED AGENT FILING FOR EACH OF THOSE ENTITIES TO:

(1) DESIGNATE THE PERSON BECOMING LISTED AS A COMMERCIAL REGISTERED AGENT AS THE COMMERCIAL REGISTERED AGENT OF EACH OF THOSE ENTITIES; AND

(2) ~~DELETING~~ DELETE the address of the FORMER agent from the REGISTERED AGENT filing of each of those entities.

SECTION 1-406. TERMINATION OF LISTING OF COMMERCIAL REGISTERED AGENT.

(a) A commercial registered agent may terminate its listing as a commercial registered agent by delivering to the [Secretary of State] for filing a commercial-registered-agent termination statement signed by ~~or on behalf of~~ the agent which states:

(1) the name of the agent as listed under Section 1-405; and

(2) that the agent is no longer in the business of serving as a commercial registered agent in this state.

(b) A commercial-registered-agent termination statement takes effect at 12:01 a.m. on the 31st day after the day on which it is delivered to the [Secretary of State] for filing.

(c) The commercial registered agent promptly shall furnish each entity represented by the agent notice in a record of the filing of the commercial-registered-agent termination statement.

(d) When a commercial-registered-agent termination statement takes effect, the commercial registered agent ceases to be ~~an~~ the registered agent for ~~service of process on~~ each entity formerly represented by it. Until an entity formerly represented by a terminated commercial registered agent ~~appoints~~ designates a new registered agent, service of process may be made on the entity pursuant to Section 1-412. Termination of the listing of a commercial registered agent under this section does not affect any contractual rights a represented entity has against the agent or that the agent has against the entity.

SECTION 1-407. CHANGE OF REGISTERED AGENT BY ENTITY.

(a) A represented entity may change the information on file under Section 1-404(a) by delivering to the [Secretary of State] for filing a statement of change signed ~~on behalf of~~ by the entity which states:

(1) the name of the entity; and

(2) the information that is to be in effect as a result of the filing of the statement of

change.

(b) The interest holders or governors of a domestic entity need not approve the filing of:

(1) a statement of change under this section; or

(2) a similar filing changing the registered agent or registered office, IF ANY, of the entity in any other jurisdiction.

(c) A statement of change under this section ~~appointing~~ designating a new registered agent is an affirmation ~~under Section 1-209~~ of fact by the represented entity that the agent has consented to serve.

~~(d) A statement of change under this section takes effect on delivery to the [Secretary of State] for filing.~~

~~(e)~~ (d) As an alternative to using the procedure in this section, a represented entity may change the information on file under Section 1-404(a) by amending its most recent registered agent filing in a manner provided by the law of this state other than this [act] for amending the filing.

SECTION 1-408. CHANGE OF NAME ~~OR~~, ADDRESS, TYPE OF ENTITY, OR JURISDICTION OF FORMATION BY NONCOMMERCIAL REGISTERED AGENT.

(a) If a noncommercial registered agent changes its name ~~or~~, its address in effect with respect to a represented entity under Section 1-404(a), its type of entity, or its jurisdiction of formation, the agent shall deliver to the [Secretary of State] for filing, with respect to each entity represented by the agent, a statement of change signed by ~~or on behalf of~~ the agent which states:

(1) the name of the entity;

(2) the name and address of the agent in effect with respect to the entity;

(3) if the name of the agent has changed, the new name; ~~and~~

(4) if the address of the agent has changed, the new address; and

(5) if the agent is an entity:

(A) if the type of entity of the agent has changed, the new type of entity;

and

(B) if the jurisdiction of formation of the agent has changed, the new jurisdiction of formation.

~~(b) A statement of change under this section takes effect on delivery to the [Secretary of State] for filing.~~

~~(e)~~ (b) A noncommercial registered agent promptly shall furnish the represented entity with notice in a record of the delivery ~~of~~ to the [Secretary of State] for filing of a statement of change and the changes made in the statement.

SECTION 1-409. CHANGE OF NAME, ADDRESS, TYPE OF ENTITY, OR JURISDICTION OF FORMATION BY COMMERCIAL REGISTERED AGENT.

(a) If a commercial registered agent changes its name, its address as listed under Section 1-405(a), its type of entity, or its jurisdiction of formation, the agent shall deliver to the [Secretary of State] for filing a statement of change signed by ~~or on behalf of~~ the agent which states:

(1) the name of the agent as listed under Section 1-405(a);

(2) if the name of the agent has changed, the new name;

(3) if the address of the agent has changed, the new address;

(4) IF THE AGENT IS AN ENTITY:

(A) if the type of entity OF THE AGENT has changed, the new type of entity;

and

(5) (B) if the jurisdiction of formation of the ~~ENTITY~~ AGENT has changed, the new jurisdiction of formation.

(b) The ~~DELIVERY TO THE~~ FILING BY THE [Secretary of State] ~~FOR FILING BY A~~ ~~COMMERCIAL REGISTERED AGENT~~ of a statement of change under subsection (a) is effective to change the information regarding the agent with respect to each entity represented by the agent.

(c) A commercial registered agent promptly shall furnish TO each entity represented by it A notice in a record of ~~THE DELIVERY TO~~ the FILING BY THE [Secretary of State] ~~FOR FILING~~ of a statement of change relating to the name or address of the agent and the changes made in the statement.

(d) If a commercial registered agent changes its address without delivering for filing a statement of change as required by this section, the [Secretary of State] may cancel the listing of the agent under Section 1-405. A cancellation under this subsection has the same effect as a termination under Section 1-406. Promptly after canceling the listing of an agent, the [Secretary of State] shall serve notice in a record in the manner provided in Section 1-412(b) or (c) on:

(1) each entity represented by the agent, stating that the agent has ceased to be ~~an~~ the registered agent for ~~service of process on~~ the entity and that, until the entity ~~appoints~~ designates a new registered agent, service of process may be made on the entity as provided in Section 1-412; and

(2) the agent, stating that the listing of the agent has been canceled under this section.

SECTION 1-410. RESIGNATION OF REGISTERED AGENT.

(a) A registered agent may resign as agent for a represented entity by delivering to the [Secretary of State] for filing a statement of resignation signed by ~~or on behalf of~~ the agent

which states:

- (1) the name of the entity;
- (2) the name of the agent;
- (3) that the agent resigns from serving as registered agent ~~for service of process~~

for the entity; and

(4) the address of the entity to which the agent will send the notice required by subsection (c).

(b) A statement of resignation takes effect on the earlier of:

(1) the 31st day after the day on which it is ~~DELIVERED TO~~ FILED BY the [Secretary of State] ~~FOR FILING~~; or

(2) the ~~appointment~~ designation of a new registered agent for the represented entity.

(c) A registered agent promptly shall furnish TO the represented entity notice in a record of the date on which a statement of resignation was ~~delivered to the [Secretary of State] for filing~~ filed.

(d) When a statement of resignation takes effect, the registered agent ceases to have responsibility UNDER THIS [PART] for any matter THEREAFTER tendered to it as agent for the represented entity. The resignation does not affect any contractual rights the entity has against the agent or that the agent has against the entity.

(e) A registered agent may resign with respect to a represented entity whether or not the entity is in good standing.

**SECTION 1-411. ~~APPOINTMENT~~ DESIGNATION OF REGISTERED AGENT
BY ~~NONQUALIFIED~~ NONREGISTERED FOREIGN ENTITY OR NONFILING**

DOMESTIC ENTITY.

(a) A ~~nonqualified~~ nonregistered foreign entity or domestic nonfiling entity may deliver to the [Secretary of State] for filing a statement ~~appointing~~ designating a registered agent signed ~~on behalf of~~ by the entity which states:

- (1) the name, type of entity, and jurisdiction of formation of the entity; and
- (2) the information required by Section 1-404(a).

(b) A statement ~~appointing a registered agent takes effect on filing by the [Secretary of State]~~ and under subsection (a) is effective for five years after the date of filing unless canceled or terminated earlier.

(c) ~~Appointment~~ Designation of a registered agent under ~~this section~~ subsection (a) does not ~~qualify~~ register a ~~nonqualified~~ nonregistered foreign entity to do business in this state.

(d) A statement ~~appointing a registered agent~~ under subsection (a) may not be rejected for filing because the name of the entity ~~filing~~ signing the statement is not distinguishable on the records of the [Secretary of State] from the name of another entity appearing in those records. The filing of such a statement does not make the name of the entity ~~filing~~ signing the statement unavailable for use by another entity.

(e) An entity that delivers to the [Secretary of State] for filing a statement under subsection (a) ~~appointing~~ designating a registered agent may cancel the statement by delivering to the [Secretary of State] for filing a statement of cancellation that states the name of the entity and that the entity is canceling its ~~appointment~~ designation of ~~an a registered~~ agent for service of process in this state. ~~The statement takes effect on filing by the [Secretary of State].~~

(f) A statement ~~appointing a registered agent~~ under subsection (a) for a ~~nonqualified~~ nonregistered foreign entity terminates on the date the entity becomes a qualified registered

foreign entity.

SECTION 1-412. SERVICE OF PROCESS, NOTICE, OR DEMAND ON ENTITY.

(a) A represented entity may be served with any process, notice, or demand required or permitted by law by serving its registered agent.

(b) If ~~AN~~ A REPRESENTED entity ~~THAT DELIVERED TO THE [SECRETARY OF STATE] FOR FILING A REGISTERED AGENT FILING NO LONGER HAS~~ CEASES TO HAVE a registered agent, or if its registered agent cannot with reasonable diligence be served, the entity may be served by registered or certified mail, return receipt requested, or by similar commercial delivery service, addressed to ~~THE GOVERNORS OF~~ the entity ~~BY NAME~~ at ~~ITS~~ THE ENTITY'S principal office ~~IN ACCORDANCE WITH ANY APPLICABLE JUDICIAL RULES AND PROCEDURES.~~ The ~~NAMES OF THE GOVERNORS AND THE~~ address of the principal office ~~MAY~~ MUST be as shown in the ENTITY'S most recent [annual] [biennial] report filed ~~WITH~~ BY the [Secretary of State]. Service is effected under this subsection on the earliest of:

(1) the date the entity receives the mail or delivery by ~~A SIMILAR~~ THE commercial delivery service;

(2) the date shown on the return receipt, if signed ~~on behalf of~~ by the entity; or

(3) five days after its deposit with the United States Postal Service; or ~~SIMILAR~~ commercial delivery service, if correctly addressed and with sufficient postage or payment.

(c) If process, notice, or demand cannot be served on an entity pursuant to subsection (a) or (b), service may be made by handing a copy to the ~~MANAGER, CLERK, OR OTHER~~ individual in charge of any regular place of business or activity of the entity if the individual served is not a plaintiff in the action.

(d) Service of process, notice, or demand on a registered agent must be in a written record, but service may be made on a commercial registered agent in other forms, and subject to such requirements, as the agent has stated in its listing under Section 1-405 that it will accept.

(e) Service of process, notice, or demand may be made by other means under law other than this [act].

SECTION 1-413. DUTIES OF REGISTERED AGENT. The only duties under this [part] of a registered agent that has complied with this [part] are:

(1) to forward to the represented entity at the address most recently supplied to the agent by the entity any process, notice, or demand ~~THAT~~ PERTAINING TO THE ENTITY WHICH is served on OR RECEIVED BY the agent;

(2) to provide the notices required by this [act] to the entity at the address most recently supplied to the agent by the entity;

(3) if the agent is a noncommercial registered agent, to keep current the information required by Section 1-404(a) in the most recent registered agent filing for the entity; and

(4) if the agent is a commercial registered agent, to keep current the information listed for it under Section 1-405(a).

SECTION 1-414. JURISDICTION AND VENUE. The ~~appointment~~ designation or maintenance in this state of a registered agent does not by itself create the basis for personal jurisdiction over the represented entity in this state. The address of the agent does not determine venue in an action or a proceeding involving the entity.

[PART] 5

FOREIGN ENTITIES

SECTION 1-501. GOVERNING LAW.

(a) The law of the jurisdiction of formation of an entity governs:

(1) the internal affairs of the entity;

(2) the liability that a person has as an interest holder or governor for a debt, obligation, or other liability of the entity; [and]

(3) [the liability of a series of a series limited liability company; and

(4)] the liability of a series of a statutory trust.

(b) A foreign entity is not precluded from registering to do business in this state because of any difference between the ~~laws~~ law of the entity's jurisdiction of formation and the ~~laws~~ law of this state.

(c) Registration of a foreign entity to do business in this state does not authorize ~~Æ~~ THE FOREIGN ENTITY to engage in any activity or exercise any power that a domestic entity of the same type may not engage in or exercise in this state.

SECTION 1-502. REGISTRATION TO DO BUSINESS IN THIS STATE.

(a) A foreign filing entity or foreign limited liability partnership may not do business in this state until it registers with the [Secretary of State] under this [article].

(b) A foreign filing entity or foreign limited liability partnership doing business in this state may not maintain an action OR PROCEEDING in this state unless it is registered to do business in this state.

(c) The failure of a foreign filing entity or foreign limited liability partnership to register to do business in this state does not impair the validity of a contract or act of the foreign filing entity or foreign limited liability partnership or preclude it from defending ~~Æ~~ AN ACTION OR proceeding in this state.

(d) ~~THE~~ A LIMITATION ON THE liability of an interest holder or governor of a foreign filing

entity or of a partner of a foreign limited liability partnership ~~IS GOVERNED BY THE LAWS OF ITS JURISDICTION OF FORMATION. ANY LIMITATION ON THAT LIABILITY~~ is not waived solely because the foreign filing entity or foreign limited liability partnership does business in this state without registering.

(e) Section 1-501(a) and (b) applies even if a foreign entity fails to register under this [article].

SECTION 1-503. FOREIGN REGISTRATION STATEMENT. To register to do business in this state, a foreign filing entity or foreign limited liability partnership must deliver a foreign registration statement to the [Secretary of State] for filing. The statement must BE SIGNED BY THE ENTITY AND state:

(1) the name of the foreign filing entity or foreign limited liability partnership and, if the name does not comply with Section 1-301, an alternate name adopted pursuant to Section 1-506(a);

(2) the type of entity and, if it is a limited partnership, whether it is a limited liability limited partnership;

(3) the entity's jurisdiction of formation;

(4) the street and mailing ~~ADDRESS~~ ADDRESSES of the ENTITY'S principal office ~~OF THE FOREIGN FILING ENTITY OR FOREIGN LIMITED LIABILITY PARTNERSHIP~~ and, if the ~~LAWS~~ LAW of ~~IT'S THE ENTITY'S~~ jurisdiction of formation ~~require~~ requires ~~it~~ THE ENTITY to maintain an office in that jurisdiction, the street and mailing ~~ADDRESS~~ ADDRESSES of the office; and

(5) the information required by Section 1-404(a).

SECTION 1-504. AMENDMENT OF FOREIGN REGISTRATION STATEMENT.

~~(A)~~ A registered foreign entity ~~registered to do business in this state~~ shall deliver to the

[Secretary of State] for filing an amendment to its foreign registration statement if there is a change in:

- (1) the name of the entity;
- (2) the type of entity, including, if it is a limited partnership, whether the entity became or ceased to be a limited liability limited partnership;
- (3) the ENTITY'S jurisdiction of formation;
- (4) ~~THE~~ AN address ~~OR ADDRESSES~~ required by Section 1-503(4); or
- (5) the information required by Section 1-404(a).

~~(B) THE REQUIREMENTS OF SECTION 1-503 FOR AN ORIGINAL FOREIGN REGISTRATION STATEMENT APPLY TO AN AMENDMENT OF A FOREIGN REGISTRATION STATEMENT UNDER THIS SECTION.~~

SECTION 1-505. ACTIVITIES NOT CONSTITUTING DOING BUSINESS.

(a) Activities of a foreign filing entity or foreign limited liability partnership which do not constitute doing business in this state under this [article] include:

- (1) maintaining, defending, mediating, arbitrating, or settling ~~A~~ AN ACTION OR proceeding;
- (2) carrying on any activity concerning its internal affairs, including holding meetings of its interest holders or governors;
- (3) maintaining accounts in financial institutions;
- (4) maintaining offices or agencies for the transfer, exchange, and registration of ~~INTERESTS IN~~ SECURITIES OF the entity or maintaining trustees or depositories with respect to those ~~INTERESTS~~ SECURITIES;
- (5) selling through independent contractors;

(6) soliciting or obtaining orders by any means if the orders require acceptance outside this state before they become contracts;

(7) creating or acquiring indebtedness, mortgages, or security interests in property;

(8) securing or collecting debts or enforcing mortgages or ~~OTHER~~ security interests in property securing the debts, and holding, protecting, or maintaining property so acquired;

(9) conducting an isolated transaction that is not in the course of similar transactions; ~~AND~~

(10) *owning, without more, property; and*

(11) doing business in interstate commerce.

(b) A PERSON DOES NOT DO BUSINESS IN THIS STATE SOLELY BY BEING AN INTEREST HOLDER OR GOVERNOR OF A FOREIGN ENTITY THAT DOES BUSINESS IN THIS STATE.

(C) This section does not apply in determining the contacts or activities that may subject a foreign filing entity or foreign limited liability partnership to service of process, taxation, or regulation under law of this state other than this [act].

SECTION 1-506. NONCOMPLYING NAME OF FOREIGN ENTITY.

(a) A foreign filing entity or foreign limited liability partnership whose name does not comply with Section 1-301 for an entity of its type may not register to do business in this state until it adopts, for the purpose of doing business in this state, an alternate name that complies with Section 1-301. A registered foreign ~~filing entity or foreign limited liability partnership~~ that registers under an alternate name under this subsection need not comply with [this state's ~~fictitious or assumed~~ or fictitious name statute]. After registering to do business in this state with an alternate name, a registered foreign ~~filing entity or foreign limited liability partnership~~ ~~MAY~~

SHALL do business in this state under:

- (1) the alternate name;
- (2) its entity name, with the addition of its jurisdiction of formation clearly identified; or
- (3) an assumed or fictitious name the entity is authorized to use under [this state's ~~fictitious or~~ assumed or fictitious name statute].

(b) If a registered foreign ~~filing~~ entity ~~registered to do business in this state~~ changes its name to one that does not comply with Section 1-301, it may not do business in this state until it complies with subsection (a) by amending its registration to adopt an alternate name that complies with Section 1-301.

SECTION 1-507. WITHDRAWAL OF REGISTRATION OF REGISTERED FOREIGN ENTITY.

(a) A registered foreign entity ~~registered to do business in this state~~ may withdraw its registration by delivering a statement of withdrawal to the [Secretary of State] for filing. The statement of withdrawal must BE SIGNED BY THE ENTITY AND state:

- (1) the name of the foreign entity and ~~THE NAME OF the~~ its jurisdiction ~~under whose law it is formed~~ of formation;
- ~~(2) THE TYPE OF ENTITY INCLUDING, IF IT IS A LIMITED PARTNERSHIP, WHETHER IT IS A LIMITED LIABILITY LIMITED PARTNERSHIP;~~
- ~~(3)~~ (2) that the entity is not doing business in this state and that it withdraws its registration to do business in this state;
- ~~(4)~~ (3) that the entity revokes the authority of its registered agent to accept service on its behalf IN THIS STATE; and

~~(5)~~ (4) an address to which service of process may be made under subsection (b).

(b) After the withdrawal of the registration of an entity, service of process in any ACTION OR proceeding based on a cause of action arising during the time ~~IF~~ THE ENTITY was registered to do business in this state may be made pursuant to Section 1-412.

SECTION 1-508. WITHDRAWAL DEEMED ON CONVERSION TO DOMESTIC FILING ENTITY OR DOMESTIC LIMITED LIABILITY PARTNERSHIP.

A ~~qualified~~ registered foreign entity ~~registered to do business in this state which~~ that converts to any type of domestic filing entity or to a domestic ~~registered~~ limited liability partnership is deemed to have withdrawn its registration on the effective date of the conversion.

SECTION 1-509. WITHDRAWAL ON DISSOLUTION OR CONVERSION TO NONFILING ENTITY OTHER THAN LIMITED LIABILITY PARTNERSHIP.

(a) A REGISTERED foreign entity ~~REGISTERED TO DO BUSINESS IN THIS STATE WHICH DISSOLVES THAT HAS DISSOLVED AND COMPLETED WINDING UP~~ or ~~CONVERTS THAT HAS CONVERTED~~ to a domestic or foreign nonfiling entity other than a limited liability partnership shall deliver a statement of withdrawal to the [Secretary of State] for filing. The statement must ~~set forth~~ BE SIGNED BY THE DISSOLVED OR CONVERTED ENTITY AND STATE:

(1) IN THE CASE OF A FOREIGN ENTITY THAT HAS COMPLETED WINDING UP:

(A) THE ITS name ~~OF THE FOREIGN ENTITY~~ and ~~THE NAME OF THE ITS~~ JURISDICTION ~~UNDER WHOSE LAW IT WAS FORMED BEFORE THE DISSOLUTION OR CONVERSION OF~~ FORMATION; and

~~(2) THE TYPE OF ENTITY THE FOREIGN ENTITY WAS BEFORE THE DISSOLUTION OR CONVERSION;~~

~~(3)~~ (B) that the foreign entity surrenders its registration to do business in

this state ~~AS A QUALIFIED ENTITY~~; and

~~(4)~~ (2) ~~IF THE~~ IN THE CASE OF A foreign entity THAT has converted to a DOMESTIC OR foreign nonfiling entity other than a ~~FOREIGN~~ limited liability partnership:

(A) THE NAME OF THE CONVERTING FOREIGN ENTITY AND ITS JURISDICTION
OF FORMATION;

(B) the type of nonfiling entity to which it has converted and ~~THE~~ ITS
jurisdiction ~~WHOSE LAWS GOVERN ITS INTERNAL AFFAIRS~~ OF FORMATION;

~~(B)~~ (C) that it SURRENDERS ITS REGISTRATION TO DO BUSINESS IN THIS
STATE AND revokes the authority of its registered agent to accept service on its behalf; and

~~(C)~~ (D) a mailing address to which service of process may be made under
subsection (b).

(b) After ~~THE~~ A withdrawal IS EFFECTIVE under this section ~~OF A FOREIGN FILING ENTITY~~
~~THAT HAS CONVERTED TO A FOREIGN NONFILING ENTITY IS EFFECTIVE~~, service of process in any
ACTION OR proceeding based on a cause of action arising during the time ~~IF~~ THE FOREIGN FILING
ENTITY was registered to do business in this state may be made pursuant to Section 1-412.

~~(C) AFTER THE WITHDRAWAL UNDER THIS SECTION OF A FOREIGN FILING ENTITY THAT HAS~~
~~CONVERTED TO A DOMESTIC NONFILING ENTITY OTHER THAN A LIMITED LIABILITY PARTNERSHIP IS~~
~~EFFECTIVE, SERVICE OF PROCESS MAY BE MADE ON THE NONFILING ENTITY PURSUANT TO SECTION~~
~~1-412.~~

SECTION 1-510. TRANSFER OF REGISTRATION.

(a) ~~A~~ If a registered foreign ~~filing~~ entity ~~or foreign limited liability partnership registered~~
~~to do business in this state that merges with~~ merges into a nonregistered foreign entity or
~~converts~~ converts to a foreign entity required to register with the [Secretary of State] to do

business in this state, the foreign entity shall deliver to the [Secretary of State] for filing an application for transfer of registration. The application must BE SIGNED BY THE SURVIVING OR CONVERTED ENTITY AND state:

(1) the name of the ~~APPLICANT~~ REGISTERED FOREIGN entity BEFORE THE MERGER OR CONVERSION;

(2) the type of entity it was before the merger or conversion;

(3) the name of the APPLICANT entity ~~INTO WHICH IT HAS MERGED OR TO WHICH IT HAS BEEN CONVERTED~~; and, if the name does not comply with Section 1-301, an alternate name adopted pursuant to Section 1-506(a);

(4) the type of entity ~~INTO WHICH IT HAS MERGED OR TO WHICH IT HAS BEEN CONVERTED~~ OF THE APPLICANT ENTITY and ~~the~~ its jurisdiction ~~whose law governs its internal affairs of formation~~; and

(5) the following information regarding the APPLICANT entity ~~INTO WHICH IT HAS MERGED OR TO WHICH IT HAS BEEN CONVERTED~~, if different than the information for the ~~APPLICANT~~ FOREIGN entity BEFORE THE MERGER OR CONVERSION:

(A) the street and mailing ~~ADDRESS~~ ADDRESSES of the principal office of the entity and, if the law of the entity's jurisdiction of formation requires it to maintain an office in that jurisdiction, the street and mailing ~~ADDRESS~~ ADDRESSES of that office; and

(B) the ~~name and street and mailing address of its registered agent in this state~~ information required pursuant to Section 1-404(a).

~~(b) An application for transfer of registration must be delivered to the [Secretary of State] for filing and takes effect at the time provided in Section 1-203.~~

~~(c)~~ (b) When an application for transfer of registration takes effect, the registration of the

~~APPLICANT~~ REGISTERED FOREIGN entity to do business in this state is transferred without interruption to the entity into which it has merged or to which it has been converted.

SECTION 1-511. TERMINATION OF REGISTRATION.

(a) The [Secretary of State] may terminate the registration of a registered foreign ~~filing~~ entity ~~or foreign limited liability partnership TO DO BUSINESS IN THIS STATE~~ in the manner provided in subsections (b) and (c) if the entity does not:

(1) pay, not later than [60 days] after the due date, any fee, tax, INTEREST, or penalty required to be paid to the [Secretary of State] under this ~~[article]~~ [act] or law of this state other than this [act];

(2) deliver to the [Secretary of State] for filing, not later than [60 days] after the due date, ~~THE~~ [AN annual] [A biennial] report, IF ANY, REQUIRED OF FOREIGN ENTITIES OF ITS TYPE;
~~or~~

(3) have a registered agent as required by Section 1-402; or

(4) deliver to the [Secretary of State] for filing a statement of change under Section 1-407 not later than 30 days after a change occurs in the name or address of the entity's registered agent.

(b) The [Secretary of State] may terminate the registration of a registered foreign ~~filing~~ entity ~~or foreign limited liability partnership~~, by:

(1) filing a notice of termination or noting the termination in the records of the [Secretary of State]; and ~~by~~

(2) delivering a copy of the notice or the information in the notation to the entity's registered agent ~~IN THIS STATE~~, or if the entity does not have a registered agent ~~IN THIS STATE~~, to the entity's principal office ~~AS DESIGNATED IN SECTION 1-503(4)~~.

(c) The notice must state or the information in the notation under subsection (b) must include:

(1) the effective date of the termination, which must be at least [60 days] after the date the [Secretary of State] delivers the copy; and

(2) the grounds for termination under subsection (a).

~~(c)~~ (d) The authority of a registered foreign ~~filing~~ entity ~~or foreign limited liability partnership~~ to do business in this state ceases on the effective date of the notice of termination or notation under subsection (b), unless before that date the entity cures each ground for termination stated in the notice ~~filed under subsection (b) or notation~~. If the entity cures each ground, the [Secretary of State] shall file a record so stating.

[SECTION 1-512. ACTION BY [ATTORNEY GENERAL]. The [Attorney General] may maintain an action to enjoin a foreign filing entity or foreign limited liability partnership from doing business in this state in violation of this [act].]

[PART] 6

ADMINISTRATIVE DISSOLUTION

SECTION 1-601. GROUNDS. The [Secretary of State] may commence a proceeding under Section 1-602 to dissolve a domestic filing entity administratively if the entity does not:

(1) pay any fee, tax, INTEREST, or penalty required to be paid to the [Secretary of State] not later than [six months] after it is due;

(2) deliver [an annual] [a biennial] report to the [Secretary of State] not later than [six months] after it is due; or

(3) have a registered agent in this state for [60] CONSECUTIVE days.

SECTION 1-602. PROCEDURE AND EFFECT.

(a) If the [Secretary of State] determines that one or more grounds exist under Section 1-601 for ADMINISTRATIVELY dissolving a domestic filing entity, the [Secretary of State] shall serve the entity pursuant to Section ~~1-412~~ 1-210 with notice in a record of the [Secretary of State's] determination.

(b) If a domestic filing entity, not later than [60] days] after service of the notice ~~is effected under Section 1-412~~ required by subsection (a), does not ~~correct~~ cure each ground for dissolution or demonstrate to the satisfaction of the [Secretary of State] that each ground determined by the [Secretary of State] does not exist, the [Secretary of State] shall dissolve the entity administratively by signing a statement of ADMINISTRATIVE dissolution that recites the ~~GROUND OR~~ grounds for dissolution and ~~its~~ the effective date of dissolution. The [Secretary of State] shall file ~~THE ORIGINAL OF~~ the statement and serve a copy on the entity pursuant to Section ~~1-412~~ 1-210.

(c) A domestic filing entity that is dissolved administratively continues its existence as an entity but may not carry on any ~~business activities~~ except as necessary to wind up its activities and affairs and liquidate its ~~business and affairs~~ assets in the manner provided in its organic law or to apply for reinstatement under Section 1-603.

(d) The administrative dissolution of a domestic filing entity does not terminate the authority of its registered agent.

SECTION 1-603. REINSTATEMENT.

(a) A domestic filing entity that is dissolved administratively under Section 1-602 may apply to the [Secretary of State] for reinstatement [not later than [two] years after the effective date of dissolution]. The application must BE SIGNED BY THE ENTITY AND state:

(1) the name of the entity at the time of its administrative dissolution and, if

needed, a different name that satisfies Section 1-301;

(2) the address of the principal office of the entity and the name and address of ~~the~~ its registered agent;

(3) the effective date of the entity's administrative dissolution; and

(4) that the grounds for dissolution ~~EITHER~~ did not exist or have been ~~eliminated~~ cured.

(b) To be reinstated, an entity must pay all fees, taxes, INTEREST, and penalties that were due to the [Secretary of State] at the time of its administrative dissolution and all fees, taxes, interest, and penalties that would have been due to the [Secretary of State] while the entity was dissolved administratively.

(c) If the [Secretary of State] determines that ~~the~~ an application under subsection (a) contains the information required by subsection (a), is satisfied that the information is correct, and determines that all payments required to be made to the [Secretary of State] by subsection (b) have been made, the [Secretary of State] shall:

(1) cancel the statement of ADMINISTRATIVE dissolution and prepare a statement of reinstatement that states the [Secretary of State's] determination and the effective date of reinstatement;₂

(2) file ~~THE ORIGINAL OF~~ the statement;₂ and

(3) serve a copy of the statement on the entity ~~PURSUANT TO SECTION 1-412~~.

(d) When reinstatement under this section is effective,

(1) it relates back to and takes effect as of the effective date of the administrative dissolution;₂ and

(2) the domestic filing entity resumes carrying on its ~~BUSINESS~~ ACTIVITIES AND

AFFAIRS as if the administrative dissolution had never occurred, except for the rights of a person arising out of an act or omission in reliance on the dissolution before the person knew or had reason to know of the reinstatement.

SECTION 1-604. JUDICIAL REVIEW OF DENIAL OF REINSTATEMENT.

(a) If the [Secretary of State] denies a domestic filing entity's application for reinstatement following administrative dissolution, the [Secretary of State] shall serve the entity ~~PURSUANT TO SECTION 1-412~~ with a notice in a record that explains the ~~REASON OR~~ reasons for denial.

(b) An entity may seek judicial review of denial of reinstatement in [the appropriate court] not later than [30] days] after service of the notice of denial.

[PART] 7

MISCELLANEOUS PROVISIONS

SECTION 1-701. RESERVATION OF POWER TO AMEND OR REPEAL. The [legislature of this state] has power to amend or repeal all or part of this [act] at any time, and all domestic and foreign entities subject to this [act] are governed by the amendment or repeal.

SECTION 1-702. SUPPLEMENTAL PRINCIPLES OF LAW. Unless displaced by particular provisions of this [act], the principles of law and equity supplement this [act].

SECTION 1-703. UNIFORMITY OR CONSISTENCY OF APPLICATION AND CONSTRUCTION. In applying and construing the [articles] of this [act] based on uniform or model acts, consideration must be given to the need to promote uniformity or consistency of the law with respect to its subject matter among states that enact it.

SECTION 1-704. SEVERABILITY CLAUSE. *If any provision of this [act] or its application to any person or circumstance is held invalid, the invalidity does not affect other*

provisions or applications of this [act] which can be given effect without the invalid provision or application, and to this end the provisions of this [act] are severable.

Legislative Note: *Include this section only if this state lacks a general severability statute or decision by the highest court of this state stating a general rule of severability.*

SECTION ~~1-704~~ 1-705. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This [act] modifies, limits, ~~and~~ or supersedes the ~~federal~~ Electronic Signatures in Global and National Commerce ~~act~~ Act, 15 U.S.C. Section 7001 et seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

SECTION ~~1-705~~ 1-706. SAVINGS CLAUSE. The repeal of a statute by this [act] does not affect:

- (1) the operation of the statute or any action taken under it before its repeal;
- (2) any ratification, right, remedy, privilege, obligation, or liability acquired, accrued, or incurred under the statute before its repeal;
- (3) any violation of the statute or any penalty, forfeiture, or punishment incurred because of the violation before its repeal; or
- (4) any proceeding, reorganization, or dissolution commenced under the statute before its repeal, and the proceeding, reorganization, or dissolution may be completed in accordance with the statute as if it had not been repealed.

SECTION ~~1-706~~ 1-707. EFFECTIVE DATE. This [act] takes effect . . .

[ARTICLE] 2
ENTITY TRANSACTIONS

~~[ARTICLE] 3~~
~~BUSINESS CORPORATIONS~~

~~[ARTICLE] 4~~
~~NONPROFIT CORPORATIONS~~

[ARTICLE] 5 3
GENERAL PARTNERSHIPS

[ARTICLE] 6 4
LIMITED PARTNERSHIPS

[ARTICLE] 7 5
LIMITED LIABILITY COMPANIES

[ARTICLE] 8 6
LIMITED COOPERATIVE ASSOCIATIONS

[ARTICLE] 9 7
UNINCORPORATED NONPROFIT ASSOCIATIONS

[ARTICLE] 10 8
STATUTORY TRUST ENTITIES

[ARTICLE] 9
BUSINESS CORPORATIONS

[ARTICLE] 10
NONPROFIT CORPORATIONS

EXCERPTS FROM AMENDMENTS TO
HARMONIZED MODEL ENTITY TRANSACTIONS ACT

[ARTICLE] 1

GENERAL PROVISIONS

* * *

SECTION 102. DEFINITIONS. In this [act]:

* * *

~~(22) “LIABILITY” MEANS A DEBT, OBLIGATION, OR ANY OTHER LIABILITY ARISING IN ANY MANNER, REGARDLESS OF WHETHER IT IS SECURED OR WHETHER IT IS CONTINGENT.~~

* * *

(31) “PLAN OF CONVERSION” MEANS A PLAN UNDER SECTION 402.

(32) “PLAN OF DOMESTICATION” MEANS A PLAN UNDER SECTION 502.

(33) “PLAN OF INTEREST EXCHANGE” MEANS A PLAN UNDER SECTION 302.

(34) “PLAN OF MERGER” MEANS A PLAN UNDER SECTION 202.

* * *

(43) “STATEMENT OF CONVERSION” MEANS A STATEMENT UNDER SECTION 405.

(44) “STATEMENT OF DOMESTICATION” MEANS A STATEMENT UNDER SECTION 505.

(45) “STATEMENT OF INTEREST EXCHANGE” MEANS A STATEMENT UNDER SECTION 305.

(46) “STATEMENT OF MERGER” MEANS A STATEMENT UNDER SECTION 205.

~~(36)~~ (47) “Surviving entity” means the entity that continues in existence after or is created by a merger UNDER [ARTICLE] 2.

* * *

SECTION 104. REQUIRED NOTICE OR APPROVAL.

(a) A domestic or foreign entity that is required to give notice to, or obtain the approval of, a governmental agency or officer ~~IN ORDER~~ OF THIS STATE to be a party to a merger must give the notice or obtain the approval ~~IN ORDER~~ to be a party to an interest exchange, conversion, or domestication.

(b) Property held for a charitable purpose under the law of this state by a domestic or foreign entity immediately before a transaction under this [act] becomes effective may not, as a result of the transaction, be diverted from the objects for which it was donated, granted, ~~OR devised,~~ OR OTHERWISE TRANSFERRED unless, to the extent required by or pursuant to the law of this state concerning cy pres or other law dealing with nondiversion of charitable assets, the entity obtains an appropriate order of [~~name of the appropriate~~ court] [the ~~attorney general~~ Attorney General] specifying the disposition of the property.

* * *

[ARTICLE] 2

MERGER

SECTION 201. MERGER AUTHORIZED.

* * *

(c) This [article] does not apply to a transaction under:

- (1) [Chapter 11 of the Model Business Corporation Act];
- (2) [Chapter 11 of the Model Nonprofit Corporation Act];
- (3) [Article 9 of the Uniform Partnership Act (1997)];
- (4) [Article 11 of the Uniform Limited Partnership Act (2001)];
- (5) [~~ARTICLE 12 OF THE PROTOTYPE LIMITED LIABILITY COMPANY ACT~~];

~~(6) [ARTICLE 9 OF THE UNIFORM LIMITED LIABILITY COMPANY ACT (1996)];~~

~~(7)(5) [ARTICLE 7 OF THE UNIFORM STATUTORY TRUST ENTITY ACT];~~

~~(6)~~ [Article 10 of the Uniform Limited Liability Company Act (2006)]; [or]

~~(8) (7)~~ [Article ~~15~~ 16 of the Uniform Limited Cooperative Association Act

(2007)] [; or

~~(9) (8)~~ Cite provisions of any other organic law that has merger provisions for entities of the same type].

~~[(D) THE FOLLOWING ENTITIES MAY NOT PARTICIPATE IN A MERGER UNDER THIS [ARTICLE]:~~

~~(1)~~

~~(2).]~~

SECTION 202. PLAN OF MERGER.

(a) A domestic entity may become a party to a merger under this [article] by approving a plan of merger. The plan must be in a record and contain:

(1) as to each merging entity, its name, jurisdiction of ~~organization~~ formation, and type of entity;

(2) if the surviving entity is to be created in the merger, a statement to that effect and ~~ITS THE~~ ENTITY'S name, jurisdiction of ~~organization~~ formation, and type of entity;

(3) the manner of converting the interests in each party to the merger into interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing;

* * *

* * *

SECTION 203. APPROVAL OF MERGER.

(a) A plan of merger is not effective unless it has been approved:

* * *

(2) in a record, by each interest holder of a domestic merging entity that will have interest holder liability for debts, obligations, and other liabilities that arise after the merger becomes effective, unless, in the case of an entity that is not a business corporation or nonprofit corporation:

(A) the organic rules of the entity provide in a record for the approval of a merger in which some or all of its interest holders become subject to interest holder liability by the vote or consent of fewer than all ~~of~~ the interest holders; and

(B) the interest holder ~~VOTED FOR OR~~ consented in a record to OR VOTED FOR that provision of the organic rules or became an interest holder after the adoption of that provision.

(b) A merger UNDER THIS [ARTICLE] involving a foreign merging entity is not effective unless ~~it~~ the merger is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of ~~organization~~ formation.

SECTION 204. AMENDMENT OR ABANDONMENT OF PLAN OF MERGER.

(a) A plan of merger ~~OF A DOMESTIC MERGING ENTITY~~ may be amended ONLY WITH THE CONSENT OF EACH PARTY TO THE PLAN, EXCEPT AS OTHERWISE PROVIDED IN THE PLAN.

(B) A DOMESTIC MERGING ENTITY MAY APPROVE AN AMENDMENT OF A PLAN OF MERGER:

(1) in the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or

(2) by the governors or interest holders of the entity in the manner provided in the plan, but an interest holder that was entitled to vote on or consent to approval of the merger is

entitled to vote on or consent to any amendment of the plan that will change:

(A) the amount or kind of interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing, to be received by the interest holders of any party to the plan;

(B) the public organic ~~document~~ record, if any, or private organic rules of the surviving entity that will be in effect immediately after the merger becomes effective, except for changes that do not require approval of the interest holders of the surviving entity under its organic law or organic rules; or

(C) any other terms or conditions of the plan, if the change would adversely affect the interest holder in any material respect.

~~(B)~~ (C) After a plan of merger has been approved ~~BY A DOMESTIC MERGING ENTITY~~ and before a statement of merger becomes effective, the plan may be abandoned: ~~(1)~~ as provided in the plan; ~~OR, (2) UNLESS~~ UNLESS prohibited by the plan, A DOMESTIC MERGING ENTITY MAY ABANDON THE PLAN in the same manner as the plan was approved.

~~(C)~~ (D) If a plan of merger is abandoned after a statement of merger has been ~~filed with~~ delivered to the [Secretary of State] for filing and before the ~~filing~~ statement of merger becomes effective, a statement of abandonment, signed ~~on behalf of~~ by a MERGING ENTITY PARTY TO THE PLAN, must be ~~filed with~~ delivered to the [Secretary of State] for filing before ~~the time~~ the statement of merger becomes effective. The statement of abandonment takes effect upon filing, and the merger is abandoned and does not become effective. The statement of abandonment must contain:

(1) the name of each ~~MERGING OR SURVIVING ENTITY THAT IS A DOMESTIC ENTITY~~

~~OR A QUALIFIED FOREIGN ENTITY~~ PARTY TO THE PLAN OF MERGER;

* * *

SECTION 205. STATEMENT OF MERGER; EFFECTIVE DATE.

* * *

(d) If the surviving entity is a domestic entity, its public organic ~~document~~ record, if any, must satisfy the requirements of the law of this state, except that ~~IF THE PUBLIC ORGANIC RECORD~~ does not need to be signed and may omit any provision that is not required to be included in a restatement of the public organic ~~document~~ record.

* * *

SECTION 206. EFFECT OF MERGER.

(a) When a merger UNDER THIS [ARTICLE] becomes effective:

- (1) the surviving entity continues or comes into existence;
- (2) each merging entity that is not the surviving entity ceases to exist;
- (3) all property of each merging entity vests in the surviving entity without transfer, assignment, reversion, or impairment;
- (4) all debts, obligations, and other liabilities of each merging entity are debts, obligations, and other liabilities of the surviving entity;
- (5) except as otherwise provided by law ~~OTHER THAN THIS [ACT]~~ or the plan of merger, all of the rights, privileges, immunities, powers, and purposes of each merging entity vest in the surviving entity;
- (6) if the surviving entity exists before the merger:
 - (A) all ~~of~~ its property continues to be vested in it without transfer, reversion, or impairment;

(B) it remains subject to all of its debts, obligations, and other liabilities;

and

(C) all of its rights, privileges, immunities, powers, and purposes continue to be vested in it;

(7) the name of the surviving entity may be substituted for the name of any merging entity that is a party to any pending action or proceeding;

(8) if the surviving entity exists before the merger:

(A) its public organic ~~document~~ record, if any, is amended as provided in the statement of merger ~~AND IS BINDING ON ITS INTEREST HOLDERS~~; and

(B) its private organic rules that are to be in a record, if any, are amended to the extent provided in the plan of merger ~~AND ARE BINDING ON AND ENFORCEABLE BY:~~

~~(i) ITS INTEREST HOLDERS; AND~~

~~(ii) IN THE CASE OF A SURVIVING ENTITY THAT IS NOT A BUSINESS CORPORATION OR A NONPROFIT CORPORATION, ANY OTHER PERSON THAT IS A PARTY TO AN AGREEMENT THAT IS PART OF THE SURVIVING ENTITY'S PRIVATE ORGANIC RULES;~~

(9) if the surviving entity is created by the merger:

(A) its public organic ~~document~~ record, if any, is effective ~~AND IS BINDING ON ITS INTEREST HOLDERS~~; and

(B) its private organic rules are effective ~~AND ARE BINDING ON AND ENFORCEABLE BY:~~

~~(i) ITS INTEREST HOLDERS; AND~~

~~(ii) IN THE CASE OF A SURVIVING ENTITY THAT IS NOT A BUSINESS CORPORATION OR A NONPROFIT CORPORATION, ANY OTHER PERSON THAT WAS A PARTY TO AN~~

~~AGREEMENT THAT WAS PART OF THE ORGANIC RULES OF A MERGING ENTITY IF THAT PERSON HAS AGREED TO BE A PARTY TO AN AGREEMENT THAT IS PART OF THE SURVIVING ENTITY'S PRIVATE ORGANIC RULES; and~~

(10) the interests in each merging entity ~~that~~ which are to be converted in the merger are converted, and the interest holders of those interests are entitled only to the rights provided to them under the plan of merger and to any appraisal rights they have under Section 109 and the merging entity's organic law.

(b) Except as otherwise provided in the organic law or organic rules of a merging entity, ~~THE A~~ merger UNDER THIS [ARTICLE] does not give rise to any rights that an interest holder, governor, or third party would otherwise have upon a dissolution, liquidation, or ~~winding up~~ winding up of the merging entity.

(c) When a merger UNDER THIS [ARTICLE] becomes effective, a person that did not have interest holder liability with respect to any of the merging entities and that becomes subject to interest holder liability with respect to a domestic entity as a result of a merger has interest holder liability only to the extent provided by the organic law of ~~the~~ that entity and only for those debts, obligations, and other liabilities that arise after the merger becomes effective.

(d) When a merger becomes effective, the interest holder liability of a person that ceases to hold an interest in a domestic merging entity with respect to which the person had interest holder liability is as follows:

(1) ~~the~~ The merger does not discharge any interest holder liability under the organic law of the domestic merging entity to the extent the interest holder liability arose before the merger became effective;

(2) ~~the~~ The person does not have interest holder liability under the organic law of

the domestic merging entity for any liability that arises after the merger becomes effective;

(3) ~~the~~ The organic law of the domestic merging entity continues to apply to the release, collection, or discharge of any interest holder liability preserved under paragraph (1) as if the merger had not occurred and the surviving entity were the domestic merging entity; ~~and~~.

(4) ~~the~~ The person has whatever rights of contribution from any other person as are provided by ~~THE ORGANIC LAW~~ LAW OTHER THAN THIS [ACT] or THE organic rules of the domestic merging entity with respect to any interest holder liability preserved under paragraph (1) as if the merger had not occurred.

(e) When a merger UNDER THIS [ARTICLE] becomes effective, a foreign entity that is the surviving entity: ~~(1)~~ may be served with process in this state for the collection and enforcement of any debts, obligations, or other liabilities of a domestic merging entity in accordance with applicable law; ~~and (2) appoints the [Secretary of State] as its agent for service of process for collecting or enforcing those liabilities.~~

(f) When a merger UNDER THIS [ARTICLE] becomes effective, the ~~certificate of authority or other foreign qualification~~ registration to do business in this state of any foreign merging entity that is not the surviving entity is canceled.

[ARTICLE] 3

INTEREST EXCHANGE

SECTION 301. INTEREST EXCHANGE AUTHORIZED.

(a) Except as otherwise provided in this section, by complying with this [article]:

(1) a domestic entity may acquire all of one or more classes or series of interests of another domestic or foreign entity in exchange for interests, securities, obligations, rights to acquire interests or securities, ~~cash~~ money, or other property, or any combination of the

foregoing; or

(2) all of one or more classes or series of interests of a domestic entity may be acquired by another domestic or foreign entity in exchange for interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing.

* * *

SECTION 302. PLAN OF INTEREST EXCHANGE.

(a) A domestic entity may be the acquired entity in an interest exchange under this [article] by approving a plan of interest exchange. The plan must be in a record and contain:

- (1) the name and type of entity of the acquired entity;
- (2) the name, jurisdiction of ~~organization~~ formation, and type of entity of the acquiring entity;
- (3) the manner of converting the interests in the acquired entity into interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing;
- (4) any proposed amendments to the public organic ~~document~~ record, if any, or private organic rules that are, or are proposed to be, in a record of the acquired entity;
- (5) the other terms and conditions of the interest exchange; and
- (6) any other provision required by the law of this state or the organic rules of the acquired entity.

* * *

* * *

SECTION 304. AMENDMENT OR ABANDONMENT OF PLAN OF INTEREST

EXCHANGE.

* * *

(b) A domestic acquired entity may approve an amendment of a plan of interest exchange:

(1) in the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or

(2) by the governors or interest holders of the entity in the manner provided in the plan, but an interest holder that was entitled to vote on or consent to approval of the interest exchange is entitled to vote on or consent to any amendment of the plan that will change:

(A) the amount or kind of interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing, to be received by any of the interest holders of the acquired entity under the plan;

* * *

* * *

* * *

SECTION 306. EFFECT OF INTEREST EXCHANGE.

* * *

(d) When an interest exchange becomes effective, the interest holder liability of a person that ceases to hold an interest in a domestic acquired entity with respect to which the person had interest holder liability is as follows:

* * *

(4) ~~the~~ The person has whatever rights of contribution from any other person as

are provided by LAW OTHER THAN THIS [ACT] OR the organic law or organic rules of the domestic acquired entity with respect to any interest holder liability preserved under paragraph (1) as if the interest exchange had not occurred.

[ARTICLE] 4

CONVERSION

* * *

SECTION 402. PLAN OF CONVERSION.

(a) A domestic entity may convert to a different type of entity under this [article] by approving a plan of conversion. The plan must be in a record and contain:

* * *

(3) the manner of converting the interests in the converting entity into interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing;

* * *

* * *

* * *

SECTION 404. AMENDMENT OR ABANDONMENT OF PLAN OF CONVERSION.

(a) A plan of conversion of a domestic converting entity may be amended:

* * *

(2) by the governors or interest holders of the entity in the manner provided in the plan, but an interest holder that was entitled to vote on or consent to approval of the conversion

is entitled to vote on or consent to any amendment of the plan that will change:

(A) the amount or kind of interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing, to be received by any of the interest holders of the converting entity under the plan;

* * *

* * *

SECTION 406. EFFECT OF CONVERSION.

* * *

(d) When a conversion becomes effective:

(1) ~~the~~ The conversion does not discharge any interest holder liability under the organic law of a domestic converting entity to the extent the interest holder liability arose before the conversion became effective;

(2) ~~a~~ A person does not have interest holder liability under the organic law of a domestic converting entity for any liability that arises after the conversion becomes effective;

(3) ~~the~~ The organic law of a domestic converting entity continues to apply to the release, collection, or discharge of any interest holder liability preserved under paragraph (1) as if the conversion had not occurred; ~~and~~.

(4) ~~a~~ A person has whatever rights of contribution from any other person as are provided by ~~the organic~~ other law or the organic rules of the domestic converting entity with respect to any interest holder liability preserved under paragraph (1) as if the conversion had not occurred.

* * *

[ARTICLE] 5

DOMESTICATION

SECTION 501. DOMESTICATION AUTHORIZED.

* * *

~~(c) WHEN THE TERM DOMESTIC ENTITY IS USED IN THIS [ARTICLE] WITH REFERENCE TO A FOREIGN JURISDICTION, IT MEANS AN ENTITY WHOSE INTERNAL AFFAIRS ARE GOVERNED BY THE LAW OF THE FOREIGN JURISDICTION.~~

~~* * *~~

~~[(e) (d) The following entities may not engage in a domestication under this This~~
~~[article] does not apply to the domestication of:~~

(1) [a business corporation, if the state has adopted Subchapter 9B of the Model Business Corporation Act]; OR

~~(2) A LIMITED LIABILITY COMPANY, IF THE STATE HAS ENACTED ARTICLE 10 OF THE UNIFORM LIMITED LIABILITY COMPANY ACT (2006)]; OR~~

~~(3) (2).]~~

SECTION 502. PLAN OF DOMESTICATION.

(a) A domestic entity may become a foreign entity in a domestication by approving a plan of domestication. The plan must be in a record and contain:

* * *

(3) the manner of converting the interests in the domesticating entity into interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing;

* * *

* * *

* * *

SECTION 504. AMENDMENT OR ABANDONMENT OF PLAN OF DOMESTICATION.

(a) A plan of domestication of a domestic domesticating entity may be amended:

* * *

(2) by the governors or interest holders of the entity in the manner provided in the plan, but an interest holder that was entitled to vote on or consent to approval of the domestication is entitled to vote on or consent to any amendment of the plan that will change:

(A) the amount or kind of interests, securities, obligations, ~~rights to acquire interests or securities, CASH MONEY, or~~ other property, rights to acquire interests or securities, or any combination of the foregoing, to be received by any of the interest holders of the domesticating entity under the plan;

* * *

* * *

* * *

[ARTICLE] 6

MISCELLANEOUS PROVISIONS

* * *

SECTION 603. SEVERABILITY CLAUSE. *If any provision of this [act] or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this [act] which can be given effect without the invalid provision or*

application, and to this end the provisions of this [act] are severable.

Legislative Note: Include this section only if this state lacks a general severability statute or a declaration by the highest court of this state stating a general rule of severability.

* * *

EXCERPTS FROM AMENDMENTS TO
HARMONIZED REVISED UNIFORM LIMITED LIABILITY COMPANY ACT

SECTION 101. SHORT TITLE. This [act] may be cited as the Revised Uniform Limited Liability Company Act.

SECTION 102. DEFINITIONS. In this [act]:

* * *

(2) “Contribution”, except in the phrase “right of contribution”, means ~~ANY PROPERTY~~ OR A benefit DESCRIBED IN SECTION 402 WHICH IS provided by a person to a limited liability company;

~~(A) in order to become a member upon formation of the company and in accordance with an agreement between or among the persons that have agreed to become the initial members of the company;~~

~~(B) in order to become a member after formation of the company and in accordance with an agreement between the person and the company; or~~

~~(C) in the person’s capacity as a member and in accordance with the operating agreement or an agreement between the member and the company.~~

* * *

~~(5)~~ (4) “Distribution”, ~~except as otherwise provided in Section 405(g)~~, means a transfer of money or other property from a limited liability company to ~~another~~ a person on account of a transferable interest OR IN THE PERSON’S CAPACITY AS A MEMBER. THE TERM:

(A) INCLUDES:

(I) A REDEMPTION OR OTHER PURCHASE BY A LIMITED LIABILITY COMPANY

OF A TRANSFERABLE INTEREST; AND

(II) A TRANSFER TO A MEMBER IN RETURN FOR THE MEMBER’S
RELINQUISHMENT OF ANY RIGHT TO PARTICIPATE AS A MEMBER IN THE MANAGEMENT OR CONDUCT
OF THE COMPANY’S ACTIVITIES AND AFFAIRS OR TO HAVE ACCESS TO RECORDS OR OTHER
INFORMATION CONCERNING THE COMPANY’S ACTIVITIES AND AFFAIRS; AND

(B) DOES NOT INCLUDE AMOUNTS CONSTITUTING REASONABLE COMPENSATION FOR
PRESENT OR PAST SERVICE OR PAYMENTS MADE IN THE ORDINARY COURSE OF BUSINESS UNDER A
BONA FIDE RETIREMENT PLAN OR OTHER BONA FIDE BENEFITS PROGRAM.

* * *

~~(21)~~ (24) “Transferable interest” means the right, as ~~originally~~ initially owned by
~~associated with a person in the~~ person’s capacity as a member, to receive distributions from a
limited liability company in accordance with the operating agreement, whether or not the person
remains a member or continues to own any part of the right. THE TERM APPLIES TO ANY
FRACTION OF THE INTEREST, BY WHOMEVER OWNED.

~~(22)~~ (25) “Transferee” means a person to which all or part of a transferable interest has
been transferred, whether or not the transferor is a member. THE TERM INCLUDES A PERSON THAT
OWNS A TRANSFERABLE INTEREST UNDER SECTION 603(A)(3).

* * *

SECTION 104. NATURE, PURPOSE, AND DURATION OF LIMITED LIABILITY COMPANY.

(a) A limited liability company is an entity distinct from its MEMBER OR members.

* * *

SECTION 105. POWERS. A limited liability company has the capacity to sue and be

sued in its own name and the power to do all things necessary or convenient to carry on its activities AND AFFAIRS.

* * *

SECTION ~~110~~ 111. OPERATING AGREEMENT; SCOPE, FUNCTION, AND LIMITATIONS.

(a) Except as otherwise provided in subsections ~~(B) AND~~ (C) AND (D), the operating agreement governs:

(1) relations among the members as members and between the members and the limited liability company;

(2) the rights and duties under this [act] of a person in the capacity of manager;

(3) the activities AND AFFAIRS of the company and the conduct of those activities AND AFFAIRS; and

(4) the means and conditions for amending the operating agreement.

(b) To the extent the operating agreement does not ~~OTHERWISE~~ provide for a matter described in subsection (a), this [act] governs the matter.

(c) An operating agreement may not:

(1) vary a limited liability company's capacity under Section 105 to sue and be sued in its own name;

(2) vary the law applicable under Section 106;

(3) VARY ANY REQUIREMENT, PROCEDURE, OR OTHER PROVISION OF THIS [ACT]

PERTAINING TO:

(A) REGISTERED AGENTS; OR

(B) THE [SECRETARY OF STATE], INCLUDING PROVISIONS PERTAINING TO

RECORDS AUTHORIZED OR REQUIRED TO BE DELIVERED TO THE [SECRETARY OF STATE] FOR FILING UNDER THIS [ACT];

~~(3)~~ (4) vary the ~~power~~ provisions of ~~the court under~~ Section 204;

~~(4)~~ (5) ~~SUBJECT TO SUBSECTIONS (D) THROUGH (G);~~ ELIMINATE THE DUTY OF CARE OR THE DUTY OF LOYALTY;

~~(5)~~ (6) ~~subject to subsections (d) through (g);~~ eliminate the contractual obligation of good faith and fair dealing under Section 409(d), but the operating agreement may prescribe the standards, if not manifestly unreasonable, by which the performance of the obligation is to be measured;

~~(6)~~ (7) relieve or exonerate a person from liability for conduct involving bad faith, willful misconduct, or recklessness;

~~(6)~~ (8) unreasonably restrict the duties and rights ~~stated in~~ under Section 410, but the operating agreement may impose reasonable restrictions on the availability and use of information obtained under that section and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;

~~(7)~~ (9) vary the ~~power of a court to decree~~ causes of dissolution ~~in the~~ circumstances specified in Section 701(a)(4)(A) and (5);

~~(8)~~ (10) vary the requirement to wind up ~~a limited liability~~ the company's ~~business~~ activities and affairs as specified in Section 702(a), ~~and~~ (b)(1), and (e);

~~(9)~~ (11) unreasonably restrict the right of a member to maintain an action under [Article] 9;

(12) vary the provisions of Section 905, but the operating agreement may provide that the company may not have a special litigation committee;

~~(10)~~ (13) ~~restrict the right to approve a merger, conversion, or domestication under Section 1014 to a member that will have personal liability with respect to a surviving, converted, or domesticated organization~~ vary the right of a member to approve a merger, interest exchange, conversion, or domestication under Section 1023(a)(2), 1033(a)(2), 1043(a)(2), or 1053(a)(2); or

~~(11)~~ (14) except as otherwise provided in ~~Section 112(b)~~ Sections 112 and 113(b), restrict the rights under this [act] of a person other than a member or manager.

* * *

~~(H)~~ (e) The court shall decide as a matter of law any claim under subsection (c)(6) or (d)(3) that a term of an operating agreement is manifestly unreasonable. The court:

* * *

(2) may invalidate the term only if, in light of the purposes, ~~AND~~ activities, AND AFFAIRS of the limited liability company, it is readily apparent that:

* * *

* * *

SECTION ~~112~~ 113. OPERATING AGREEMENT; EFFECT ON THIRD PARTIES AND RELATIONSHIP TO RECORDS EFFECTIVE ON BEHALF OF LIMITED LIABILITY COMPANY.

* * *

(b) The obligations of a limited liability company and its members to a person in the person's capacity as a transferee or a person dissociated as a member are governed by the operating agreement. Subject only to ~~any~~ a court order issued under Section 503(b)(2) to effectuate a charging order, an amendment to the operating agreement made after a person

becomes a transferee or is dissociated as a member is;

(1) is effective with regard to any debt, obligation, or other liability of the limited liability company or its members to the person in the person's capacity as a transferee or person dissociated as a member; AND

(2) IS NOT EFFECTIVE TO THE EXTENT THE AMENDMENT IMPOSES A NEW DEBT, OBLIGATION, OR OTHER LIABILITY ON THE TRANSFEREE OR PERSON DISSOCIATED AS A MEMBER.

* * *

* * *

SECTION 201. FORMATION OF LIMITED LIABILITY COMPANY; CERTIFICATE OF ORGANIZATION

* * *

~~(d) UNLESS THE FILED CERTIFICATE OF ORGANIZATION CONTAINS THE STATEMENT AS PROVIDED IN SUBSECTION (B)(3), THE FOLLOWING RULES APPLY:~~

~~(1) A limited liability company is formed when THE [SECRETARY OF STATE] HAS FILED the company's certificate of organization AND THE COMPANY HAS AT LEAST ONE MEMBER, UNLESS THE CERTIFICATE STATES A DELAYED EFFECTIVE DATE PURSUANT TO SECTION 205(C) BECOMES EFFECTIVE AND AT LEAST ONE PERSON BECOMES A MEMBER.~~

~~(2) IF THE CERTIFICATE STATES A DELAYED EFFECTIVE DATE, A LIMITED LIABILITY COMPANY IS NOT FORMED IF, BEFORE THE CERTIFICATE TAKES EFFECT, A STATEMENT OF CANCELLATION IS SIGNED AND DELIVERED TO THE [SECRETARY OF STATE] FOR FILING AND THE [SECRETARY OF STATE] FILES THE CERTIFICATE.~~

~~(3) SUBJECT TO ANY DELAYED EFFECTIVE DATE AND EXCEPT IN A PROCEEDING BY THIS STATE TO DISSOLVE A LIMITED LIABILITY COMPANY, THE FILING OF THE CERTIFICATE OF~~

~~ORGANIZATION BY THE [SECRETARY OF STATE] IS CONCLUSIVE PROOF THAT THE ORGANIZER
SATISFIED ALL CONDITIONS TO THE FORMATION OF A LIMITED LIABILITY COMPANY.~~

* * *

* * *

**SECTION 203. SIGNING OF RECORDS TO BE DELIVERED FOR FILING TO
[SECRETARY OF STATE].**

(a) A record delivered to the [Secretary of State] for filing pursuant to this [act] must be signed as follows:

* * *

~~(4)~~(3) A record ~~filed~~ delivered on behalf of a dissolved ~~limited liability~~ company that has no ~~members~~ member must be signed by the person winding up the company's activities AND AFFAIRS under Section 702(c) or a person appointed under Section 702(d) to wind up ~~those~~ the activities AND AFFAIRS.

* * *

* * *

* * *

SECTION 211. CERTIFICATE OF GOOD STANDING OR REGISTRATION.

* * *

(b) A certificate under subsection (a) must state:

* * *

(2) IN THE CASE OF A LIMITED LIABILITY COMPANY:

(A) THAT A CERTIFICATE OF FORMATION HAS BEEN FILED AND HAS TAKEN

EFFECT;

(B) THE DATE THE CERTIFICATE BECAME EFFECTIVE;

(C) THE PERIOD OF THE COMPANY'S DURATION IF THE RECORDS OF THE
[SECRETARY OF STATE] REFLECT THAT ITS PERIOD OF DURATION IS LESS THAN PERPETUAL; AND

(D) THAT:

(I) A STATEMENT OF DISSOLUTION, STATEMENT OF ADMINISTRATIVE
DISSOLUTION, OR STATEMENT OF TERMINATION HAS NOT BEEN FILED;

(II) THE RECORDS OF THE [SECRETARY TO STATE] DO NOT
OTHERWISE REFLECT THAT THE COMPANY HAS BEEN DISSOLVED OR TERMINATED; AND

(III) A PROCEEDING IS NOT PENDING UNDER SECTION 707;

(3) IN THE CASE OF A REGISTERED FOREIGN LIMITED LIABILITY COMPANY, THAT IT IS
REGISTERED TO DO BUSINESS IN THIS STATE;

* * *

* * *

**SECTION ~~209~~ 212. ANNUAL [ANNUAL] [BIENNIAL] REPORT FOR
[SECRETARY OF STATE].**

(a) ~~Each year, a~~ A limited liability company or a registered foreign limited liability
company ~~authorized to transact business in this state~~ shall deliver to the [Secretary of State] for
filing a [an annual] [a biennial] report that states:

* * *

(4) IF THE COMPANY IS MEMBER MANAGED, THE NAME OF AT LEAST ONE MEMBER;

(5) IF THE COMPANY IS MANAGER MANAGED, THE NAME OF AT LEAST ONE
MANAGER; AND

* * *

* * *

(c) The first ~~annual report under this section~~ [annual] [biennial] report must be delivered to the [Secretary of State] ~~between~~ after [January 1] and before [April 1] of the year following the calendar year in which a ~~the~~ limited liability ~~COMPANY WAS FORMED~~ COMPANY'S CERTIFICATE OF ORGANIZATION BECAME EFFECTIVE or a the registered foreign limited liability company ~~was authorized to transact business~~ registered to do business in this state. ~~A report~~ Subsequent [annual][biennial] reports must be delivered to the [Secretary of State] ~~between~~ after [January 1] and before [April 1] of each ~~subsequent~~ [second] calendar year thereafter.

* * *

* * *

SECTION 304. LIABILITY OF MEMBERS AND MANAGERS.

* * *

(b) The failure of a limited liability company to observe ~~ANY PARTICULAR~~ formalities relating to the exercise of its powers or management of its activities AND AFFAIRS is not a ground for imposing liability on ~~the members or managers for the debts, obligations, or other liabilities of the company~~ a member or manager of the company for a debt, obligation, or other liability of the company.

* * *

SECTION 403. LIABILITY FOR CONTRIBUTIONS.

* * *

(b) If a person does not FULFILL AN OBLIGATION TO make a ~~required~~ contribution, the person ~~or the person's estate~~ is obligated at the option of the limited liability company to contribute money equal to the value of the part of the contribution which has not been made, ~~at~~

~~the option of the company.~~

* * *

* * *

SECTION 405. LIMITATIONS ON ~~DISTRIBUTION~~ DISTRIBUTIONS.

(a) A limited liability company may not make a distribution, INCLUDING A DISTRIBUTION UNDER SECTION 710, if after the distribution:

(1) the company would not be able to pay its debts as they become due in the ordinary course of the company's activities AND AFFAIRS; or

(2) the company's total assets would be less than the sum of its total liabilities plus, UNLESS THE OPERATING AGREEMENT PERMITS OTHERWISE, the amount that would be needed, if the company were to be dissolved, AND wound up, ~~AND TERMINATED~~ at the time of the distribution, to satisfy the preferential rights upon dissolution, AND winding up, ~~AND TERMINATION~~ of members AND TRANSFEREES whose preferential rights are superior to those of persons receiving the distribution.

(b) A limited liability company may base a determination that a distribution is not prohibited under subsection (a) on:

(1) financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances; or ~~ON~~

(2) a fair valuation or other method that is reasonable under the circumstances.

(c) Except as otherwise provided in subsection ~~(f)~~ (e), the effect of a distribution under subsection (a) is measured:

(1) in the case of a distribution ~~BY PURCHASE, REDEMPTION, OR OTHER ACQUISITION OF A TRANSFERABLE INTEREST IN THE COMPANY~~ AS DEFINED IN SECTION 102(4)(A),

as of the EARLIER OF:

(A) the date money or other property is transferred or debt is incurred by the company; ~~and~~ or

(B) THE DATE THE PERSON ENTITLED TO THE DISTRIBUTION CEASES TO OWN THE INTEREST OR RIGHT BEING ACQUIRED BY THE COMPANY IN RETURN FOR THE DISTRIBUTION;

(2) IN THE CASE OF ANY OTHER DISTRIBUTION OF INDEBTEDNESS, AS OF THE DATE THE INDEBTEDNESS IS DISTRIBUTED; AND

(3) in all other cases, as of the date:

(A) the distribution is authorized, if the payment occurs ~~within~~ not later than 120 days after that date; or

(B) the payment is made, if the payment occurs more than 120 days after the distribution is authorized.

(d) A limited liability company's indebtedness to a member OR TRANSFEREE incurred by reason of a distribution made in accordance with this section is at parity with the company's indebtedness to its general, unsecured creditors, EXCEPT TO THE EXTENT SUBORDINATED BY AGREEMENT.

(e) A limited liability company's indebtedness, including indebtedness issued ~~IN CONNECTION WITH OR AS PART OF~~ AS a distribution, is not a liability for purposes of subsection (a) if the terms of the indebtedness provide that payment of principal and interest ~~are~~ is made only IF AND to the extent that PAYMENT OF a distribution could THEN be made ~~TO MEMBERS~~ under this section. ~~(F)~~ If THE indebtedness is issued as a distribution, each payment of principal or interest ~~ON THE INDEBTEDNESS~~ is treated as a distribution, the effect of which is measured on the date the payment is made.

(F) IN MEASURING THE EFFECT OF A DISTRIBUTION UNDER SECTION 710, THE LIABILITIES OF A DISSOLVED LIMITED LIABILITY COMPANY DO NOT INCLUDE ANY CLAIM THAT HAS BEEN DISPOSED OF UNDER SECTION 704, 705, OR 706.

* * *

SECTION 406. LIABILITY FOR IMPROPER DISTRIBUTIONS.

* * *

(d) A person against which an action is commenced because the person is liable under subsection (a) may:

(1) implead any other person that is subject to liability under subsection (a) and seek to ~~COMPEL~~ ENFORCE A RIGHT OF contribution from the person; and

(2) implead any person that received a distribution in violation of subsection (c) and seek to ~~COMPEL~~ ENFORCE A RIGHT OF contribution from the person in the amount the person received in violation of subsection (c).

* * *

SECTION 407. MANAGEMENT OF LIMITED LIABILITY COMPANY.

* * *

(b) In a member-managed limited liability company, the following rules apply:

* * *

(2) Each member has equal rights in the management and conduct of the company's activities AND AFFAIRS.

(3) A difference arising among members as to a matter in the ordinary course of the activities of the company may be decided by a majority of the members.

(4) An act outside the ordinary course of the activities AND AFFAIRS of the

company may be undertaken only with the consent of all members.

* * *

(c) In a manager-managed limited liability company, the following rules apply:

* * *

(2) Each manager has equal rights in the management and conduct of the company's activities AND AFFAIRS ~~of the company.~~

* * *

* * *

SECTION 408. REIMBURSEMENT, INDEMNIFICATION, ADVANCEMENT,
AND INSURANCE.

(a) A limited liability company shall reimburse A MEMBER OF A MEMBER-MANAGED COMPANY OR THE MANAGER OF A MANAGER-MANAGED COMPANY for any payment made ~~AND INDEMNIFY FOR ANY DEBT, OBLIGATION, OR OTHER LIABILITY INCURRED by~~ A ~~THE~~ member ~~OF A MEMBER-MANAGED COMPANY or THE manager OF A MANAGER-MANAGED COMPANY~~ in the course of the member's or manager's activities on behalf of the company, if, ~~IN MAKING THE PAYMENT OR INCURRING THE DEBT, OBLIGATION, OR OTHER LIABILITY,~~ the member or manager complied with ~~THE DUTIES STATED IN~~ Sections 405, 407, and 409 IN MAKING THE PAYMENT.

(B) A LIMITED LIABILITY COMPANY SHALL INDEMNIFY AND HOLD HARMLESS A PERSON WITH RESPECT TO ANY CLAIM OR DEMAND AGAINST THE PERSON AND ANY DEBT, OBLIGATION, OR OTHER LIABILITY INCURRED BY THE PERSON BY REASON OF THE PERSON'S FORMER OR PRESENT CAPACITY AS A MEMBER OR MANAGER, IF THE CLAIM, DEMAND, DEBT, OBLIGATION, OR OTHER LIABILITY DOES NOT ARISE FROM THE PERSON'S BREACH OF SECTION 405, 407, OR 409.

(C) IN THE ORDINARY COURSE OF ITS ACTIVITIES AND AFFAIRS, A LIMITED LIABILITY

COMPANY MAY ADVANCE REASONABLE EXPENSES, INCLUDING ATTORNEY'S FEES AND COSTS, INCURRED BY A PERSON IN CONNECTION WITH A CLAIM OR DEMAND AGAINST THE PERSON BY REASON OF THE PERSON'S FORMER OR PRESENT CAPACITY AS A MEMBER OR MANAGER, IF THE PERSON PROMISES TO REPAY THE COMPANY IF THE PERSON ULTIMATELY IS DETERMINED NOT TO BE ENTITLED TO BE INDEMNIFIED UNDER SUBSECTION (B).

* * *

SECTION 409. STANDARDS OF CONDUCT FOR MEMBERS AND MANAGERS.

* * *

(b) The FIDUCIARY duty of loyalty of a member in a member-managed limited liability company includes the duties:

(1) to account to the company and to hold as trustee for it any property, profit, or benefit derived by the member:

(A) in the conduct or winding up of the company's activities AND AFFAIRS;

(B) from a use by the member of the company's property; or

(C) from the appropriation of a ~~limited liability~~ company opportunity;

(2) to refrain from dealing with the company in the conduct or winding up of the company's activities AND AFFAIRS as or on behalf of a person having an interest adverse to the company; and

(3) to refrain from competing with the company in the conduct of the company's activities AND AFFAIRS before the dissolution of the company.

(c) ~~Subject to the business judgment rule, the~~ The duty of care of a member of a member-managed limited liability company in the conduct ~~and~~ or winding up of the company's activities

AND AFFAIRS is to ~~act with the care that a person in a like position would reasonably exercise under similar circumstances and in a manner the member reasonably believes to be in the best interests of the company. In discharging this duty, a member may rely in good faith upon opinions, reports, statements, or other information provided by another person that the member reasonably believes is a competent and reliable source for the information~~ refrain from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

* * *

(H) IF, AS PERMITTED BY SUBSECTION (F) OR (I)(6) OR THE OPERATING AGREEMENT, A MEMBER ENTERS INTO A TRANSACTION WITH THE LIMITED LIABILITY COMPANY WHICH OTHERWISE WOULD BE PROHIBITED BY SUBSECTION (B)(2), THE MEMBER’S RIGHTS AND OBLIGATIONS ARISING FROM THE TRANSACTION ARE THE SAME AS THOSE OF A PERSON THAT IS NOT A MEMBER.

~~(g)~~ (i) In a manager-managed limited liability company, the following rules apply:

* * *

~~(5) SUBSECTION (F) APPLIES~~ THE POWER TO RATIFY UNDER SUBSECTION (F) APPLIES only to the members.

~~(5)~~ ~~(6)~~ A SUBJECT TO SUBSECTION (D), A member does not have any ~~FIDUCIARY~~ duty to the company or to any other member solely by reason of being a member.

* * *

SECTION 410. ~~RIGHT RIGHTS OF MEMBERS, MANAGERS, MEMBER,~~ MANAGER, AND PERSON DISSOCIATED ~~MEMBERS TO INFORMATION AS~~ MEMBER TO INFORMATION.

(a) In a member-managed limited liability company, the following rules apply:

(1) On reasonable notice, a member may inspect and copy during regular business

hours, at a reasonable location specified by the company, any record maintained by the company regarding the company's activities, AFFAIRS, financial condition, and other circumstances, to the extent the information is material to the member's rights and duties under the operating agreement or this [act].

(2) The company shall furnish to each member:

(A) without demand, any information concerning the company's activities, AFFAIRS, financial condition, and other circumstances which the company knows and is material to the proper exercise of the member's rights and duties under the operating agreement or this [act], except to the extent the company can establish that it reasonably believes the member already knows the information; and

(B) on demand, any other information concerning the company's activities, AFFAIRS, financial condition, and other circumstances, except to the extent the demand or information demanded is unreasonable or otherwise improper under the circumstances.

* * *

(b) In a manager-managed limited liability company, the following rules apply:

* * *

(2) During regular business hours and at a reasonable location specified by the company, a member may ~~obtain from the company and~~ inspect and copy full information regarding the activities, AFFAIRS, financial condition, and other circumstances of the company as is just and reasonable if:

(A) the member seeks the information for a purpose ~~material~~ reasonably related to the member's interest as a member;

(B) the member makes a demand in a record received by the company,

describing with reasonable particularity the information sought and the purpose for seeking the information; and

(C) the information sought is directly connected to the member's purpose.

* * *

* * *

(i) In addition to any restriction or condition stated in ~~its~~ the operating agreement, a limited liability company, as a matter within the ordinary course of its activities AND AFFAIRS, may impose reasonable restrictions and conditions on access to and use of information to be furnished under this section, including designating information confidential and imposing nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this subsection, the company has the burden of proving reasonableness.

[ARTICLE] 5

TRANSFERABLE INTERESTS AND RIGHTS OF TRANSFEREES AND CREDITORS

* * *

SECTION 502. TRANSFER OF TRANSFERABLE INTEREST.

(a) ~~A~~ SUBJECT TO SECTION 503(F), ~~A~~ transfer, in whole or in part, of a transferable interest:

(1) is permissible;

(2) does not by itself cause a member's dissociation or a dissolution and winding up of the limited liability company's activities AND AFFAIRS; and

(3) subject to Section 504, does not entitle the transferee to:

(A) participate in the management or conduct of the company's activities

AND AFFAIRS; or

(B) except as otherwise provided in subsection (c), have access to records or other information concerning the company's activities AND AFFAIRS.

* * *

(g) Except as otherwise provided in Section ~~602(4)(B)~~ 602(5)(B), ~~WHEN IF~~ a member transfers a transferable interest, the transferor retains the rights of a member other than the TRANSFERRABLE interest ~~IN DISTRIBUTIONS~~ transferred and retains all duties and obligations of a member.

* * *

SECTION 503. CHARGING ORDER.

(a) On application by a judgment creditor of a member or transferee, a court may enter a charging order against the transferable interest of the judgment debtor for the unsatisfied amount of the judgment. ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (F), a charging order constitutes a lien on a judgment debtor's transferable interest and requires the limited liability company to pay over to the person to which the charging order was issued any distribution that ~~would~~ otherwise would be paid to the judgment debtor.

* * *

(c) Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable interest. ~~THE~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (F), ~~THE~~ purchaser at the foreclosure sale only obtains the transferable interest, does not thereby become a member, and is subject to Section 502.

* * *

(f) IF A COURT ORDERS FORECLOSURE OF A CHARGING ORDER LIEN AGAINST THE SOLE MEMBER OF A LIMITED LIABILITY COMPANY:

(1) THE COURT SHALL CONFIRM THE SALE;

(2) THE PURCHASER AT THE SALE OBTAINS THE MEMBER'S ENTIRE INTEREST, NOT ONLY THE MEMBER'S TRANSFERABLE INTEREST;

(3) THE PURCHASER THEREBY BECOMES A MEMBER; AND

(4) THE PERSON WHOSE INTEREST WAS SUBJECT TO THE FORECLOSED CHARGING ORDER IS DISSOCIATED AS A MEMBER.

* * *

SECTION 504. POWER OF ~~PERSONAL~~ LEGAL REPRESENTATIVE OF DECEASED MEMBER. If a member dies, the deceased member's ~~PERSONAL REPRESENTATIVE~~ ~~OR OTHER~~ legal representative may exercise:

* * *

(2) for the purposes of settling the estate, the rights ~~OF A CURRENT~~ THE DECEASED member HAD under Section 410.

[ARTICLE] 6

~~MEMBER'S~~ DISSOCIATION

SECTION 601. ~~MEMBER'S~~ POWER TO DISSOCIATE AS MEMBER;
WRONGFUL DISSOCIATION.

* * *

(b) A person's dissociation ~~from a limited liability company~~ as a member is wrongful only if the dissociation:

* * *

(2) occurs before the ~~TERMINATION~~ COMPLETION OF THE WINDING UP of the company and:

(A) the person withdraws as a member by express will;

(B) the person is expelled as a member by judicial order under Section ~~602(5)~~ 602(6);

(C) the person is dissociated under Section ~~602(7)(A) BY BECOMING A DEBTOR IN BANKRUPTCY~~ 602(8); or

(D) in the case of a person that is not a trust other than a business trust, an estate, or an individual, the person is expelled or otherwise dissociated as a member because it willfully dissolved or terminated.

* * *

SECTION 602. EVENTS CAUSING DISSOCIATION. A person is dissociated as a member ~~from a limited liability company~~ when:

* * *

(3) THE PERSON'S ENTIRE INTEREST IS TRANSFERRED IN A FORECLOSURE SALE UNDER SECTION 503(F);

* * *

~~(4)~~ (5) the person is expelled as a member by the unanimous consent of the other members if:

(A) it is unlawful to carry on the company's activities AND AFFAIRS with the person as a member;

* * *

(C) the person is a corporation and, ~~WITHIN 90 DAYS AFTER~~;

* * *

(5) (6) on application by the company, the person is expelled as a member by judicial order because the person:

(A) has engaged, or is engaging, in wrongful conduct that has adversely and materially affected, or will adversely and materially affect, the company's activities AND AFFAIRS;

* * *

(C) has engaged ~~in~~, or is engaging, in conduct relating to the company's activities AND AFFAIRS which makes it not reasonably practicable to carry on the activities AND AFFAIRS with the person as a member;

* * *

(8) (9) in the case of a person that is a TESTAMENTARY OR INTER VIVOS trust or is acting as a member by virtue of being a trustee of SUCH a trust, the trust's entire transferable interest in the company is distributed;

* * *

(10) (11) in the case of a ~~MEMBER PERSON~~ that is not an individual, ~~PARTNERSHIP, LIMITED LIABILITY COMPANY~~, corporation, UNINCORPORATED ENTITY, trust, or estate, the ~~TERMINATION EXISTENCE~~ of the ~~MEMBER PERSON TERMINATES~~;

* * *

(14) (16) the company ~~TERMINATES~~ DISSOLVES AND COMPLETES WINDING UP.

SECTION 603. EFFECT OF PERSON'S DISSOCIATION AS MEMBER.

(a) ~~WHEN~~ IF a person is dissociated as a member ~~of a limited liability company~~:

(1) the person's right to participate as a member in the management and conduct

of the company's activities AND AFFAIRS terminates;

* * *

* * *

[ARTICLE] 7

DISSOLUTION AND WINDING UP

SECTION 701. EVENTS CAUSING DISSOLUTION.

(a) A limited liability company is dissolved, and its activities AND AFFAIRS must be wound up, upon the occurrence of any of the following:

* * *

(4) on application by a member, the entry by [the appropriate court] of an order dissolving the company on the grounds that:

* * *

(B) it is not reasonably practicable to carry on the company's activities AND AFFAIRS in conformity with the certificate of organization and the operating agreement; ~~or~~

* * *

* * *

SECTION 702. WINDING UP.

(a) A dissolved limited liability company shall wind up its activities AND AFFAIRS and, EXCEPT AS OTHERWISE PROVIDED IN SECTION 703, the company continues after dissolution only for the purpose of winding up.

(b) In winding up its activities AND AFFAIRS, a limited liability company:

(1) shall discharge the company's debts, obligations, ~~or~~ and other liabilities, settle and close the company's activities AND AFFAIRS, and marshal and distribute the assets of the

company; and

(2) may:

* * *

(B) preserve the company activities, AFFAIRS, and property as a going concern for a reasonable time;

* * *

(c) If a dissolved limited liability company has no members, the legal representative of the last person to have been a member may wind up the activities AND AFFAIRS of the company. If the person does so, the person has the powers of a sole manager under Section 407(c) and is deemed to be a manager for the purposes of Section 304(a).

(d) If the legal representative under subsection (c) declines or fails to wind up the company's activities AND AFFAIRS, a person may be appointed to do so by the consent of transferees owning a majority of the rights to receive distributions as transferees at the time the consent is to be effective. A person appointed under this subsection:

* * *

(2) shall promptly deliver to the [Secretary of State] for filing an amendment to the company's certificate of organization ~~TO~~ STATING:

* * *

(B) ~~STATE~~ THE NAME AND STREET AND MAILING ADDRESSES OF THE PERSON; AND

* * *

* * *

SECTION 703. RESCINDING DISSOLUTION.

(A) A LIMITED LIABILITY COMPANY MAY RESCIND ITS DISSOLUTION, UNLESS A STATEMENT OF TERMINATION APPLICABLE TO THE COMPANY IS EFFECTIVE, [THE APPROPRIATE COURT] HAS ENTERED AN ORDER UNDER SECTION 701(A)(4) OR (5) DISSOLVING THE COMPANY, OR THE [SECRETARY OF STATE] HAS DISSOLVED THE COMPANY UNDER SECTION 707.

(B) RESCINDING DISSOLUTION UNDER THIS SECTION REQUIRES:

(1) THE CONSENT OF EACH MEMBER;

(2) IF A STATEMENT OF DISSOLUTION APPLICABLE TO THE LIMITED LIABILITY COMPANY HAS BEEN FILED BY THE [SECRETARY OF STATE] BUT HAS NOT BECOME EFFECTIVE, THE DELIVERY TO THE [SECRETARY OF STATE] FOR FILING OF A STATEMENT OF WITHDRAWAL UNDER SECTION 207 APPLICABLE TO THE STATEMENT OF DISSOLUTION; AND

(3) IF A STATEMENT OF DISSOLUTION APPLICABLE TO THE LIMITED LIABILITY COMPANY IS EFFECTIVE, THE DELIVERY TO THE [SECRETARY OF STATE] FOR FILING OF A STATEMENT OF CORRECTION UNDER SECTION 208 STATING THAT DISSOLUTION HAS BEEN RESCINDED UNDER THIS SECTION.

(C) IF A LIMITED LIABILITY COMPANY RESCINDS ITS DISSOLUTION:

(1) THE COMPANY RESUMES CARRYING ON ITS ACTIVITIES AND AFFAIRS AS IF DISSOLUTION HAD NEVER OCCURRED;

(2) SUBJECT TO PARAGRAPH (3), ANY LIABILITY INCURRED BY THE COMPANY AFTER THE DISSOLUTION AND BEFORE THE RESCISSION IS EFFECTIVE IS DETERMINED AS IF DISSOLUTION HAD NEVER OCCURRED; AND

(3) THE RIGHTS OF A THIRD PARTY ARISING OUT OF CONDUCT IN RELIANCE ON THE DISSOLUTION BEFORE THE THIRD PARTY KNEW OR HAD NOTICE OF THE RESCISSION MAY NOT BE ADVERSELY AFFECTED.

**SECTION ~~703~~ 704. KNOWN CLAIMS AGAINST DISSOLVED LIMITED
LIABILITY COMPANY.**

* * *

(b) A dissolved limited liability company may in a record notify its known claimants of the dissolution. The notice must:

* * *

(2) STATE THAT A CLAIM MUST BE IN WRITING AND provide a mailing address to which the claim is to be sent;

* * *

* * *

**SECTION ~~704~~ 705. OTHER CLAIMS AGAINST DISSOLVED LIMITED
LIABILITY COMPANY.**

* * *

(b) ~~The A~~ notice ~~authorized by~~ under subsection (a) must:

* * *

(2) describe the information required to be contained in a claim, STATE THAT THE CLAIM MUST BE IN WRITING, and provide a mailing address to which the claim is to be sent; and

(3) state that a claim against the company is barred unless an action to enforce the claim is commenced ~~within five~~ NOT LATER THAN THREE years after publication of the notice.

* * *

SECTION 706. COURT PROCEEDINGS.

(A) A DISSOLVED LIMITED LIABILITY COMPANY THAT HAS PUBLISHED A NOTICE UNDER SECTION 705 MAY FILE AN APPLICATION WITH [THE APPROPRIATE COURT] IN THE [COUNTY] WHERE

THE DISSOLVED COMPANY'S PRINCIPAL OFFICE IS LOCATED , OR, IF THE PRINCIPAL OFFICE IS NOT LOCATED IN THIS STATE, WHERE THE OFFICE OF ITS REGISTERED AGENT IS LOCATED, FOR A DETERMINATION OF THE AMOUNT AND FORM OF SECURITY TO BE PROVIDED FOR PAYMENT OF CLAIMS THAT ARE CONTINGENT, HAVE NOT BEEN MADE KNOWN TO THE COMPANY, OR ARE BASED ON AN EVENT OCCURRING AFTER THE EFFECTIVE DATE OF DISSOLUTION BUT WHICH, BASED ON THE FACTS KNOWN TO THE DISSOLVED COMPANY, ARE REASONABLY EXPECTED TO ARISE AFTER THE EFFECTIVE DATE OF DISSOLUTION. SECURITY IS NOT REQUIRED FOR ANY CLAIM THAT IS OR IS REASONABLY ANTICIPATED TO BE BARRED UNDER SECTION 705(C).

(B) NOT LATER THAN 10 DAYS AFTER THE FILING OF AN APPLICATION UNDER SUBSECTION (A), THE DISSOLVED LIMITED LIABILITY COMPANY SHALL GIVE NOTICE OF THE PROCEEDING TO EACH CLAIMANT HOLDING A CONTINGENT CLAIM KNOWN TO THE COMPANY.

(C) IN ANY PROCEEDING UNDER THIS SECTION, THE COURT MAY APPOINT A GUARDIAN AD LITEM TO REPRESENT ALL CLAIMANTS WHOSE IDENTITIES ARE UNKNOWN. THE REASONABLE FEES AND EXPENSES OF THE GUARDIAN, INCLUDING ALL REASONABLE EXPERT WITNESS FEES, MUST BE PAID BY THE DISSOLVED LIMITED LIABILITY COMPANY.

(D) A DISSOLVED LIMITED LIABILITY COMPANY THAT PROVIDES SECURITY IN THE AMOUNT AND FORM ORDERED BY THE COURT UNDER SUBSECTION (A) SATISFIES THE COMPANY'S OBLIGATIONS WITH RESPECT TO CLAIMS THAT ARE CONTINGENT, HAVE NOT BEEN MADE KNOWN TO THE COMPANY, OR ARE BASED ON AN EVENT OCCURRING AFTER THE EFFECTIVE DATE OF DISSOLUTION, AND SUCH CLAIMS MAY NOT BE ENFORCED AGAINST A MEMBER OR TRANSFEREE THAT RECEIVED ASSETS IN LIQUIDATION.

SECTION ~~705~~ 707. ADMINISTRATIVE DISSOLUTION.

* * *

(d) A limited liability company that ~~has been~~ is administratively dissolved continues in existence as an entity but, ~~subject to Section 706,~~ may not carry on ~~only~~ any activities except as necessary to wind up its activities AND AFFAIRS and liquidate its assets under Sections 702, 704, 705, 706, and 708 710, and to notify claimants under Sections 703 and 704 or to apply for reinstatement under Section 708.

* * *

* * *

SECTION ~~708~~ 710. ~~DISTRIBUTION~~ DISPOSITION OF ASSETS IN WINDING UP ~~LIMITED LIABILITY COMPANY'S ACTIVITIES.~~

(a) In winding up its activities AND AFFAIRS, a limited liability company ~~must~~ shall apply its assets to discharge its obligations to creditors, including members that are creditors.

* * *

* * *

[ARTICLE] 9

ACTIONS BY MEMBERS

* * *

SECTION 905. SPECIAL LITIGATION COMMITTEE.

* * *

(e) After making a determination under subsection (d), a special litigation committee shall file with the court a statement of its determination and its report supporting its determination, ~~GIVING NOTICE TO THE PLAINTIFF~~ AND SHALL SERVE EACH PARTY WITH A COPY OF THE DETERMINATION AND REPORT. The court shall determine whether the members of the committee were disinterested and independent and whether the committee conducted its

investigation and made its recommendation in good faith, independently, and with reasonable care, with the committee having the burden of proof. If the court finds that the members of the committee were disinterested and independent and that the committee acted in good faith, independently, and with reasonable care, the court shall enforce the determination of the committee. Otherwise, the court shall dissolve the stay of discovery entered under subsection (a) and allow the action to proceed under the direction of the plaintiff.

* * *

**EXCERPTS FROM AMENDMENTS TO
HARMONIZED UNIFORM LIMITED PARTNERSHIP ACT (2001)**

* * *

**[ARTICLE] 3
LIMITED PARTNERS**

* * *

SECTION 305. LIMITED DUTIES OF LIMITED PARTNERS.

(a) ~~A limited partner does not have any fiduciary duty to the limited partnership or to any other partner solely by reason of being a limited partner.~~

(b) A limited partner shall discharge ~~THE~~ ANY duties to the partnership and the other partners ~~UNDER THIS [ACT] OR~~ under the partnership agreement and exercise any rights UNDER THIS [ACT] OR THE PARTNERSHIP AGREEMENT consistently with the contractual obligation of good faith and fair dealing.

(b) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (A), a limited partner does not have any duty to the limited partnership or to any other partner solely by reason of acting as a limited partner.

* * *

**[ARTICLE] 4
GENERAL PARTNERS**

* * *

SECTION 404. GENERAL PARTNER'S LIABILITY.

* * *

(b) A person that becomes a general partner of an existing limited partnership is not

personally liable for ~~an~~ a debt, obligation, or other liability of ~~a limited~~ THE partnership incurred before the person became a general partner.

(c) ~~An~~ A debt, obligation, or other liability of a limited partnership incurred while the ~~limited~~ partnership is a limited liability limited partnership, ~~whether arising in contract, tort, or otherwise,~~ is solely the debt, obligation, or other liability of the limited LIABILITY LIMITED partnership. A general partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for ~~such~~ a debt, obligation, or other liability of the limited liability limited partnership solely by reason of being or acting as a general partner. This subsection applies despite anything inconsistent in the partnership agreement that existed immediately before the consent required to become a limited liability limited partnership under Section 406(b)(2); or

* * *

* * *

[ARTICLE] 6

DISSOCIATION

* * *

SECTION 605. EFFECT OF DISSOCIATION AS GENERAL PARTNER.

(a) ~~Upon a person's dissociation~~ If a person is dissociated as a general partner:

* * *

(4) ~~(3)~~ the person may sign and deliver to the [Secretary of State] for filing a statement of dissociation pertaining to the person and, at the request of the limited partnership, shall sign an amendment to the certificate of limited partnership which states that the person has dissociated AS A GENERAL PARTNER; and

* * *

* * *

* * *

[ARTICLE] 7

TRANSFERABLE INTERESTS AND RIGHTS OF TRANSFEREES AND CREDITORS

* * *

SECTION 702. TRANSFER OF ~~PARTNER'S~~ TRANSFERABLE INTEREST.

* * *

(g) Except as otherwise provided in Sections 601(4)(B) and 603(4)(B), if a general OR LIMITED partner transfers a transferable interest, the transferor retains the rights of a general or limited partner other than the transferable interest transferred and retains all duties and obligations of a general OR LIMITED partner.

(h) If a general or limited partner transfers a transferable interest to a person A transferee that becomes a general OR LIMITED partner with respect to a transferable interest the transferred interest, the transferee is liable for the transferor's obligations under Sections 502 and 509. 506 However, the transferee is not obligated for liabilities unknown known to the transferee at the time when the transferee became becomes a partner.

* * *

[ARTICLE] 8

DISSOLUTION AND WINDING UP

SECTION 801. ~~NONJUDICIAL~~ EVENTS CAUSING DISSOLUTION. *Except as otherwise provided in Section 802, a*

(a) A limited partnership is dissolved, and its activities and affairs must be wound up, ~~only~~ upon the occurrence of any of the following:

* * *

(5) THE PASSAGE OF 90 CONSECUTIVE DAYS DURING WHICH THE LIMITED PARTNERSHIP HAS ONLY ONE PARTNER, UNLESS BEFORE THE END OF THE PERIOD:

(A) THE PARTNERSHIP ADMITS AT LEAST ONE PERSON AS A PARTNER;

(B) IF THE PREVIOUSLY SOLE REMAINING PARTNER IS ONLY A GENERAL PARTNER, THE PARTNERSHIP ADMITS THE PERSON AS A LIMITED PARTNER; AND

(C) IF THE PREVIOUSLY SOLE REMAINING PARTNER IS ONLY A LIMITED PARTNER, THE PARTNERSHIP ADMITS A PERSON AS A GENERAL PARTNER;

* * *

(B) IF AN EVENT OCCURS THAT IMPOSES A DEADLINE ON A LIMITED PARTNERSHIP UNDER SUBSECTION (A) AND BEFORE THE PARTNERSHIP HAS MET THE REQUIREMENTS OF THE DEADLINE, ANOTHER EVENT OCCURS THAT IMPOSES A DIFFERENT DEADLINE ON THE PARTNERSHIP UNDER SUBSECTION (A):

(1) THE OCCURRENCE OF THE SECOND EVENT DOES NOT AFFECT THE DEADLINE CAUSED BY THE FIRST EVENT; AND

(2) THE PARTNERSHIP'S MEETING OF THE REQUIREMENTS OF THE FIRST DEADLINE DOES NOT EXTEND THE SECOND DEADLINE.

* * *

SECTION ~~803~~ 802. WINDING UP.

* * *

(c) If a dissolved limited partnership does not have a general partner, a person to wind up

the dissolved ~~limited~~ partnership's activities and affairs may be appointed by the consent of limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective. A person appointed under this subsection:

(1) has the powers of a general partner under Section 804 BUT IS NOT LIABLE FOR THE DEBTS, OBLIGATIONS, AND LIABILITIES OF THE PARTNERSHIP SOLELY BY REASON OF HAVING OR EXERCISING THOSE POWERS OR OTHERWISE ACTING TO WIND UP THE DISSOLVED PARTNERSHIP'S ACTIVITIES AND AFFAIRS; and

* * *

(d) On the application of any partner, the [appropriate court] may order judicial supervision of the winding up of a dissolved limited partnership, including the appointment of a person to wind up the ~~dissolved limited~~ partnership's activities and affairs, if:

(1) ~~A~~ THE ~~limited~~ partnership does not have a general partner and within a reasonable time following the dissolution no person has been appointed pursuant to subsection (c); or

* * *

* * *

SECTION 808 809. LIABILITY OF GENERAL PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER WHEN CLAIM AGAINST LIMITED PARTNERSHIP BARRED. If a claim against a dissolved limited partnership is barred under Section 806, ~~or~~ 807, or 808, any corresponding claim under Section 404 OR 607 is also barred.

* * *

SECTION 812 813. DISPOSITION OF ASSETS IN WINDING UP; WHEN CONTRIBUTIONS REQUIRED.

* * *

(b) ~~Any surplus remaining after the~~ After a limited partnership complies with subsection (a), any surplus must be ~~paid in cash as a distribution~~ distributed in the following order, subject to any charging order in effect under Section 703:

* * *

(2) AMONG PARTNERS IN PROPORTION TO THEIR RESPECTIVE RIGHTS TO SHARE IN DISTRIBUTIONS IMMEDIATELY BEFORE THE DISSOLUTION OF THE PARTNERSHIP, except to the extent necessary to comply with any transfer effective under Section 502.

* * *

* * *

**EXCERPTS FROM AMENDMENTS TO
HARMONIZED UNIFORM STATUTORY TRUST ENTITY ACT**

[ARTICLE] 1

GENERAL PROVISIONS

* * *

SECTION 103. GOVERNING INSTRUMENT.

* * *

(e) Subject to Section 104, without limiting the terms that may be included in a governing instrument, the governing instrument may:

* * *

(5) SUBJECT TO SECTION 404, provide for the creation of one or more classes of trustees, beneficial owners, or beneficial interests having separate rights, powers, or duties;

* * *

SECTION 104. MANDATORY RULES. The governing instrument may not:

* * *

(4) VARY THE PROVISIONS PERTAINING TO THE DURATION OF A STATUTORY TRUST UNDER SECTION 306(A);

* * *

~~(6)~~ (8) vary the obligation under Section 506 to act ~~IN GOOD FAITH~~ REASONABLY if a trustee or other person is not to be liable for relying on a term of the governing instrument, a record of the statutory trust, or an opinion, report, or statement of another person, but the governing instrument may prescribe the standards for assessing whether the reliance was in good

faith, if the standards are not manifestly unreasonable;

* * *

(12) ~~RESTRICT THE RIGHT OF A JUDGMENT CREDITOR OF A BENEFICIAL OWNER TO SEEK A CHARGING ORDER~~ VARY THE PROVISIONS PERTAINING TO THE TRANSFER OF A BENEFICIAL INTEREST AND THE POWER OF A COURT UNDER SECTION 602(B) THROUGH (D);

* * *

(15) VARY THE RULES UNDER SECTION 613, IF A STATUTORY TRUST APPOINTS A SPECIAL LITIGATION COMMITTEE;

* * *

(14)-(17) vary ~~THE PROVISIONS PERTAINING TO DISSOLUTION IN SECTIONS 801(1) AND 802 THROUGH 808~~ [ARTICLE] 8;

* * *

* * *

[ARTICLE] 3

GOVERNING LAW; AUTHORIZATION; DURATION; POWERS

SECTION 301. GOVERNING LAW. The law of this state governs:

* * *

(2) the liability of a beneficial owner as beneficial owner, ~~AND~~ a trustee as trustee, AND A PERSON DESIGNATED UNDER SECTION 103(E)(8) OR (9) AS A PERSON IN THE DESIGNATED CAPACITY, for a debt, obligation, or other liability of a statutory trust or a series thereof; and

(3) the ~~ENFORCEABILITY OF~~ EXTENT TO WHICH:

(A) a debt, obligation, or other liability of ~~THE STATUTORY TRUST OR A SERIES THEREOF~~ A SERIES TRUST IS ENFORCEABLE against the property of ~~THE TRUST OR~~ any series

thereof; AND

(B) A DEBT, OBLIGATION, OR OTHER LIABILITY OF A SERIES OF A SERIES TRUST IS ENFORCEABLE AGAINST THE PROPERTY OF THE TRUST OR ANY OTHER SERIES THEREOF.

* * *

SECTION 306. DURATION.

(a) ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN ITS CERTIFICATE OF TRUST, A statutory trust:

(1) has perpetual duration; AND

(2) MAY NOT BE TERMINATED OR REVOKED EXCEPT IN ACCORDANCE WITH THIS

[ACT] OR THE TERMS OF THE TRUST'S CERTIFICATE OF TRUST.

(b) A SERIES OF A statutory trust; ~~OR ANY SERIES THEREOF~~, may not be terminated or revoked except in accordance with this [act] or the terms of the governing instrument.

(c) The death, incapacity, dissolution, termination, or bankruptcy of a beneficial owner, ~~OR~~ trustee, OR PERSON DESIGNATED UNDER SECTION 103(E)(8) OR (9) does not result in the termination or dissolution of a statutory trust or any series thereof.

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[ARTICLE 4]

SERIES TRUSTS

SECTION 401. STATUTORY TRUST HAVING SERIES.

* * *

(D) SUBJECT TO SECTION 404, THE GOVERNING INSTRUMENT MAY PROVIDE FOR THE CREATION OF ONE OR MORE CLASSES OF TRUSTEES, BENEFICIAL OWNERS, OR BENEFICIAL

INTERESTS HAVING SEPARATE RIGHTS, POWERS, OR DUTIES WITH RESPECT TO THE STATUTORY TRUST OR ANY SERIES THEREOF.

SECTION 402. LIABILITY OF SERIES TRUST.

* * *

(b) THE RULES PERTAINING TO DISTRIBUTIONS UNDER SECTIONS 615 AND 616 APPLY TO A DISTRIBUTION FROM A SERIES TRUST AND FROM THE PROPERTY OF ANY SERIES THEREOF, EXCEPT FOR A DISTRIBUTION UNDER SECTION 405.

(c) The association, disassociation, or reassociation of property of a statutory trust or a series thereof to or with the trust or a series thereof, including by ~~conversion or merger~~ a transaction under [Article] 7, is deemed to be a transfer between separate persons under [Uniform Fraudulent Transfers Act or other state fraudulent transfer statute] AND A DISTRIBUTION UNDER SECTION 615.

SECTION 403. CLAIMS PERTAINING TO A SERIES.

(a) A series of a statutory trust may not sue or be sued in its own name.

(b) If a series trust has a claim against a person which pertains to the property of a series thereof, the trust may assert the claim under Section 308 and shall allocate the proceeds of the claim under Sections 401 and 402.

(c) If a person has a claim against a series trust which pertains to the property of a series thereof, to assert the claim the person must bring the claim against the trust, stating that the claim pertains to the property of a series thereof and specifying the series if known. To the extent the claim succeeds and is reduced to judgment:

(1) the judgment must state that it is collectable only against the property of the specified series; and

(2) the judgment creditor may levy on the judgment only by serving the series trust, which shall satisfy the judgment using only the property of the specified series.

* * *

SECTION ~~404~~ 405. DISSOLUTION OF SERIES.

* * *

(d) A person, including a trustee, that under the governing instrument is responsible for winding up the affairs of a series of a series trust is not liable to the creditors of the dissolved series SOLELY by reason of the ~~PERSON'S ACTIONS IN WINDING UP THE SERIES~~ PERSON ACTING IN THAT CAPACITY.

* * *

[ARTICLE] 6

~~BENEFICIARIES AND BENEFICIAL RIGHTS~~ OWNERS

* * *

SECTION 602. TRANSFER OF BENEFICIAL INTEREST

(A) IN THIS SECTION, "COVERED CREDITOR" MEANS A JUDGMENT CREDITOR OF A BENEFICIAL OWNER OR A PERSON TO WHICH A BENEFICIAL INTEREST HAS BEEN TRANSFERRED BY OPERATION OF LAW.

(B) A BENEFICIAL INTEREST IN A STATUTORY TRUST IS FREELY TRANSFERABLE.

(C) THE GOVERNING INSTRUMENT MAY NOT LIMIT THE TRANSFERABILITY OF A BENEFICIAL INTEREST IF THE SAME PERSON IS THE SOLE TRUSTEE AND SOLE BENEFICIAL OWNER.

(D) TO THE EXTENT A BENEFICIAL INTEREST IS NOT FREELY TRANSFERABLE BY A BENEFICIAL OWNER SUCH THAT ANY TRANSFEREE BECOMES A BENEFICIAL OWNER WITHOUT FURTHER REQUIREMENT EXCEPT NOTICE TO THE STATUTORY TRUST, THE FOLLOWING RULES APPLY:

(1) ON PETITION BY A COVERED CREDITOR, [THE APPROPRIATE COURT] MAY AUTHORIZE THE PETITIONER TO REACH THE BENEFICIAL OWNER'S INTEREST BY ATTACHMENT OF PRESENT OR FUTURE DISTRIBUTIONS TO OR FOR THE BENEFIT OF THE BENEFICIAL OWNER OR BY OTHER MEANS. THE COURT MAY LIMIT THE AWARD TO RELIEF THAT IS APPROPRIATE UNDER THE CIRCUMSTANCES.

(2) ON PETITION BY A COVERED CREDITOR, TO THE EXTENT A TRUSTEE HAS NOT COMPLIED WITH A STANDARD OF DISTRIBUTION PROVIDED IN THE GOVERNING INSTRUMENT OR HAS ABUSED THE TRUSTEE'S DISCRETION TO MAKE A DISTRIBUTION, [THE APPROPRIATE COURT]:

(A) MAY ORDER A DISTRIBUTION TO THE BENEFIT OF THE PETITIONER; AND

(B) IF A DISTRIBUTION IS ORDERED, SHALL DIRECT THE TRUSTEE TO PAY TO THE PETITIONER AN EQUITABLE AMOUNT BUT NOT MORE THAN THE AMOUNT THE TRUSTEE WOULD HAVE BEEN REQUIRED TO DISTRIBUTE TO OR FOR THE BENEFIT OF THE BENEFICIAL OWNER IF THE TRUSTEE HAD COMPLIED WITH THE STANDARD OR HAD NOT ABUSED THE DISCRETION.

* * *

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[ARTICLE] 8

DISSOLUTION AND WINDING UP

SECTION 801. EVENTS CAUSING DISSOLUTION. A statutory trust is dissolved only by:

* * *

(2) the filing of articles of dissolution under Section 802:

~~(A) ON THE OCCURRENCE OF AN EVENT OR CIRCUMSTANCE THAT THE GOVERNING INSTRUMENT STATES CAUSES DISSOLUTION; OR~~

~~(B)~~ with the approval of all the beneficial owners; OR

(B) AS PROVIDED IN THE CERTIFICATE OF TRUST.

* * *

* * *

[ARTICLE] 9

FOREIGN STATUTORY TRUSTS

SECTION 901. GOVERNING LAW.

(a) The law of the jurisdiction of formation of a foreign statutory trust governs:

* * *

(3) the ~~ENFORCEABILITY OF~~ EXTENT TO WHICH:

(A) a debt, obligation, or ~~other~~ liability of the foreign statutory trust ~~OR~~
~~ANY SERIES THEREOF IS ENFORCEABLE~~ against the property of ~~THE TRUST OR ANY SERIES~~ THEREOF;
AND

(B) A DEBT, OBLIGATION, OR LIABILITY OF A SERIES OF A FOREIGN
STATUTORY TRUST IS ENFORCEABLE AGAINST THE PROPERTY OF THE TRUST OR ANY OTHER SERIES
THEREOF.

* * *

* * *

**EXCERPTS FROM AMENDMENTS TO
HARMONIZED UNIFORM PARTNERSHIP ACT (1997)**

[ARTICLE] 1

GENERAL PROVISIONS

* * *

SECTION ~~106~~ 104. GOVERNING LAW.

~~(A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B), THE LAW OF JURISDICTION IN WHICH A PARTNERSHIP HAS ITS CHIEF EXECUTIVE OFFICE GOVERNS RELATIONS AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP.~~

~~(B) THE LAW OF THIS STATE GOVERNS RELATIONS AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP AND THE LIABILITY OF PARTNERS FOR AN OBLIGATION OF A LIMITED LIABILITY PARTNERSHIP.~~

THE INTERNAL AFFAIRS OF A PARTNERSHIP AND THE LIABILITY OF A PARTNER AS A PARTNER FOR THE DEBTS, OBLIGATIONS, OR OTHER LIABILITIES OF THE PARTNERSHIP ARE GOVERNED BY:

- (1) IN THE CASE OF A LIMITED LIABILITY PARTNERSHIP, THE LAW OF THIS STATE; AND
(2) IN THE CASE OF A PARTNERSHIP THAT IS NOT A LIMITED LIABILITY PARTNERSHIP, THE LAW OF THE STATE OF THE JURISDICTION IN WHICH THE PARTNERSHIP HAS ITS PRINCIPAL OFFICE.

* * *

**SECTION 108. PARTNERSHIP AGREEMENT; EFFECT ON THIRD PARTIES
AND RELATIONSHIP TO RECORDS EFFECTIVE ON BEHALF OF PARTNERSHIP.**

* * *

(b) The obligations of a partnership and its partners to a person in the person's capacity

as a transferee or person dissociated as a partner are governed by the partnership agreement.
Subject only to a court order issued under Section 504(b)(2) to effectuate a charging order, an
amendment to the partnership agreement made after a person becomes a transferee or is
dissociated as a partner:

* * *

(2) is not effective to the extent the amendment:

(A) imposes a new debt, obligation, or other liability on the transferee or
person dissociated as a partner; OR

(B) PREJUDICES THE RIGHTS UNDER SECTION 701 OF A PERSON THAT
DISSOCIATED AS A PARTNER BEFORE THE AMENDMENT WAS MADE.

* * *

* * *

[ARTICLE] 3

RELATIONS OF PARTNERS TO PERSONS DEALING WITH PARTNERSHIP

* * *

SECTION 303. STATEMENT OF PARTNERSHIP AUTHORITY.

(a) A partnership may ~~file~~ deliver to the [Secretary of State] for filing a statement of
partnership authority. ~~which~~ The statement:

(1) must include:

* * *

~~(ii)~~ (B) IF THE PARTNERSHIP IS NOT A LIMITED LIABILITY PARTNERSHIP, the
street address AND MAILING ADDRESSES of its CHIEF EXECUTIVE PRINCIPAL office AND OF ONE

OFFICE IN THIS STATE, IF THERE IS ONE.

* * *

* * *

[ARTICLE] 4

RELATIONS OF PARTNERS TO EACH OTHER

AND TO PARTNERSHIP

SECTION 401. PARTNER'S RIGHTS AND DUTIES.

(a) ~~Each partner is deemed to have an account that is:~~

~~(1) credited with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, the partner contributes to the partnership and the partner's share of the partnership profits; and~~

~~(2) charged with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, distributed by the partnership to the partner and the partner's share of the partnership losses.~~

(b) Each partner is entitled to an equal share of the partnership profits and, EXCEPT IN THE CASE OF A LIMITED LIABILITY PARTNERSHIP, is chargeable with a share of the partnership losses in proportion to the partner's share of the profits.

* * *

* * *

[ARTICLE] 7

PARTNER'S DISSOCIATION WHEN BUSINESS NOT WOUND UP

SECTION 701. PURCHASE OF INTEREST OF PERSON DISSOCIATED PARTNER'S INTEREST AS PARTNER.

(a) If a person is dissociated as a partner ~~is dissociated from a partnership~~ without THE DISSOCIATION resulting in a dissolution and winding up of the partnership business under Section 801, the partnership shall cause the ~~dissociated partner's~~ person's interest in the partnership to be purchased for a buyout price determined pursuant to subsection (b).

* * *

(c) Interest ~~MUST BE PAID~~ ACCRUES ON THE BUYOUT PRICE from the date of dissociation to the date of payment, BUT DAMAGES ~~(C) DAMAGES~~ for wrongful dissociation under Section 602(b), and all other amounts owing, whether or not presently due, from the person dissociated as a partner to the partnership, must be offset against the buyout price. Interest must be paid from the date the amount owed becomes due to the date of payment.

(d) A partnership shall DEFEND, indemnify, AND HOLD HARMLESS a person dissociated as a partner whose interest is being purchased against all partnership liabilities, whether incurred before or after the dissociation, except liabilities incurred by an act of the person ~~dissociated partner~~ under Section 702.

* * *

* * *

[ARTICLE] 10

LIMITED LIABILITY PARTNERSHIP

SECTION 1001. STATEMENT OF QUALIFICATION.

(a) A partnership may become a limited liability partnership pursuant to this section.

(b) The terms and conditions on which a partnership becomes a limited liability partnership must be approved by the vote necessary to amend the partnership agreement except, in the case of a partnership agreement that expressly considers obligations to contribute to the

partnership, the vote necessary to amend those provisions.

(c) After the approval required by subsection (b), a partnership may become a limited liability partnership by ~~filing~~ delivering to the [Secretary of State] for filing a statement of qualification. The statement must contain:

(1) the name of the partnership;

(2) the street address of the partnership's ~~chief executive~~ principal office and, if different, the street address of an office in this ~~State~~ state, if any;

(3) ~~if the partnership does not have an office in this State, the name and street address of the partnership's registered agent for service of process; and~~

(4) a statement that the partnership elects to ~~be~~ become a limited liability partnership; ~~and~~

~~(5) a deferred effective date, if any.~~

~~(d) The agent of a limited liability partnership for service of process must be an individual who is a resident of this State or other person authorized to do business in this State.~~

~~(e) (d) The status of a partnership as a limited liability partnership is effective on the later of the filing of the statement or a date specified in the statement. The A partnership's status as a limited liability partnership remains effective, regardless of changes in the partnership, until it is canceled pursuant to Section 105(d) subsection (f) or administratively revoked pursuant to Section 1003 1010.~~

~~(f) (e)~~ The status of a partnership as a limited liability partnership and the liability of its partners for the debts, obligations, or other liabilities of the partnership while it is a limited liability partnership is not affected by errors or later changes in the information required to be contained in the statement of qualification ~~under subsection (e).~~

~~(g) The filing of a statement of qualification establishes that a partnership has satisfied all conditions precedent to the qualification of the partnership as a limited liability partnership.~~

~~(h) An amendment or cancellation of a statement of qualification is effective when it is filed or on a deferred effective date specified in the amendment or cancellation.~~

(F) A LIMITED LIABILITY PARTNERSHIP MAY AMEND OR CANCEL ITS STATEMENT OF QUALIFICATION BY DELIVERING TO THE [SECRETARY OF STATE] FOR FILING A STATEMENT OF AMENDMENT OR CANCELLATION. THE STATEMENT MUST BE CONSENTED TO BY ALL PARTNERS AND STATE THE NAME OF THE LIMITED LIABILITY PARTNERSHIP AND IN THE CASE OF:

(1) AN AMENDMENT, STATE THE AMENDMENT; AND

(2) A CANCELLATION, STATE THAT THE STATEMENT OF QUALIFICATION IS CANCELED.

* * *

SECTION 1009. ADMINISTRATIVE REVOCATION OF STATEMENT OF QUALIFICATION.

* * *

(D) AN ADMINISTRATIVE REVOCATION UNDER SUBSECTION (C) AFFECTS ONLY A PARTNERSHIP'S STATUS AS A LIMITED LIABILITY PARTNERSHIP AND IS NOT AN EVENT CAUSING DISSOLUTION OF THE PARTNERSHIP.

* * *

**EXCERPTS FROM AMENDMENTS TO
HARMONIZED UNIFORM LIMITED COOPERATIVE ASSOCIATION ACT**

[ARTICLE] 6

MEMBER'S INTEREST IN LIMITED COOPERATIVE ASSOCIATION

* * *

**SECTION 605. CHARGING ORDERS ORDER ~~FOR JUDGMENT CREDITOR~~
~~OF MEMBER OR TRANSFEREE.~~**

* * *

(f) If a court forecloses a charging order lien against the sole member of a limited cooperative association:

(1) the court shall confirm the sale;

(2) the purchaser at the sale obtains the member's entire interest, not only the member's financial rights;

(3) the purchaser thereby becomes a member; and

(4) the person whose interest was subject to the foreclosed charging order is dissociated as a member.

* * *

EXCERPTS FROM AMENDMENTS TO
HARMONIZED UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT

SECTION 17. MEMBER MEETINGS ~~OF MEMBERS~~; VOTING, NOTICE, AND
QUORUM PROCEDURAL REQUIREMENTS.

(a) Unless the governing principles provide otherwise:

(1) approval of a matter by THE members requires an affirmative majority of the votes cast at a meeting of members; and

(2) each member is entitled to one vote on each matter that is submitted for approval by THE members.

(b) ~~NOTICE AND QUORUM REQUIREMENTS FOR MEMBER MEETINGS AND THE CONDUCT OF MEETINGS OF MEMBERS ARE DETERMINED BY THE GOVERNING PRINCIPLES.~~ THE GOVERNING PRINCIPLES MAY PROVIDE FOR THE:

(1) CALLING, LOCATION, AND TIMING OF MEMBER MEETINGS;

(2) NOTICE AND QUORUM REQUIREMENTS FOR MEMBER MEETINGS;

(3) CONDUCT OF MEMBER MEETINGS;

(4) TAKING OF ACTION BY THE MEMBERS BY CONSENT WITHOUT A MEETING OR CASTING BALLOTS; AND

(5) PARTICIPATION BY MEMBERS IN A MEMBER MEETING BY TELEPHONE OR OTHER MEANS OF ELECTRONIC COMMUNICATION.

(C) IF THE GOVERNING PRINCIPLES DO NOT PROVIDE FOR A MATTER DESCRIBED IN SUBSECTION (B), CUSTOMARY USAGES AND PRINCIPLES OF PARLIAMENTARY LAW AND PROCEDURE

APPLY.

* * *

**SECTION 24. ~~NOTICE AND QUORUM~~ PROCEDURAL REQUIREMENTS FOR
MANAGER MEETINGS OF MANAGERS.** ~~NOTICE AND QUORUM REQUIREMENTS FOR
MEETINGS OF MANAGERS AND THE CONDUCT OF MEETINGS OF MANAGERS ARE DETERMINED BY THE~~

(A) THE GOVERNING PRINCIPLES MAY PROVIDE FOR THE:

(1) CALLING, LOCATION, AND TIMING OF MANAGER MEETINGS;

(2) NOTICE AND QUORUM REQUIREMENTS FOR MANAGER MEETINGS;

(3) CONDUCT OF MANAGER MEETINGS;

(4) TAKING OF ACTION BY THE MANAGERS BY CONSENT WITHOUT A MEETING; AND

(5) PARTICIPATION BY MANAGERS IN A MANAGER MEETING BY TELEPHONE OR

OTHER MEANS OF ELECTRONIC COMMUNICATION.

(B) IF THE GOVERNING PRINCIPLES DO NOT PROVIDE FOR A MATTER DESCRIBED IN
SUBSECTION (A), CUSTOMARY USAGES AND PRINCIPLES OF PARLIAMENTARY LAW AND PROCEDURE
APPLY.