

## MEMORANDUM

**TO:** Revised Uniform Unincorporated Nonprofit Association Act  
Drafting Committee

**FROM:** Harry J. Haynsworth HJH

**DATE:** March 27, 2008

**RE:** Revised Draft

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A redlined and clean copy of the Act is attached. I have tried to incorporate the changes we agreed upon at the Tucson meeting plus the following additional changes suggested by one or more of you following the Drafting Committee meeting and others I decided were necessary as I was making the revisions:

1. **Section (2)(4)** added "and activities" to the definition of members (Lee Irish).
2. **Section 2(8)** eliminate "cooperative" from the definition of unincorporated nonprofit association because a cooperative would already be excluded under the "or that is formed under any other statute that governs the organization and operation of unincorporated associations."
3. **New Section 18** now states that even though members have no fiduciary duties, they have a good faith and fair dealing obligation with respect to any rights or duties they undertake (this is in all the other uniform unincorporated entity acts).
4. **Section 23** is modified by adding a new subsection (a) affirmatively stating that the manager have duties of loyalty, care and good faith and a new subsection (c) that states how conflict of interest transactions can be approved.
5. **Sections 25 and 27** have new provisions describing the rights of former members and managers to information and indemnification, etc.

The comments have also been extensively modified to reflect all the changes.

Please review the new draft and send me your suggested changes and comments as soon as possible. The deadlines for me to get the Annual Meeting Draft (this Draft) to the Committee on Style is April 21. If there are significant disagreements about the changes, we may have to have a conference call to see if we can resolve them.

Lisa, Lee and Karla, please distribute this Draft and a copy of the Principles to all the organizations you mentioned in your emails to me with the caveat that this is a preliminary draft and still subject to revision. We need feedback from these organizations in advance of the NCCUSL Annual Meeting in July if at all possible.

John Small, will you please make sure the officers of the Partnership Committee have a copy of the Draft and Principles and know about our request for feedback before the Annual Meeting (normally the Committee does not officially comment until the November meeting after the Act has received final approval). I will send the Draft and Principles to the Real Property, Probate and Trust Section Uniform Laws Committee.

Thank all of you for all your input and help.