

D R A F T  
FOR DISCUSSION ONLY

**HARMONIZED**  
**UNIFORM LIMITED PARTNERSHIP ACT**  
*(Amendments to Uniform Limited Partnership Act (2001))*

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NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS

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For March 4-6, 2011 Drafting Committee Meeting  
on Harmonization of Business Entity Acts

*Without Comments, but with Reporters' Notes*

*Strike and Score Version*

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ON UNIFORM STATE LAWS

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February 21, 2011

## **DRAFTING COMMITTEE ON HARMONIZATION OF BUSINESS ENTITY ACTS**

The Committee appointed by and representing the National Conference of Commissioners on Uniform State Laws in preparing this Act consists of the following individuals:

HARRY J. HAYNSWORTH, 2200 IDS Center, 80 S. 8th St., Minneapolis, MN 55402, *Chair*  
WILLIAM H. CLARK, One Logan Square, 18th and Cherry Sts., Philadelphia, PA 19103-6996, *Vice-Chair*  
ANN E. CONAWAY, Widener University School of Law, 4601 Concord Pike, Wilmington, DE 19803  
THOMAS E. GEU, University of South Dakota School of Law, 414 Clark St., Suite 214, Vermillion, SD 57069-2390  
DALE G. HIGER, 1302 Warm Springs Ave., Boise, ID 83712  
JAMES C. MCKAY, Office of the Attorney General for the District of Columbia, 441 Fourth St. NW, 6th Floor S., Washington, DC 20001  
MARILYN E. PHELAN, 306 Peninsula Ct., Granbury, TX 76048  
WILLIAM J. QUINLAN, Two First National Plaza, 20 S. Clark St., Suite 2900, Chicago, IL 60603  
KEVIN P. SUMIDA, 735 Bishop St., Suite 411, Honolulu, HI 96813  
JUSTIN L. VIGDOR, 2400 Chase Sq., Rochester, NY 14604  
DAVID S. WALKER, Drake University Law School, 2507 University Ave., Des Moines, IA 50311  
CARTER G. BISHOP, Suffolk University Law School, 120 Tremont St., Boston, MA 02108-4977, *Co-Reporter*  
DANIEL S. KLEINBERGER, William Mitchell College of Law, 875 Summit Ave., St. Paul, MN 55105, *Co-Reporter*

## **EX OFFICIO**

ROBERT A. STEIN, University of Minnesota Law School, 229 19th Ave. S., Minneapolis, MN 55455, *President*  
MARILYN E. PHELAN, 306 Peninsula Ct., Granbury, TX 76048, *Division Chair*

## **AMERICAN BAR ASSOCIATION ADVISOR**

ROBERT R. KEATINGE, 555 17th St., Suite 3200, Denver, CO 80202-3979, *ABA Advisor*  
WILLIAM J. CALLISON, 3200 Wells Fargo Center, 1700 Lincoln St., Denver, CO 80203, *ABA Section Advisor*  
ALLAN G. DONN, Wells Fargo Center, 440 Monticello Ave., Suite 2200, Norfolk, VA 23510-2243, *ABA Section Advisor*  
WILLIAM S. FORSBERG, 150 S. Fifth St., Suite 2300, Minneapolis, MN 55402-4238, *ABA Section Advisor*  
BARRY B. NEKRITZ, 8000 Willis Tower, 233 S. Wacker Dr., Chicago, IL 60606, *ABA Section Advisor*  
JAMES J. WHEATON, 222 Central Park Ave., Suite 2000, Virginia Beach, VA 23462, *ABA Section Advisor*

**EXECUTIVE DIRECTOR**

JOHN A. SEBERT, 111 N. Wabash Ave., Suite 1010, Chicago, IL 60602, *Executive Director*

Copies of this Act may be obtained from:

NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS  
111 N. Wabash Ave., Suite 1010  
Chicago, Illinois 60602  
312/450-6600  
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## Introductory Reporters' Note

The proposed revisions to the text of the act set forth in this document have been prepared as part of a project that has two purposes: (i) to harmonize the language of all of the unincorporated entity laws, and (ii) to revise the language of each of those acts in a manner that permits their integration into a single code of entity laws.

The Reporters' Notes in this document are limited to explaining the source of certain of the proposed changes. Following the approval of the changes in this document by the Conference, the Reporters' Notes will be replaced with more usual comments that explain the provisions of the act.

The harmonization process has involved the revision of the following acts, some of which are referred to in the Reporters' Notes by the abbreviations listed below:

|          |   |
|----------|---|
| HUB      | Business Organizations Act                              |
| META     | Model Entity Transactions Act                           |
| MORAA    | Model Registered Agents Act                             |
| UPA      | Uniform Partnership Act (1997)                          |
| ULPA     | Uniform Limited Partnership Act (2001)                  |
| ULLCA    | Uniform Limited Liability Company Act (200_)            |
| USTEA    | Uniform Statutory Trust Entity Act                      |
| Coop Act | Uniform Limited Cooperative Association Act             |
| UUNAA    | Uniform Unincorporated Nonprofit Association Act (200_) |

Changes to the currently effective text of the act are shown by ~~striking through text to be deleted~~ and underlining text to be added. Black type is used to show changes that adopt language from the HUB, META, or MORAA, or are merely relocations of current language or corrections to cross references. **Changes that adopt language from other unincorporated entity acts are shown in blue type. Changes that do not have a source in one of the existing unincorporated entity act are shown in red type.**

Often a "red" change made to one entity act will be replicated in other acts as a matter of harmonization. These replications are shown in blue.

**UNLESS OTHERWISE INDICATED IN A REPORTERS' NOTE, CHANGES MADE IN BLUE ARE TO CONFORM TO HULLCA.**

34 **HARMONIZED UNIFORM LIMITED PARTNERSHIP ACT (2001)**

35  
36 **[ARTICLE] 1**

37 **GENERAL PROVISIONS**

38 **SECTION 101. SHORT TITLE.** This [Act] may be cited as the Uniform Limited  
39 Partnership Act [year of enactment].

40 **SECTION 102. DEFINITIONS.** In this [act]:

41 (1) “Certificate of limited partnership” means the certificate required by Section 201.  
42 The term includes the certificate as amended or restated.

43 (2) “Contribution”, except in the phrase “right of contribution,” means any benefit  
44 provided by a person to a limited partnership ~~in order~~ to become a partner or in the person’s  
45 capacity as a partner.

46 (3) “Debtor in bankruptcy” means a person that is the subject of:  
47 (A) an order for relief under Title 11 of the United States Code or a comparable  
48 order under a successor statute of general application; or  
49 (B) a comparable order under federal, state, or foreign law governing insolvency.

50 ~~(4) “Designated office” means:~~  
51 ~~(A) with respect to a limited partnership, the office that the limited partnership is~~  
52 ~~required to designate and maintain under Section 114; and~~  
53 ~~(B) with respect to a foreign limited partnership, its principal office.~~

54 (5) “Distribution” means a transfer of money or other property from a limited partnership  
55 to a ~~partner in the partner’s capacity as a partner or to a transferee person~~ on account of a  
56 transferable interest ~~owned by the transferee or in the person’s capacity as a partner.~~ The term:

57 (A) includes:

(i) a redemption or other purchase by a limited partnership of a transferable interest; and  
(ii) a transfer to a partner in return for the partner's relinquishment of any right to participate as a partner in the management or conduct of the partnership's activities; or have access to records or other information concerning the partnership activities; 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 bond fide retirement plan or other bona fide benefits program.

(6) "Foreign limited liability limited partnership" means a foreign limited partnership whose general partners have limited liability for the obligations of the foreign limited partnership under a provision similar to Section 404(c).

(7) "Foreign limited partnership" means a partnership formed under the laws of a jurisdiction other than this State and required by those laws to have one or more general partners and one or more limited partners. The term includes a foreign limited liability limited partnership.

(8) "General partner" means:

(A) with respect to a limited partnership, a person that:

(i) becomes a general partner under Section 401; or ~~(ii)~~ was a general partner in a limited partnership when the ~~limited~~ partnership became subject to this [Act] under Section 1206(a) or (b); and

(ii) has not dissociated as a general partner under Section 603.

(B) with respect to a foreign limited partnership, a person that has rights, powers, and obligations similar to those of a general partner in a limited partnership.

(9) “Limited liability limited partnership”, except in the phrase “foreign limited liability limited partnership”, means a limited partnership whose certificate of limited partnership states that the limited partnership is a limited liability limited partnership.

(10) “Limited partner” means:

(A) with respect to a limited partnership, a person that:

(i) becomes a limited partner under Section 301; or ~~(ii)~~ was a limited partner in a limited partnership when the ~~limited~~ partnership became subject to this [Act] under Section 1206(a) or (b); and

(ii) has not dissociated under Section 601.

(B) with respect to a foreign limited partnership, a person that has rights, powers, and obligations similar to those of a limited partner in a limited partnership.

(11) “Limited partnership”, except in the phrases “foreign limited partnership” and “foreign limited liability limited partnership”, means an entity, ~~having one or more general partners and one or more limited partners, which is~~ formed under this [act] ~~by two or more persons~~ or that becomes subject to this [act] under [Article] 11 or Section 1206(a) or (b). The term includes a limited liability limited partnership.

(12) “Partner” means a limited partner or general partner.

(13) “Partnership agreement” means the ~~partners’~~ agreement, whether or not referred to as a partnership agreement and whether oral, implied, in a record, or in any combination thereof, of the partners of a limited partnership concerning the ~~limited partnership~~ matters described in Section 110(a). The term includes the agreement as amended.

(14) ~~“Person” means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision,~~

agency, or instrumentality; public corporation, or any other legal or commercial entity. “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, 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.

(15) ~~“Person dissociated as a general partner” means a person dissociated as a general  
partner of a limited partnership.~~

~~(16)~~ “Principal office” means the office where the principal executive office of a limited  
partnership or foreign limited partnership is located, whether or not the office is located in this  
State.

(16) “Property” means all property, real, personal, or mixed, or tangible or intangible, or  
any right or interest therein.

(17) “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.

(18) “Registered agent” means an agent of a limited partnership or foreign limited  
partnership which is authorized to receive service of any process, notice, or demand required or  
permitted by law to be served on the partnership.

(19) “Registered foreign limited partnership” means a foreign limited partnership that is  
registered to do business in this state pursuant to a statement of registration filed by the  
[Secretary of State].

~~(18)~~ (20) “Required information” means the information that a limited partnership is  
required to maintain under Section 111.



(19) (21) “Sign” means, with the present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol ~~with the present intent to~~  
~~authenticate a record;~~ or

(B) to attach or logically associate with the record an electronic symbol, sound, or  
~~process to or with a record with the present intent to authenticate the record.~~

(20) (22) “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.

(23) “Transfer” includes:

(A) an assignment;

(B) a conveyance, ~~deed, bill of;~~

(C) a sale;

(D) a lease, ~~mortgage, security interest;~~

(E) an encumbrance, including by mortgaging or granting a security interest;

(F) a gift;

(G) and transfer by operation of law.

(24) “Transferable interest” means ~~a partner’s right to receive distributions~~ means the  
right, as initially owned by a person in the person’s capacity as a partner, to receive distributions  
from a limited partnership in accordance with the partnership agreement, whether or not the  
person remains a partner or continues to own any part of the right. The term applies to any  
fraction of the interest, by whomever owned.

(25) “Transferee” means a person to which all or part of a transferable interest has been  
transferred, whether or not the transferor is a partner. The term includes a person that owns a

transferable interest under Section 602(a)(3) or 602(a)(5).

**SECTION 103. KNOWLEDGE; ~~AND~~ NOTICE.**

(a) A person knows a fact if the person:

(1) has actual knowledge of it; or

(2) is deemed to know it under law other than this [act].

(b) A person has notice of a fact if the person:

(1) ~~knows of it;~~

(2) ~~has received a notification of it;~~

(3) has reason to know it exists from all of the facts known to the person at the

time in question; or

(4) ~~has-~~ is deemed to have notice of it under subsection (c) or (d).

(c) A certificate of limited partnership on file in the [office of the Secretary of State] is notice that the partnership is a limited partnership and the persons designated in the certificate as general partners are general partners. Except as otherwise provided in subsection (d), the certificate is not notice of any other fact.

(d) A person ~~has notice of~~ not a partner is deemed to have notice of:

(1) another person's dissociation as a general partner, 90 days after the effective date of an amendment to the certificate of limited partnership which states that the other person has dissociated or 90 days after the effective date of a statement of dissociation pertaining to the other person, whichever occurs first;

(2) a limited partnership's;

(A) dissolution, 90 days after the effective date of an amendment to the certificate of limited partnership stating that the limited partnership is dissolved;

~~(3) a limited partnership's~~ (B) termination, 90 days after the effective date of a statement of termination; and

(C) merger, interest exchange, conversion, or domestication, 90 days after articles of merger, interest exchange, conversion, or domestication under [Article] 11 become effective.

~~(4) a limited partnership's conversion under [Article] 11, 90 days after the effective date of the articles of conversion; or~~

~~(5) a merger under [Article] 11, 90 days after the effective date of the articles of merger.~~

(e) A Subject to Section TBD(f) [Article 2 provision re: DUTY OF [SECRETARY OF STATE] TO FILE; REVIEW OF REFUSAL TO FILE; TRANSMISSION OF INFORMATION BY THE [SECRETARY OF STATE – HULLCA, § 209]. a person notifies ~~or gives a notification to~~ another person by taking steps reasonably required to inform the other person in ordinary course, whether or not the other person learns of it.

~~(f) A person receives a notification when the notification:~~

~~(1) comes to the person's attention; or~~

~~(2) is delivered at the person's place of business or at any other place held out by the person as a place for receiving communications.~~

~~(g) Except as otherwise provided in subsection (h), a person other than an individual knows, has notice, or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction for the person knows, has notice, or receives a notification of the fact, or in any event when the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. A person other than an individual~~

~~exercises reasonable diligence if it maintains reasonable routines for communicating significant information to the individual conducting the transaction for the person and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.~~

(h) A general partner's knowledge, or notice, ~~or receipt~~ of ~~a notification of~~ a fact relating to the limited partnership is effective immediately as knowledge of, or notice to, ~~or receipt of a notification by~~ the **limited** partnership, except in the case of a fraud on the **limited** partnership committed by or with the consent of the general partner. A limited partner's knowledge, or notice, ~~or receipt of a notification~~ of a fact relating to the **limited** partnership is not effective as knowledge of, or notice to, ~~or receipt of a notification by~~ the **limited** partnership.

**SECTION 104. NATURE, PURPOSE, AND DURATION OF ENTITY LIMITED PARTNERSHIP.**

(a) A limited partnership is an entity distinct from its partners. A limited partnership is the same entity regardless of whether its certificate states that the limited partnership is a limited liability limited partnership.

(b) A limited partnership ~~may be organized under this [Act] for~~ have any lawful purpose.

(c) A limited partnership has ~~a~~ perpetual duration.

**SECTION 105. POWERS.** A limited partnership has the powers 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, ~~including the power to sue, be sued, and defend in its own name and to maintain an action against a partner for harm caused to the limited partnership by a breach of the partnership~~

~~agreement or violation of a duty to the partnership.~~

**SECTION 106. GOVERNING LAW.** The law of this State state governs:

(1) the internal affairs of a limited partnership; and

(2) the liability of a partner as partner for the debts, obligations, or other liabilities of a limited partnership ~~relations among the partners of a limited partnership and between the partners and the limited partnership and the liability of partners as partners for an obligation of the limited partnership.~~

**SECTION 107. SUPPLEMENTAL PRINCIPLES OF LAW; ~~RATE OF INTEREST.~~**

~~(a)~~ Unless displaced by particular provisions of this [Act], the principles of law and equity supplement this [Act].

~~(b) If an obligation to pay interest arises under this [Act] and the rate is not specified, the rate is that specified in [applicable statute].~~

**SECTION 108. NAME.**

(a) The name of a limited partnership may contain the name of any partner.

(b) The name of a limited partnership that is not a limited liability limited partnership must contain the phrase “limited partnership” or the abbreviation “L.P.” or “LP” and may not contain the phrase “limited liability limited partnership” or the abbreviation “LLLP” or “L.L.L.P.”.

(c) The name of a limited liability limited partnership must contain the phrase “limited liability limited partnership” or the abbreviation “LLLP” or “L.L.L.P.” and must not contain the abbreviation “L.P.” or “LP.”

~~(d) Unless authorized by subsection (e), the name of a limited partnership must be~~

distinguishable in the records of the [Secretary of State] from:

(1) ~~the name of each person other than an individual incorporated, organized, or authorized to transact business in this State; and~~

(2) ~~each name reserved under Section 109 [or other state laws allowing the reservation or registration of business names, including fictitious name statutes].~~

~~(e) A limited partnership may apply to the [Secretary of State] for authorization to use a name that does not comply with subsection (d). The [Secretary of State] shall authorize use of the name applied for if, as to each conflicting name:~~

~~(1) the present user, registrant, or owner of the conflicting name consents in a signed record to the use and submits an undertaking in a form satisfactory to the [Secretary of State] to change the conflicting name to a name that complies with subsection (d) and is distinguishable in the records of the [Secretary of State] from the name applied for;~~

~~(2) the applicant delivers to the [Secretary of State] a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant's right to use in this State the name applied for; or~~

~~(3) the applicant delivers to the [Secretary of State] proof satisfactory to the [Secretary of State] that the present user, registrant, or owner of the conflicting name:~~

~~(A) has merged into the applicant;~~

~~(B) has been converted into the applicant; or~~

~~(C) has transferred substantially all of its assets, including the conflicting name, to the applicant.~~

(d) Except as otherwise provided in subsections (e) and (g), the name of a limited partnership, and the name under which a foreign limited 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 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;

(3) name that is reserved under Section 109;

(4) name that is registered under Section 110; or

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

(e) Subsection (d) does not apply if the other entity or the person for which the name is reserved or registered consents in a record to the use of the 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 (d).

(f) Except as otherwise provided in subsection (e), 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", "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.

(g) The holder of a name under subsection (d) 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 in

subsection (f). In such a case, the holder need not change its name pursuant to subsection (e).

(h) 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].

~~(f) Subject to Section 905, this section applies to any foreign limited partnership transacting business in this State, having a certificate of authority to transact business in this State, or applying for a certificate of authority.~~

#### **SECTION 109. RESERVATION OF NAME.**

~~(a) The exclusive right to the use of a name that complies with Section 108 may be reserved by:~~

~~(1) a person intending to organize a limited partnership under this [Act] and to adopt the name;~~

~~(2) a limited partnership or a foreign limited partnership authorized to transact business in this State intending to adopt the name;~~

~~(3) a foreign limited partnership intending to obtain a certificate of authority to transact business in this State and adopt the name;~~

~~(4) a person intending to organize a foreign limited partnership and intending to have it obtain a certificate of authority to transact business in this State and adopt the name;~~

~~(5) a foreign limited partnership formed under the name; or~~

~~(6) a foreign limited partnership formed under a name that does not comply with Section 108(b) or (c), but the name reserved under this paragraph may differ from the foreign limited partnership's name only to the extent necessary to comply with Section 108(b) and (c).~~

~~(b) A person may apply to reserve a name under subsection (a) by delivering to the [Secretary of State] for filing an application that states the name to be reserved and the paragraph~~



of subsection (a) which applies. If the [Secretary of State] finds that the name is available for use by the applicant, the [Secretary of State] shall file a statement of name reservation and thereby reserve the name for the exclusive use of the applicant for 120 days.

~~(c) An applicant that has reserved a name pursuant to subsection (b) may reserve the same name for additional 120-day periods. A person having a current reservation for a name may not apply for another 120-day period for the same name until 90 days have elapsed in the current reservation.~~

~~(d) A person that has reserved a name under this section may deliver to the [Secretary of State] for filing a notice of transfer that states the reserved name, the name and street and mailing address of some other person to which the reservation is to be transferred, and the paragraph of subsection (a) which applies to the other person. Subject to Section 206(c), the transfer is effective when the [Secretary of State] files the notice of transfer.~~

(a) A person may reserve the exclusive use of a 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 name applied for is available, the [Secretary of State] shall reserve the name for the applicant's exclusive use for a period of [120] days.

(b) The owner of a reserved name may transfer the reservation to another person 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 110. REGISTRATION OF NAME.**

(a) A foreign limited partnership not registered to do business in this state under [Article ] may register its name, or an alternate name required by Section , if the name is

distinguishable upon the records of the [Secretary of State] from the names that are not available under Section \_\_\_\_.

(b) To register its name or an alternate name required by Section \_\_\_\_, a foreign limited partnership must deliver to the [Secretary of State] for filing an application stating its name, or its name with any addition required by Section \_\_\_\_, 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.

(d) A foreign limited 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 limited partnership whose name registration is effective may register as a foreign limited partnership under the registered name or consent in a signed record to the use of that name by:

(1) a domestic filing entity formed under the law of this state;

(2) a limited liability partnership whose internal affairs are governed by the law of this state; or

(3) another foreign filing entity or foreign limited liability partnership authorized to do business in this state.

356 **Reporters' Note**

357 Should sections 108 – 110 be moved to the end of Article 1 so that the remaining sections  
358 of Article 1 do not need to be renumbered when the act is incorporated into a code?

359  
360 **SECTION ~~110~~ 111. ~~EFFECT OF~~ PARTNERSHIP AGREEMENT;**

361 **NONWAIVABLE PROVISIONS SCOPE, FUNCTION, AND LIMITATIONS.**

362 (a) Except as otherwise provided in ~~subsection~~ subsections (b) (c) and (d), the  
363 partnership agreement governs:

364 (1) relations among the partners as partners and between the partners and the  
365 partnership;

366 (2) the activities of the partnership and the conduct of those activities; and

367 (3) the means and conditions for amending the partnership agreement.

368 (b) To the extent the partnership agreement does not ~~otherwise~~ provide for a matter  
369 described in subsection (a), this [Act] governs ~~relations among the partners and between the~~  
370 ~~partners and the partnership~~ the matter.

371 ~~(b)~~ (c) A partnership agreement may not:

372 (1) vary a limited partnership's ~~power~~ capacity under Section 105 to sue; and be  
373 sued; ~~and defend~~ in its own name;

374 (2) vary the law applicable ~~to a limited partnership~~ under Section 106;

375 (3) vary the requirements of Section 204;

376 (4) vary the right of a general partner under 406(b)(2) to consent to an  
377 amendment to the certificate of limited partnership which deletes a statement that the limited  
378 partnership is a limited liability limited partnership;

379 (5) eliminate the duty of care or the duty of loyalty;

380 (6) eliminate the contractual obligation of good faith and fair dealing under

Sections 305(a) and 409(d), but if not manifestly unreasonable may prescribe the standards by which to measure the performance of that obligation;

(7) relieve or exonerate a person from liability for conduct involving bad faith, willful misconduct, or reckless indifference;

(8) vary the information required under Section 111 or unreasonably restrict the right to information under Sections 304 or 407, but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained under those sections and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;

(5) eliminate the duty of loyalty under Section 408, but the partnership agreement may:

(A) identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable; and

(B) specify the number or percentage of partners which may authorize or ratify, after full disclosure to all partners of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty;

(6) unreasonably reduce the duty of care under Section 408(c);

(7) eliminate the obligation of good faith and fair dealing under Sections 305(b) and 408(d), but the partnership agreement may prescribe the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable;

(8) (9) vary the power of a person to dissociate as a general partner under Section 604(a) except to require that the notice under Section 603(1) be in a record;

(9) (10) vary the power of a court to decree dissolution in the circumstances

specified in Section 802), except to provide for arbitration of claims seeking dissolution under that Section;

~~(10)~~ (11) vary the requirement to wind up the partnership's business as specified in Section ~~803~~ 802;

~~(11)~~ (12) unreasonably restrict the right of a partner to maintain an action under [Article] 10;

~~(12)~~ (13) ~~restrict the right~~ vary the rights of a partner under:

(A) ~~Section 1110(a) to approve a conversion or merger~~ Sections 1123(a)(2), 1133(a)(2), 1043(a)(2), or 1053(a)(2); or

~~(13)~~ (14) vary any requirements or procedures pertaining to:

(A) records authorized or required to be delivered to the [Secretary of State] for filing under this act; or

(B) registered agents; or

~~(13)~~ (15) except as otherwise provided in Sections 111 and 112(b), restrict the rights under this [Act] of a person other than a partner ~~or a transferee~~.

(d) Subject to subsection (c), without limiting other terms that may be included in an operating agreement:

(1) The partnership agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.

(2) If not manifestly unreasonable, the operating agreement may:

(A) restrict or eliminate the aspects of the duty of loyalty stated in Section 409 (b);

(B) identify specific types or categories of activities that do not violate the duty of loyalty;

(C) alter the duty of care, except to authorize intentional misconduct or knowing violation of law; and

(D) alter or eliminate any other fiduciary duty.

(e) The court shall decide any claim under subsection (c)(5) or (d)(2) that a term of an partnership agreement is manifestly unreasonable. The court:

(1) shall make its determination as of the time the challenged term became part of the partnership agreement and by considering only circumstances existing at that time; and

(2) may invalidate the term only if, in light of the purposes and activities of the limited partnership, it is readily apparent that:

(A) the objective of the term is unreasonable; or

(B) the term is an unreasonable means to achieve the provision's objective.

### **Reporters' Notes**

*Subsection (a) – HULLCA § 110(a)(2) (“the rights and duties under this [act] of a person in the capacity of manager”) has been omitted as inapplicable.*

*Subsection (d) – HULLCA § 110(d)(2) (applicable when “the operating agreement of a member-managed limited liability company expressly relieves a member of a responsibility that the member”) is omitted because a limited partnership is analogous to a manager-managed LLC.*

## **SECTION 112. PARTNERSHIP AGREEMENT; EFFECT ON LIMITED PARTNERSHIP AND PERSONS BECOMING PARTNERS; PREFORMATION AGREEMENT.**

(a) A limited partnership is bound by and may enforce the partnership agreement.

454 whether or not the partnership has itself manifested assent to the partnership agreement.

455 (b) A person that becomes a partner of a limited partnership is deemed to assent to the  
456 partnership agreement.

457 (c) Two or more persons intending to become the initial partners of a limited partnership  
458 may make an agreement providing that upon the formation of the partnership the agreement will  
459 become the partnership agreement.

460 **SECTION 113. PARTNERSHIP AGREEMENT; EFFECT ON THIRD PARTIES**  
461 **AND RELATIONSHIP TO RECORDS EFFECTIVE ON BEHALF OF LIMITED**  
462 **PARTNERSHIP.**

463 (a) A partnership agreement may specify that its amendment requires the approval of a  
464 person that is not a party to the partnership agreement or the satisfaction of a condition. An  
465 amendment is ineffective if its adoption does not include the required approval or satisfy the  
466 specified condition.

467 (b) The obligations of a limited partnership and its partners to a person in the person's  
468 capacity as a transferee or dissociated partner are governed by the partnership agreement.  
469 Subject only to any court order issued under Section 703(b)(2) to effectuate a charging order, an  
470 amendment to the partnership agreement made after a person becomes a transferee or dissociated  
471 partner is:

472 (1) effective with regard to any debt, obligation, or other liability of the limited  
473 partnership or its partners to the person in the person's capacity as a transferee or dissociated  
474 partner; and

475 (2) not effective to the extent the amendment imposes a new debt, obligation, or  
476 other liability on the transferee or dissociated partner.

(c) If a record that has been delivered by a limited partnership to the [Secretary of State] for filing and has become effective under this [act] contains a provision that would be ineffective under Section 110(c) if contained in the partnership agreement, the provision is likewise ineffective in the record.

(d) Subject to subsection (c), if a record that has been delivered by a limited partnership to the [Secretary of State] for filing and has become effective under this [act] conflicts with a provision of the partnership agreement:

(1) the agreement prevails as to partners, dissociated partners, and transferees; and

(2) the record prevails as to other persons to the extent they reasonably rely on the record.

#### **Reporters' Notes**

*Subsection (d)(1)* – The parallel provision in HULLCA also refers to “managers”. That term is inapposite under this act.

**SECTION ~~111~~ 114. REQUIRED INFORMATION.** A limited partnership shall maintain at its designated principal office the following information:

(1) a current list showing the full name and last known street and mailing address of each partner, separately identifying the general partners, in alphabetical order, and the limited partners, in alphabetical order;

(2) a copy of the initial certificate of limited partnership and all amendments to and restatements of the certificate, together with signed copies of any powers of attorney under which any certificate, amendment, or restatement has been signed;

(3) a copy of any filed articles of conversion or merger;

(4) a copy of the limited partnership's federal, state, and local income tax returns and



reports, if any, for the three most recent years;

(5) a copy of any partnership agreement made in a record and any amendment made in a record to any partnership agreement;

(6) a copy of any financial statement of the limited partnership for the three most recent years;

(7) a copy of the three most recent annual reports delivered by the limited partnership to the [Secretary of State] pursuant to Section 210;

(8) a copy of any record made by the limited partnership during the past three years of any consent given by or vote taken of any partner pursuant to this [Act] or the partnership agreement; and

(9) unless contained in a partnership agreement made in a record, a record stating:

(A) the amount of cash, and a description and statement of the agreed value of the other benefits, contributed and agreed to be contributed by each partner;

(B) the times at which, or events on the happening of which, any additional contributions agreed to be made by each partner are to be made;

(C) for any person that is both a general partner and a limited partner, a specification of what transferable interest the person owns in each capacity; and

(D) any events upon the happening of which the limited partnership is to be dissolved and its activities wound up.

**~~SECTION 112. BUSINESS TRANSACTIONS OF PARTNER WITH PARTNERSHIP.~~** ~~A partner may lend money to and transact other business with the limited partnership and has the same rights and obligations with respect to the loan or other transaction as a person that is not a partner.~~

524 **Reporters' Notes**

525 Conforming to HULLCA, this section has been revised and relocated to Section 409(h).

526 **SECTION ~~113~~ 115. DUAL CAPACITY.** A person may be both a general partner and  
527 a limited partner. A person that is both a general and limited partner has the rights, powers,  
528 duties, and obligations provided by this [Act] and the partnership agreement in each of those  
529 capacities. When the person acts as a general partner, the person is subject to the obligations,  
530 duties, and restrictions under this [Act] and the partnership agreement for general partners.  
531 When the person acts as a limited partner, the person is subject to the obligations, duties, and  
532 restrictions under this [Act] and the partnership agreement for limited partners.

533 **SECTION ~~114~~ 116. OFFICE AND REGISTERED AGENT FOR SERVICE OF**  
534 **PROCESS.**

535 (a) ~~A~~ Each limited partnership and each registered foreign limited partnership shall  
536 designate and ~~continuously~~ maintain a registered agent in this State:

537 (1) ~~an office, which need not be a place of its activity in this State; and~~

538 (2) ~~an agent for service of process.~~

539 (b) ~~A foreign limited partnership shall designate and continuously maintain in this State~~  
540 ~~an agent for service of process.~~ The designation of a registered agent pursuant to this subsection  
541 is an affirmation of fact by the limited partnership or registered foreign limited partnership that  
542 the agent has consented to serve.

543 (c) ~~(b) An agent for service of process of~~ A registered agent for a limited partnership or  
544 registered foreign limited partnership ~~must be an individual who is a resident of this State or~~  
545 ~~other person authorized to do~~ have a place of business in this State.

546 (c) The duties of a registered agent are:

(1) to forward to the limited partnership or registered foreign limited partnership at the address most recently supplied to the agent by the partnership any process, notice, or demand pertaining to the partnership which is served on or received by the agent; and

(2) if the registered agent resigns, to provide the notice required by Section 117(c) to the partnership at the address most recently supplied to the agent by the partnership.

**SECTION 117. CHANGE OF DESIGNATED OFFICE OR REGISTERED AGENT FOR SERVICE OF PROCESS OR ADDRESS FOR REGISTERED AGENT.**

(a) ~~In order to change its designated office, A limited partnership or registered foreign limited partnership may change its registered agent for service of process, or the address of its registered agent for service of process, a limited partnership or a foreign limited partnership may deliver~~ be delivering to the [Secretary of State] for filing a statement of change ~~containing~~ which states:

(1) the name of the limited partnership or foreign limited partnership; and

(2) ~~the street and mailing address of its current designated office;~~ the information that is to be in effect as a result of the filing of the statement of change.

(3) ~~if the current designated office is to be changed, the street and mailing address of the new designated office;~~

(4) ~~the name and street and mailing address of its current agent for service of process; and~~

(5) ~~if the current agent for service of process or an address of the agent is to be changed, the new information.~~

(b) The designation of a new registered agent pursuant to this section is an affirmation of fact by the limited partnership or registered foreign limited partnership that the agent has

consented to serve.

~~(b)~~ (c) Subject to Section 206(c), a statement of change is effective when filed by the [Secretary of State].

**SECTION ~~116~~ 118. RESIGNATION OF REGISTERED AGENT ~~FOR SERVICE~~  
~~OF PROCESS.~~**

(a) ~~In order to resign as an agent for service of process of~~ A registered agent may resign as agent for a limited partnership or registered foreign limited partnership, the agent must deliver by delivering to the [Secretary of State] for filing a statement of resignation containing the name of the limited partnership or foreign limited partnership that states:

(1) the name of the partnership;

(2) the name of the agent;

(3) that the agent resigns from serving as registered agent for the partnership; and

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

(b) A statement of resignation takes effect on the earlier of the 31st day after the day on which it is filed by the [Secretary of State] or the designation of a new registered agent for the limited partnership or registered foreign limited partnership.

(c) A registered agent promptly shall furnish the limited partnership or registered foreign limited partnership notice in a record of the date on which a statement of resignation was filed.

(d) When a statement of resignation takes effect, the registered agent ceases to have responsibility for any matter tendered to it as agent for the limited partnership or registered foreign limited partnership. The resignation does not affect any contractual rights the partnership has against the agent or that the agent has against the partnership.

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

~~(b) After receiving a statement of resignation, the [Secretary of State] shall file it and mail a copy to the designated office of the limited partnership or foreign limited partnership and another copy to the principal office if the address of the office appears in the records of the [Secretary of State] and is different from the address of the designated office.~~

~~(c) An agency for service of process is terminated on the 31st day after the [Secretary of State] files the statement of resignation.~~

**SECTION 119. CHANGE OF NAME OR ADDRESS BY REGISTERED AGENT.**

(a) If a registered agent changes its name or address, the agent may deliver to the [Secretary of State] for filing a statement of change signed by the agent which states:

(1) The name of the limited partnership or foreign limited partnership represented by the registered agent.

(2) The name of the agent as currently shown in the records of the [Secretary of State] for the limited partnership.

(3) If the name of the agent has changed, its new name.

(4) If the address of the agent has changed, its new address.

(b) A statement of change under this section takes effect upon its filing by the [Secretary of State].

(c) A registered agent shall promptly furnish notice to the represented limited partnership or foreign limited partnership of the filing of the statement of change and the changes made by the statement.

615           **SECTION 120. SERVICE OF PROCESS, NOTICE OR DEMAND.**

616           ~~(a) An agent for service of process appointed by a limited partnership or foreign limited~~  
617 ~~partnership is an agent of the limited partnership or foreign limited partnership for service of any~~  
618 ~~process, notice, or demand required or permitted by law to be served upon the limited~~  
619 ~~partnership or foreign limited partnership.~~

620           ~~(b) If a limited partnership or foreign limited partnership does not appoint or maintain an~~  
621 ~~agent for service of process in this State or the agent for service of process cannot with~~  
622 ~~reasonable diligence be found at the agent's address, the [Secretary of State] is an agent of the~~  
623 ~~limited partnership or foreign limited partnership upon whom process, notice, or demand may be~~  
624 ~~served.~~

625           ~~(c) Service of any process, notice, or demand on the [Secretary of State] may be made by~~  
626 ~~delivering to and leaving with the [Secretary of State] duplicate copies of the process, notice, or~~  
627 ~~demand. If a process, notice, or demand is served on the [Secretary of State], the [Secretary of~~  
628 ~~State] shall forward one of the copies by registered or certified mail, return receipt requested, to~~  
629 ~~the limited partnership or foreign limited partnership at its designated office.~~

630           ~~(d) Service is effected under subsection (c) at the earliest of:~~

631                   ~~(1) the date the limited partnership or foreign limited partnership receives the~~  
632 ~~process, notice, or demand;~~

633                   ~~(2) the date shown on the return receipt, if signed on behalf of the limited~~  
634 ~~partnership or foreign limited partnership; or~~

635                   ~~(3) five days after the process, notice, or demand is deposited in the mail, if~~  
636 ~~mailed postpaid and correctly addressed.~~

637           ~~(e) The [Secretary of State] shall keep a record of each process, notice, and demand~~

638 ~~served pursuant to this section and record the time of, and the action taken regarding, the service.~~

639 ~~(f) This section does not affect the right to serve process, notice, or demand in any other~~  
640 ~~manner provided by law.~~

641 (a) A limited partnership or registered foreign limited partnership may be served with any  
642 process, notice, or demand required or permitted by law by serving its registered agent.

643 (b) If a limited partnership or registered foreign limited partnership no longer has a  
644 registered agent, or if its registered agent cannot with reasonable diligence be served, the  
645 partnership may be served by registered or certified mail, return receipt requested, or by similar  
646 commercial delivery service, addressed to the partnership at its principal office in accordance  
647 with any applicable judicial rules and procedures. Service is effected under this subsection on  
648 the earliest of:

649 (1) the date the partnership receives the mail or delivery by a similar commercial  
650 delivery service;

651 (2) the date shown on the return receipt, if signed on behalf of the partnership; or

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

654 (c) If process, notice, or demand cannot be served on a limited partnership or registered  
655 foreign limited partnership pursuant to subsection (a) or (b), service may be made by handing a  
656 copy to the individual in charge of any regular place of business or activity of the partnership if  
657 the individual served is not a plaintiff in the action.

658 (d) Service of process, notice, or demand on a registered agent must be in a written  
659 record.

660 (e) Service of process, notice, or demand may be made by other means under law other

661 than this [act].

662 ~~**SECTION 118. CONSENT AND PROXIES OF PARTNERS.** Action requiring the~~  
663 ~~consent of partners under this [Act] may be taken without a meeting, and a partner may appoint a~~  
664 ~~proxy to consent or otherwise act for the partner by signing an appointment record, either~~  
665 ~~personally or by the partner's attorney in fact.~~

666



[ARTICLE] 2

FORMATION; CERTIFICATE OF

LIMITED PARTNERSHIP AND OTHER FILINGS

SECTION 201. FORMATION OF LIMITED PARTNERSHIP; CERTIFICATE

OF LIMITED PARTNERSHIP.

(a) ~~In order for~~ To form a limited partnership ~~to be formed~~, a person must deliver a certificate of limited partnership ~~must be delivered~~ to the [Secretary of State] for filing.

(b) The certificate of limited partnership must state:

(1) the name of the limited partnership, which must comply with Section 108;

(2) the street and mailing address of the ~~initial designated~~ partnership's principal office ~~and~~;

(3) the name and street and mailing address within this state of the ~~initial~~ registered agent ~~for service of process~~;

(3) ~~(4)~~ the name and the street and mailing address of each general partner; and

(4) ~~(5)~~ whether the limited partnership is a limited liability limited partnership;

~~and~~

(5) ~~any additional information required by [Article] 11.~~

(b) ~~(c)~~ A Subject to Section 110(c), a certificate of limited partnership may also contain any term in addition to those required by subsection (b) otherwise affect the provisions specified in Section 110(b) in a manner inconsistent with that section.

(c) ~~(d)~~ If there has been substantial compliance with subsection (a), subject to Section 206(c) a limited partnership is formed when the [Secretary of State] files the certificate of limited

partnership A limited partnership is formed when the certificate of limited partnership has become effective and at least one person has become a general partner and at least one person has become a limited partner. If the certificate states a delayed effective date, a limited partnership 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.

~~(d) Subject to subsection (b), if any provision of a partnership agreement is inconsistent with the filed certificate of limited partnership or with a filed statement of dissociation, termination, or change or filed articles of conversion or merger:~~

~~(1) the partnership agreement prevails as to partners and transferees; and~~  
~~(2) the filed certificate of limited partnership, statement of dissociation, termination, or change, or articles of conversion or merger prevail as to persons, other than partners and transferees, that reasonably rely on the filed record to their detriment.~~

#### **Reporters' Notes**

*Subsection (a)* – conformed to the Trust Act.

*Subsection (b)* – new paragraph to conform to the Trust Act.

*Subsection (c)* – conformed to the Trust Act.

*Subsection (d)* – conformed to HULLCA.

*Former Subsection (d)* – in conformity with HULLCA, this provision now appears in Section 112(d).

#### **SECTION 202. AMENDMENT OR RESTATEMENT OF CERTIFICATE OF LIMITED PARTNERSHIP.**

(a) A certificate of limited partnership may be amended or restated at any time.

(b) ~~In order to~~ To amend its certificate of limited partnership, a limited partnership must deliver to the [Secretary of State] for filing an amendment ~~or, pursuant to [Article] 11, articles of merger~~ stating:

- (1) the name of the ~~limited~~ partnership;
- (2) the date of filing of its ~~initial~~ certificate of limited partnership; and
- (3) the changes the amendment makes to the certificate as most recently amended or restated.

(c) To restate its certificate of limited partnership, a limited partnership must deliver to the [Secretary of State] for filing a restatement, designated as such in its heading, stating:

- (1) in the heading or an introductory paragraph, the partnership's present name and the date of the filing of the partnership's initial certificate of organization;
- (2) if the partnership's name has been changed at any time since the partnership's formation, each of the partnership's former names; and
- (3) the changes the restatement makes to the certificate as most recently amended or restated.

(d) Subject to Sections 112(c) and TBD [Article 2 provision re: effectiveness of filed records], an amendment to or restatement of a certificate of limited partnership is effective when filed by the [Secretary of State].

~~(b)~~ (e) A limited partnership shall promptly deliver to the [Secretary of State] for filing an amendment to a certificate of limited partnership to reflect:

- (1) the admission of a new general partner;
- (2) the dissociation of a person as a general partner; or
- (3) the appointment of a person to wind up the limited partnership's activities

under Section ~~803~~ 802 (c) or (d).

(c) ~~A~~ If a general partner ~~that~~ knows that any information in a filed certificate of limited partnership was ~~false~~ inaccurate when the certificate was filed or has become ~~false~~ inaccurate due to changed circumstances, the general partner shall promptly:

(1) cause the certificate to be amended; or

(2) if appropriate, deliver to the [Secretary of State] for filing a statement of change ~~pursuant to~~ under Section ~~445~~ **TBD** or a statement of correction ~~pursuant to~~ under Section ~~207~~ **TBD**.

~~(d) A certificate of limited partnership may be amended at any time for any other proper purpose as determined by the limited partnership.~~

~~(e) A restated certificate of limited partnership may be delivered to the [Secretary of State] for filing in the same manner as an amendment.~~

~~(f) Subject to Section 206(c), an amendment or restated certificate is effective when filed by the [Secretary of State].~~

**~~SECTION 203. STATEMENT OF TERMINATION.~~** ~~A dissolved limited partnership that has completed winding up may deliver to the [Secretary of State] for filing a statement of termination that states:~~

~~(1) the name of the limited partnership;~~

~~(2) the date of filing of its initial certificate of limited partnership; and~~

~~(3) any other information as determined by the general partners filing the statement or by a person appointed pursuant to Section 803(c) or (d).~~

### Reporters' Notes

In conformity with HULLCA, this section is now a provision in the section dealing with

winding up.

**SECTION ~~204~~ 203. SIGNING OF RECORDS TO BE DELIVERED FOR FILING**

**TO [SECRETARY OF STATE].**

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

(1) An initial certificate of limited partnership must be signed by all general partners listed in the certificate.

(2) An amendment to the certificate of limited partnership adding or deleting a statement that the limited partnership is a limited liability limited partnership must be signed by all general partners listed in the certificate.

(3) An amendment to the certificate of limited partnership designating as general partner a person admitted under Section 801(3)(B) following the dissociation of a limited partnership's last general partner must be signed by that person.

(4) An amendment to the certificate of limited partnership required by Section ~~803~~ 802 (c) following the appointment of a person to wind up the dissolved limited partnership's activities must be signed by that person.

(5) Any other amendment to the certificate of limited partnership must be signed by:

(A) at least one general partner listed in the certificate;

(B) each other person designated in the amendment as a new general partner; and

(C) each person that the amendment indicates has dissociated as a general partner, unless:

(i) the person is deceased or a guardian or general conservator has been appointed for the person and the amendment so states; or

(ii) the person has previously delivered to the [Secretary of State] for filing a statement of dissociation.

(6) A restated certificate of limited partnership must be signed by at least one general partner listed in the certificate, and, to the extent the restated certificate effects a change under any other paragraph of this subsection, the certificate must be signed in a manner that satisfies that paragraph.

(7) A statement of cancellation under Section 201(d) must be signed by each general partner that signed the initial certificate of limited partnership, but a personal representative of a deceased or incompetent general partner may sign in the place of the decedent or incompetent.

(8) A statement of termination must be signed by all general partners listed in the certificate of limited partnership or, if the certificate of a dissolved limited partnership lists no general partners, by the person appointed pursuant to Section 803(c) or (d) to wind up the dissolved limited partnership's activities.

~~(8) Articles of conversion must be signed by each general partner listed in the certificate of limited partnership.~~

~~(9) Articles of merger must be signed as provided in Section 1108(a).~~

~~(10)~~ (9) Any other record delivered ~~on behalf of~~ by a limited partnership to the [Secretary of State] for filing must be signed by at least one general partner listed in the certificate of limited partnership.

~~(11)~~ (10) A statement by a person pursuant to Section 605(a)(4) stating that the

person has dissociated as a general partner must be signed by that person.

~~(12)~~ (11) A statement of withdrawal by a person pursuant to Section 306 must be signed by that person.

~~(13)~~ (12) A record delivered on behalf of a foreign limited partnership to the [Secretary of State] for filing must be signed by at least one general partner of the foreign limited partnership.

~~(14)~~ (13) Any other record delivered on behalf of any person to the [Secretary of State] for filing must be signed by that person.

(b) ~~Any person may sign by an attorney in fact any record to be filed pursuant to this [Act]~~ Any record filed under this [act] may be signed by an agent.

#### **SECTION ~~205~~ 204. SIGNING AND FILING PURSUANT TO JUDICIAL ORDER.**

(a) If a person required by this [Act] to sign a record or deliver a record to the [Secretary of State] for filing under this [act] does not do so, any other person that is aggrieved may petition the [appropriate court] to order:

(1) the person to sign the record;

(2) the person to deliver the record to the [Secretary of State] for filing; or

(3) the [Secretary of State] to file the record unsigned.

(b) If the ~~person aggrieved~~ the petitioner under subsection (a) is not the limited partnership or foreign limited partnership to which the record pertains, the ~~aggrieved person~~ the petitioner shall make the limited partnership or foreign limited partnership a party to the action. ~~A person aggrieved under subsection (a) may seek the remedies provided in subsection (a) in the same action in combination or in the alternative.~~

(c) A record filed unsigned pursuant to ~~this section~~ subsection (a)(3) is effective without

being signed.

**~~SECTION 206. DELIVERY TO AND FILING OF RECORDS BY [SECRETARY OF STATE]; EFFECTIVE TIME AND DATE.~~**

~~(a) A record authorized or required to be delivered to the [Secretary of State] for filing under this [Act] must be captioned to describe the record's purpose, be in a medium permitted by the [Secretary of State], and be delivered to the [Secretary of State]. Unless the [Secretary of State] determines that a record does not comply with the filing requirements of this [Act], and if all filing fees have been paid, the [Secretary of State] shall file the record and:~~

~~(1) for a statement of dissociation, send:~~

~~(A) a copy of the filed statement and a receipt for the fees to the person which the statement indicates has dissociated as a general partner; and~~

~~(B) a copy of the filed statement and receipt to the limited partnership;~~

~~(2) for a statement of withdrawal, send:~~

~~(A) a copy of the filed statement and a receipt for the fees to the person on whose behalf the record was filed; and~~

~~(B) if the statement refers to an existing limited partnership, a copy of the filed statement and receipt to the limited partnership; and~~

~~(3) for all other records, send a copy of the filed record and a receipt for the fees to the person on whose behalf the record was filed.~~

~~(b) Upon request and payment of a fee, the [Secretary of State] shall send to the requester a certified copy of the requested record.~~

~~(c) Except as otherwise provided in Sections 116 and 207, a record delivered to the [Secretary of State] for filing under this [Act] may specify an effective time and a delayed~~



~~effective date. Except as otherwise provided in this [Act], a record filed by the [Secretary of State] is effective:~~

~~(1) if the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed as evidenced by the [Secretary of State's] endorsement of the date and time on the record;~~

~~(2) if the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record;~~

~~(3) if the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of:~~

~~(A) the specified date; or~~

~~(B) the 90th day after the record is filed; or~~

~~(4) if the record specifies an effective time and a delayed effective date, at the specified time on the earlier of:~~

~~(A) the specified date; or~~

~~(B) the 90th day after the record is filed.~~

## **SECTION 205. FILING REQUIREMENTS.**

(a) To be filed by the [Secretary of State] pursuant to this [act], a record must be received by the [Secretary of State] and must comply with this [act] and satisfy the following:

(1) The filing of the record must be required or permitted by this [act].

(2) The record must be physically delivered in written form unless and to the extent the [Secretary of State] permits electronic delivery of records in other than written form.

(3) The words in the record must be in English, and numbers must be in Arabic or Roman numerals, but the name of an entity need not be in English if written in English letters or

881 Arabic or Roman numerals.

882 (4) The record must be signed by a person authorized to sign the filing under

883 Section 203.

884 (5) The record must state the name and capacity, if any, of each person that signed  
885 it but need not contain a seal, attestation, acknowledgment, or verification.

886 (b) If law other than this [act] prohibits the disclosure by the [Secretary of State] of  
887 information contained in a record filed by the [Secretary of State], the [Secretary of State] shall  
888 accept the filing if the filing otherwise complies with this section but the [Secretary of State] may  
889 redact the information.

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

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

895 **Reporters' Notes**

896 Conformed, as much as possible, to HUB § 1-201.

897 **SECTION 206. EFFECTIVE TIME AND DATE.** Except as otherwise provided in  
898 Section 207 and subject to Section 208(c), filing is effective:

899 (1) on the date and at the time of its filing by the [Secretary of State];

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

902 (3) at a specified delayed effective time and date, which may not be more than 90 days

903 after the date of filing; or

904 (4) if a delayed effective date is specified as permitted by this [act], but no time is  
905 specified, at 12:01 a.m. on the date specified.

906 **Reporters' Notes**

907  
908 Patterned after HUB § 1-203.

909  
910 **SECTION 207. WITHDRAWAL OF FILED RECORD BEFORE**  
911 **EFFECTIVENESS.**

912 (a) Except as otherwise provided in Chapter 11, a filed record may be withdrawn before it  
913 takes effect by delivering to the [Secretary of State] for filing a statement of withdrawal.

914 (b) A statement of withdrawal must:

915 (1) be signed on behalf of each person that signed the record being withdrawn,  
916 except as otherwise agreed by those persons;

917 (2) identify the filed record to be withdrawn and the date of its filing; and

918 (3) if not signed on behalf of each person that signed the record being withdrawn,  
919 state that the record is withdrawn in accordance with the agreement of all the persons who signed  
920 the record.

921 (c) On filing by the [Secretary of State] of a statement of withdrawal, the action or  
922 transaction evidenced by the original filed record does not take effect.

923 **Reporters' Notes**

924 Patterned after a prior version of HUB § 1-204, but modified. Harmonized HUB § 1-204  
925 has been conformed to this text.

926  
927 **SECTION ~~207~~ 208. CORRECTING FILED RECORD.**

928 ~~(a) A limited partnership or foreign limited partnership may deliver to the [Secretary of~~

State] for filing a statement of correction to correct a record previously delivered by the limited partnership or foreign limited partnership to the [Secretary of State] and filed by the [Secretary of State], if at the time of filing the record contained false or erroneous information or was defectively signed.

(b) ~~A statement of correction may not state a delayed effective date and must:~~

~~(1) describe the record to be corrected, including its filing date, or attach a copy of the record as filed;~~

~~(2) specify the incorrect information and the reason it is incorrect or the manner in which the signing was defective; and~~

~~(3) correct the incorrect information or defective signature.~~

(c) ~~When filed by the [Secretary of State], a statement of correction is effective retroactively as of the effective date of the record the statement corrects, but the statement is effective when filed:~~

~~(1) for the purposes of Section 103(c) and (d); and~~

~~(2) as to persons relying on the uncorrected record and adversely affected by the correction.~~

(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 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, a person on whose behalf the record was delivered to the

952 [Secretary of State] must deliver to the [Secretary of State] for filing a statement of correction.

953 (c) A statement of correction:

954 (1) may not state a delayed effective date;

955 (2) must be signed on behalf of the person correcting the filed record;

956 (3) must identify the filed record to be corrected or have attached a copy and state  
957 the date of its filing;

958 (4) must specify the inaccuracy or defect to be corrected; and

959 (5) must correct the inaccuracy or defect.

960 (d) A statement of correction is effective as of the effective date of the filed record that it  
961 corrects except for purposes of Section 103(d) and persons relying on the uncorrected filed  
962 record and adversely affected by the correction. For those purposes and persons, the statement  
963 of correction is effective when filed.

#### 964 **Reporters' Notes**

965 Replacement language comes essentially verbatim from HUB § 1-205, except for the  
966 reference in subsection (d) to Section 103(d).

#### 967 **SECTION 209. DUTY OF [SECRETARY OF STATE] TO FILE; REVIEW OF** 968 **REFUSAL TO FILE; TRANSMISSION OF INFORMATION BY THE [SECRETARY OF** 969 **STATE].**

971 (a) The [Secretary of State] shall file a record delivered to the [Secretary of State] for  
972 filing which satisfies this [act]. The duty of the [Secretary of State] under this section is  
973 ministerial.

974 (b) When the [Secretary of State] files a record pursuant to this [act], the [Secretary of  
975 State] shall record it as filed on the date and time of its delivery. After filing a record, the

[Secretary of State] shall deliver a copy of the filing with an acknowledgment of the date and time of filing to the person on whose behalf the record was delivered for filing and, in the case of a statement of denial, also to the limited partnership to which the statement pertains.

(c) If the [Secretary of State] refuses to file a record pursuant to this [act], the [Secretary of State] shall return the record or notify the person that submitted the record not later than [15] business days after the record is delivered, together with a brief explanation in a record of the reason for the refusal.

(d) If the [Secretary of State] refuses to file a record pursuant to this act, 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 the court to compel filing of the record and by attaching to the petition the record and the explanation of the [Secretary of State] of the refusal to file.

(2) The court may summarily order the [Secretary of State] to file the record or take other action the court considers appropriate.

(3) The final decision of the court may be appealed as in other civil proceedings.

(e) The filing of or refusal to file a record pursuant to this [act] 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.

(f) Except as provided by Section 116 or by law other than this [act], the [Secretary of State] may deliver any record to a person by delivering it to the person that submitted it, to the

999 address of the person's registered agent, to the principal office of the person, or to another  
1000 address the person provides to the [Secretary of State] for delivery.

1001 **Reporters' Notes**

1002 Subsections (a) – (e) derived essentially verbatim from HUB §1-206.

1003  
1004 Subsection (f) patterned after HUB § 1-210.

1005 **SECTION ~~208~~ 210. LIABILITY FOR ~~FALSE~~ INACCURATE INFORMATION IN**  
1006 **FILED RECORD.**

1007 (a) If a record delivered to the [Secretary of State] for filing under this [act] and filed by  
1008 the [Secretary of State] contains ~~false~~ inaccurate information, a person that suffers loss by  
1009 reliance on the information may recover damages for the loss from:

1010 (1) a person that signed the record, or caused another to sign it on the person's  
1011 behalf, and knew the information to be ~~false~~ inaccurate at the time the record was signed; and

1012 (2) a general partner of a limited partnership if:

1013 (A) the record was delivered for filing on behalf of the partnership;

1014 (B) ~~that has~~ the general partner had notice of the inaccuracy ~~notice that the~~  
1015 ~~information was false when the record was filed or has become false because of changed~~  
1016 ~~circumstances, if the general partner has notice~~ for a reasonably sufficient time before the  
1017 information is- was relied upon ~~to enable the general partner to~~ so that, before the reliance, the  
1018 general partner reasonably could have:

1019 (i) ~~effect~~ effected an amendment under Section 202~~;~~<sub>2</sub>

1020 (ii) ~~file~~ filed a petition ~~pursuant to~~ under Section ~~205, 204;~~<sub>2</sub> or

1021 (iii) ~~deliver~~ delivered to the [Secretary of State] for filing a

1022 statement of change ~~pursuant to~~ under Section ~~115~~ **TBD** or a statement of correction ~~pursuant to~~

1023 under to Section ~~207~~ TBD.

1024 (b) ~~Signing a record authorized or required to be filed under this [Act] constitutes an~~  
1025 ~~affirmation under the penalties of perjury that the facts stated in the record are true~~ An individual  
1026 who signs a record authorized or required to be filed under this [act] affirms under penalty of  
1027 perjury that the information stated in the record is accurate.

1028 **Reporters' Notes**

1029 HULLCA, § 210(b) is omitted, because that provision relates only the member-managed  
1030 LLCs.

1031  
1032 **~~SECTION 209. CERTIFICATE OF EXISTENCE OR AUTHORIZATION.~~**

1033 ~~(a) The [Secretary of State], upon request and payment of the requisite fee, shall furnish~~  
1034 ~~a certificate of existence for a limited partnership if the records filed in the [office of the~~  
1035 ~~Secretary of State] show that the [Secretary of State] has filed a certificate of limited partnership~~  
1036 ~~and has not filed a statement of termination. A certificate of existence must state:~~

1037 ~~(1) the limited partnership's name;~~

1038 ~~(2) that it was duly formed under the laws of this State and the date of formation;~~

1039 ~~(3) whether all fees, taxes, and penalties due to the [Secretary of State] under this~~  
1040 ~~[Act] or other law have been paid;~~

1041 ~~(4) whether the limited partnership's most recent annual report required by~~  
1042 ~~Section 210 has been filed by the [Secretary of State];~~

1043 ~~(5) whether the [Secretary of State] has administratively dissolved the limited~~  
1044 ~~partnership;~~

1045 ~~(6) whether the limited partnership's certificate of limited partnership has been~~  
1046 ~~amended to state that the limited partnership is dissolved;~~



1047                   ~~(7) that a statement of termination has not been filed by the [Secretary of State];~~

1048    and

1049                   ~~(8) other facts of record in the [office of the Secretary of State] which may be~~

1050    ~~requested by the applicant.~~

1051           ~~(b) The [Secretary of State], upon request and payment of the requisite fee, shall furnish~~

1052    ~~a certificate of authorization for a foreign limited partnership if the records filed in the [office of~~

1053    ~~the Secretary of State] show that the [Secretary of State] has filed a certificate of authority, has~~

1054    ~~not revoked the certificate of authority, and has not filed a notice of cancellation. A certificate of~~

1055    ~~authorization must state:~~

1056                   ~~(1) the foreign limited partnership's name and any alternate name adopted under~~

1057    ~~Section 905(a) for use in this State;~~

1058                   ~~(2) that it is authorized to transact business in this State;~~

1059                   ~~(3) whether all fees, taxes, and penalties due to the [Secretary of State] under this~~

1060    ~~[Act] or other law have been paid;~~

1061                   ~~(4) whether the foreign limited partnership's most recent annual report required~~

1062    ~~by Section 210 has been filed by the [Secretary of State];~~

1063                   ~~(5) that the [Secretary of State] has not revoked its certificate of authority and has~~

1064    ~~not filed a notice of cancellation; and~~

1065                   ~~(6) other facts of record in the [office of the Secretary of State] which may be~~

1066    ~~requested by the applicant.~~

1067           ~~(c) Subject to any qualification stated in the certificate, a certificate of existence or~~

1068    ~~authorization issued by the [Secretary of State] may be relied upon as conclusive evidence that~~

1069    ~~the limited partnership or foreign limited partnership is in existence or is authorized to transact~~

1070 ~~business in this State.~~

1071 **SECTION 211. CERTIFICATE OF GOOD STANDING OR REGISTRATION.**

1072 (a) On request of any person, the [Secretary of State] shall issue a certificate of good  
1073 standing for a limited partnership or a certificate of registration for a registered foreign limited  
1074 partnership.

1075 (b) A certificate under subsection (a) must state:

1076 (1) the limited partnership's name or the registered foreign limited partnership's  
1077 name used in this state;

1078 (2) that a certificate of limited partnership pertaining to the limited liability  
1079 company is effective under the law of this state and the effective date of ~~its formation~~ that  
1080 certificate, or that the registered foreign limited partnership is registered to do business in this  
1081 state;

1082 (3) that all fees, taxes, interest, and penalties owed to this state by the limited  
1083 partnership or the registered foreign limited partnership and collected through the [Secretary of  
1084 State] have been paid, if:

1085 (A) payment is reflected in the records of the [Secretary of State]; and

1086 (B) nonpayment affects the good standing or registration of the limited  
1087 partnership or registered foreign limited partnership;

1088 (4) that the most recent annual report required by Section 212 has been delivered  
1089 for filing to the [Secretary of State]; and

1090 (5) that, with respect to a limited partnership, no statement of dissolution,  
1091 statement of termination, or declaration of dissolution has been filed and no proceeding is  
1092 pending under Section \_\_\_\_.

1093 (c) Subject to any qualification stated in the certificate, a certificate issued by the  
1094 [Secretary of State] under subsection (a) may be relied upon as conclusive evidence of the facts  
1095 stated in the certificate.

1096 **Reporters' Notes**

1097 Derived essentially verbatim from HUB §1-208.

1098 **SECTION ~~210~~ 212. ANNUAL [ANNUAL] [BIENNIAL] REPORT FOR**  
1099 **[SECRETARY OF STATE].**

1100 (a) ~~A~~ Each limited partnership ~~or a~~ and registered foreign limited partnership ~~authorized~~  
1101 ~~to transact business in this State~~ shall deliver to the [Secretary of State] for filing ~~an annual~~ [an  
1102 annual] [a biennial] report that states:

1103 (1) the name of the limited partnership or foreign limited partnership;

1104 (2) ~~the street and mailing address of its designated office and~~ the name and street  
1105 and mailing address of its registered agent ~~for service of process in this State;~~

1106 (3) ~~in the case of a limited partnership,~~ the street and mailing address of its  
1107 principal office; and

1108 (4) in the case of a foreign limited partnership, the State or other jurisdiction  
1109 under whose law the foreign limited partnership is formed and any alternate name adopted under  
1110 Section 905(a).

1111 (b) Information in ~~an annual~~ the [annual] [biennial] report must be current as of the date  
1112 the annual report is ~~delivered to the [Secretary of State] for filing~~ signed by the limited  
1113 partnership or registered foreign limited partnership.

1114 (c) The first ~~annual~~ [annual] [biennial] report must be delivered to the [Secretary of  
1115 State] ~~between~~ after [January 1] and before [April 1] of the year following the calendar year in

1116 which a limited partnership was formed or a registered foreign limited partnership ~~was~~  
1117 ~~authorized to transact~~ registered to do business in this state. ~~An annual report~~ Subsequent  
1118 [annual] [biennial] reports must be delivered to the [Secretary of State] between after [January 1]  
1119 and before [April 1] of each ~~subsequent~~ [second] calendar year thereafter.

1120 (d) If ~~an annual~~ [an annual] [a biennial] report does not contain the information required  
1121 ~~in~~ by subsection (a), the [Secretary of State] shall promptly notify the reporting limited  
1122 partnership or registered foreign limited partnership in a record and return the report to it for  
1123 correction. ~~If the report is corrected to contain the information required in subsection (a) and~~  
1124 ~~delivered to the [Secretary of State] within 30 days after the effective date of the notice, it is~~  
1125 ~~timely delivered.~~

1126 (e) If a ~~filed annual~~ [an annual] [a biennial] report contains ~~an address of a designated~~  
1127 ~~office or~~ the name or address of ~~an~~ a registered agent ~~for service of process~~ which differs from  
1128 the information shown in the records of the [Secretary of State] immediately before the ~~filing~~  
1129 [annual] [biennial] report becomes effective, the differing information in the ~~annual~~ [annual]  
1130 [biennial] report is considered a statement of change under Section 115.

1131

1132 [ARTICLE] 3

1133 LIMITED PARTNERS

1134 SECTION 301. BECOMING LIMITED PARTNER. A person becomes a limited  
1135 partner:

1136 (1) upon formation of the limited partnership, as agreed among the persons that are to be  
1137 the initial partners; and  
1138 (2) after formation:

1139 (A) as provided in the partnership agreement;  
1140 (2) (B) as the result of a conversion or merger transaction effective under [Article]  
1141 11; or  
1142 (3) (C) with the consent of all the partners.

1143 SECTION 302. NO RIGHT OR POWER AS LIMITED PARTNER TO BIND  
1144 LIMITED PARTNERSHIP. A limited partner does not have the right or the power as a  
1145 limited partner to act for or bind the limited partnership.

1146 SECTION 303. NO LIABILITY AS LIMITED PARTNER FOR LIMITED  
1147 PARTNERSHIP OBLIGATIONS. An obligation  
1148 (a) A debt, obligation, or other liability of a limited partnership, ~~whether arising in~~  
1149 ~~contract, tort, or otherwise,~~ is not the obligation of a limited partner. A limited partner is not  
1150 personally liable, directly or indirectly, by way of contribution or otherwise, for ~~an obligation a~~  
1151 debt, obligation, or other liability of the limited partnership solely by reason of being or acting as  
1152 a limited partner, even if the limited partner participates in the management and control of the  
1153 limited partnership.

1154 (b) The failure of a limited partnership to observe any formalities relating to the exercise

of its powers or management of its activities is not a ground for imposing liability on any limited partner for any debt, obligation, or other liability of the company.

**SECTION 304. RIGHT TO INFORMATION OF LIMITED PARTNER AND ~~FORMER PERSON DISSOCIATED AS~~ LIMITED PARTNER ~~TO INFORMATION~~.**

(a) On 10 days' demand, made in a record received by the limited partnership, a limited partner may inspect and copy required information during regular business hours in the limited partnership's designated office. The limited partner need not have any particular purpose for seeking the information.

(b) During regular business hours and at a reasonable location specified by the limited partnership, a limited partner may obtain from the limited partnership and inspect and copy true and full information regarding ~~the state of~~ the activities, ~~and~~ financial condition, ~~and other circumstances~~ of the limited partnership ~~and other information regarding the activities of the limited partnership~~ as is just and reasonable if:

(1) the limited partner seeks the information for a purpose reasonably related to the partner's interest as a limited partner;

(2) the limited partner makes a demand in a record received by the limited partnership, describing with reasonable particularity the information sought and the purpose for seeking the information; and

(3) the information sought is directly connected to the limited partner's purpose.

(c) Within 10 days after receiving a demand pursuant to subsection (b), the limited partnership in a record shall inform the limited partner that made the demand:

(1) ~~what of the~~ information ~~that~~ the ~~limited~~ partnership will provide in response to the demand;

1178                   ~~(2)~~ and when and where the limited partnership will provide the information; and

1179                   ~~(3)~~ (2) if the limited partnership declines to provide any demanded information,

1180 the limited partnership's reasons for declining.

1181                   (d) Whenever this [act] or a partnership agreement provides for a limited partner to give

1182 or withhold consent to a matter, before the consent is given or withheld, the limited partnership

1183 shall, without demand, provide the limited partner with all information that is known to the

1184 partnership and is material to the limited partner's decision.

1185                   (e) Subject to subsection ~~(f)~~ (j), on 10 days' demand made in a record received by a

1186 limited partnership, a person dissociated as a limited partner may ~~inspect and copy required~~

1187 ~~information during regular business hours in the limited partnership's designated office~~ have

1188 access to information to which the person was entitled while a limited partner if:

1189                   (1) the information pertains to the period during which the person was a limited

1190 partner;

1191                   (2) the person seeks the information in good faith; and

1192                   (3) the person meets the requirements of subsection(b).

1193                   ~~(e)~~ (f) The limited partnership shall respond to a demand made pursuant to subsection ~~(d)~~

1194 (e) in the same manner as provided in subsection (c).

1195                   (g) A limited partnership may charge a person that makes a demand under this section

1196 reasonable costs of copying, limited to the costs of labor and material.

1197                   (h) A limited partner or person dissociated as a limited partner may exercise the rights

1198 under this section through an ~~attorney or other~~ agent or, in the case of an individual under legal

1199 disability, a legal representative. Any restriction or condition imposed by the partnership

1200 agreement or under subsection (k) ~~(g) or by the partnership agreement~~ applies both to the

1201 ~~attorney or other~~ agent or legal representative and to the limited partner or person dissociated as  
1202 a limited partner.

1203 (i) Subject to subsection ~~(h)~~ (j), the rights under this section do not extend to a person as  
1204 transferee.

1205 (j) If a limited partner dies, Section 704 applies.

1206 ~~(g) (k) The limited partnership may impose reasonable restrictions on the use of~~  
1207 ~~information obtained under this section.~~ In addition to any restriction or condition stated in its  
1208 partnership agreement, a limited partnership, as a matter within the ordinary course of its  
1209 activities, may impose reasonable restrictions and conditions on access to and use of information  
1210 to be furnished under this section, including designating information confidential and imposing  
1211 nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the  
1212 reasonableness of a restriction under this subsection, the ~~limited~~ partnership has the burden of  
1213 proving reasonableness.

1214 ~~(h) A limited partnership may charge a person that makes a demand under this section~~  
1215 ~~reasonable costs of copying, limited to the costs of labor and material.~~

1216 ~~(i) Whenever this [Act] or a partnership agreement provides for a limited partner to give~~  
1217 ~~or withhold consent to a matter, before the consent is given or withheld, the limited partnership~~  
1218 ~~shall, without demand, provide the limited partner with all information material to the limited~~  
1219 ~~partner's decision that the limited partnership knows.~~

1220 ~~(j)~~ (l) A limited partner or person dissociated as a limited partner may exercise the rights  
1221 under this section through an ~~attorney or other~~ agent or, in the case of an individual under legal  
1222 disability, a legal representative. Any restriction or condition imposed by the partnership  
1223 agreement or under subsection (k) ~~(g) or by the partnership agreement~~ applies both to the



1224 ~~attorney or other~~ agent or legal representative and to the limited partner or person dissociated as  
1225 a limited partner.

1226 (k) ~~The rights stated in this section do not extend to a person as transferee, but may be~~  
1227 ~~exercised by the legal representative of an individual under legal disability who is a limited~~  
1228 ~~partner or person dissociated as a limited partner.~~

1229 **Reporters' Notes**

1230 The changes shown in black are merely re-sequencing to conform the order of  
1231 subsections to HULLCA.

1232  
1233 **SECTION 305. LIMITED DUTIES OF LIMITED PARTNERS.**

1234 (a) ~~A limited partner does not have any fiduciary duty to the limited partnership or to any~~  
1235 ~~other partner solely by reason of being a limited partner.~~

1236 (b) A limited partner shall discharge ~~the~~ any duties to the partnership and the other  
1237 partners ~~under this [Act] or~~ under the partnership agreement and exercise any rights under this  
1238 [act] or the partnership agreement consistently with the contractual obligation of good faith and  
1239 fair dealing.

1240 (b) Except as otherwise provided in subsection (a), a limited partner does not have any  
1241 duty to the limited partnership or to any other partner solely by reason of being a limited partner.

1242 (c) ~~A limited partner does not violate a duty or obligation under this [Act] or under the~~  
1243 ~~partnership agreement merely because the limited partner's conduct furthers the limited partner's~~  
1244 ~~own interest~~ If a limited partner enters into a transaction with a limited partnership, the limited  
1245 partner's rights and obligations arising from the transaction are the same as those of a person not  
1246 a partner.

1247 **Reporters' Notes**

1248  
1249 *Subsection (b)* - mostly relocated from previous subsection (a). New aspects: having the  
1250 subsection negate all duties (not just fiduciary duties); making the subsection subject to new  
1251 subsection (a). Comment should note the obvious – that this provision is a default rule and the  
1252 partnership agreement can create duties for limited partners.

1253  
1254 *Subsection (c)* – The revised language tracks HULLCA, § 409(h), without that  
1255 provision's preconditions. In light of the deletion of "under this Act" in subsection (a), a  
1256 Comment will point out that, if the partnership agreement allocates any substantial  
1257 responsibilities to a general partner, it would be wise to consider including those preconditions in  
1258 the agreement.

1259  
1260 **SECTION 306. PERSON ERRONEOUSLY BELIEVING SELF TO BE LIMITED**

1261 **PARTNER.**

1262 (a) Except as otherwise provided in subsection (b), a person that makes an investment in  
1263 a business enterprise and erroneously but in good faith believes that the person has become a  
1264 limited partner in the enterprise is not liable for the enterprise's obligations by reason of making  
1265 the investment, receiving distributions from the enterprise, or exercising any rights of or  
1266 appropriate to a limited partner, if, on ascertaining the mistake, the person:

1267 (1) causes an appropriate certificate of limited partnership, amendment, or  
1268 statement of correction to be signed and delivered to the [Secretary of State] for filing; or

1269 (2) withdraws from future participation as an owner in the enterprise by signing  
1270 and delivering to the [Secretary of State] for filing a statement of withdrawal under this section.

1271 (b) A person that makes an investment described in subsection (a) is liable to the same  
1272 extent as a general partner to any third party that enters into a transaction with the enterprise,  
1273 believing in good faith that the person is a general partner, before the [Secretary of State] files a  
1274 statement of withdrawal, certificate of limited partnership, amendment, or statement of  
1275 correction to show that the person is not a general partner.

1276           (c) If a person makes a diligent effort in good faith to comply with subsection (a)(1) and  
1277 is unable to cause the appropriate certificate of limited partnership, amendment, or statement of  
1278 correction to be signed and delivered to the [Secretary of State] for filing, the person has the right  
1279 to withdraw from the enterprise pursuant to subsection (a)(2) even if the withdrawal would  
1280 otherwise breach an agreement with others that are or have agreed to become co-owners of the  
1281 enterprise.  
1282

1283 [ARTICLE] 4

1284 GENERAL PARTNERS

1285 SECTION 401. BECOMING GENERAL PARTNER. A person becomes a general

1286 partner:

1287 (1) upon formation of the limited partnership, as agreed among the persons that are to be  
1288 the initial partners; and

1289 (2) after formation:

1290 (A) as provided in the partnership agreement;

1291 (2) (B) under Section 801(3)(B) following the dissociation of a limited  
1292 partnership's last general partner;

1293 (3) (C) as the result of a conversion or merger transaction effective under  
1294 [Article] 11; or

1295 (4) (D) with the consent of all the partners.

1296 SECTION 402. GENERAL PARTNER AGENT OF LIMITED PARTNERSHIP.

1297 (a) Each general partner is an agent of the limited partnership for the purposes of its  
1298 activities. An act of a general partner, including the signing of a record in the partnership's  
1299 name, for apparently carrying on in the ordinary course the limited partnership's activities or  
1300 activities of the kind carried on by the limited partnership binds the limited partnership, unless  
1301 the general partner did not have authority to act for the limited partnership in the particular  
1302 matter and the person with which the general partner was dealing knew, ~~had received a~~  
1303 ~~notification,~~ or had notice ~~under Section 103(d)~~ that the general partner lacked authority.

1304 (b) An act of a general partner which is not apparently for carrying on in the ordinary  
1305 course the limited partnership's activities or activities of the kind carried on by the limited

1306 partnership binds the limited partnership only if the act was actually authorized by all the other  
1307 partners.

#### 1308 **Reporters' Notes**

1309  
1310 *Subsection (a)*- The first deletion follows a decision made for RUPA. The second  
1311 deletion merely removes surplus language.

#### 1312 1313 **SECTION 403. LIMITED PARTNERSHIP LIABLE FOR GENERAL**

#### 1314 **PARTNER'S ACTIONABLE CONDUCT.**

1315 (a) A limited partnership is liable for loss or injury caused to a person, or for a penalty  
1316 incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general  
1317 partner acting in the ordinary course of activities of the limited partnership or with [the actual or](#)  
1318 [apparent](#) authority of the limited partnership.

1319 (b) If, in the course of the limited partnership's activities or while acting with [actual or](#)  
1320 [apparent](#) authority of the limited partnership, a general partner receives or causes the limited  
1321 partnership to receive money or property of a person not a partner, and the money or property is  
1322 misapplied by a general partner, the limited partnership is liable for the loss.

#### 1323 **Reporters' Notes**

1324  
1325 *Addition of "actual and apparent"* – This language reflects a decision made in RUPA to  
1326 clarify language in a matter consistent with the original UPA. A comment to subsection (a) will  
1327 note that apparent authority is sufficient only if apparent authority has a causal connection to the  
1328 wrongful act or the harm.

#### 1329 1330 **SECTION 404. GENERAL PARTNER'S LIABILITY.**

1331 (a) Except as otherwise provided in subsections (b) and (c), all general partners are liable  
1332 jointly and severally for all [debts, obligations, and other liabilities](#) of the limited partnership  
1333 unless otherwise agreed by the claimant or provided by law.

1334 (b) A person that becomes a general partner of an existing limited partnership is not

personally liable for ~~an~~ 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 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 solely by reason of being or acting as a general partner of a limited liability limited partnership. 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).

(d) The failure of a limited liability limited partnership to observe any formalities relating to the exercise of its powers or management of its activities is not a ground for imposing liability on any general partner of the limited liability limited partnership.

#### **SECTION 405. ACTIONS BY AND AGAINST PARTNERSHIP AND PARTNERS.**

(a) To the extent not inconsistent with Section 404, a general partner may be joined in an action against the limited partnership or named in a separate action.

(b) A judgment against a limited partnership is not by itself a judgment against a general partner. A judgment against a limited partnership may not be satisfied from a general partner's assets unless there is also a judgment against the general partner.

(c) A judgment creditor of a general partner may not levy execution against the assets of the general partner to satisfy a judgment based on a claim against the limited partnership, unless the partner is personally liable for the claim under Section 404 and:

1358 (1) a judgment based on the same claim has been obtained against the limited  
1359 partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in  
1360 part;

1361 (2) the ~~limited~~ partnership is a debtor in bankruptcy;

1362 (3) the general partner has agreed that the creditor need not exhaust ~~limited~~  
1363 partnership assets;

1364 (4) a court grants permission to the judgment creditor to levy execution against  
1365 the assets of a general partner based on a finding that ~~limited~~ partnership assets subject to  
1366 execution are clearly insufficient to satisfy the judgment, that exhaustion of ~~partnership~~ assets is  
1367 excessively burdensome, or that the grant of permission is an appropriate exercise of the court's  
1368 equitable powers; or

1369 (5) liability is imposed on the general partner by law or contract independent of  
1370 the existence of the ~~limited~~ partnership.

1371 **SECTION 406. MANAGEMENT RIGHTS OF GENERAL PARTNER.**

1372 (a) Each general partner has equal rights in the management and conduct of the limited  
1373 partnership's activities. Except as expressly provided in this [act], any matter relating to the  
1374 activities of the ~~limited~~ partnership may be exclusively decided by the general partner or, if there  
1375 is more than one general partner, by a majority of the general partners.

1376 (b) The consent of each partner is necessary to:

1377 (1) amend the partnership agreement;

1378 (2) amend the certificate of limited partnership to add or, ~~subject to Section 1110,~~  
1379 delete a statement that the limited partnership is a limited liability limited partnership; ~~and~~

1380 (3) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the

limited partnership's property, with or without the good will, other than in the usual and regular course of the limited partnership's activities; and

(4) approve a merger, interest exchange, conversion, or domestication under [Article] 11.

~~(c) A limited partnership shall reimburse a general partner for payments made and indemnify a general partner for liabilities incurred by the general partner in the ordinary course of the activities of the partnership or for the preservation of its activities or property.~~

~~(d)~~ A limited partnership shall reimburse a general partner for an advance to the limited partnership beyond the amount of capital the general partner agreed to contribute.

~~(e)~~ (d) A payment or advance made by a general partner which gives rise to an obligation of the limited partnership under subsection (c) or ~~(d)~~ Section 408(a) constitutes a loan to the limited partnership which accrues interest from the date of the payment or advance.

~~(f)~~ (e) A general partner is not entitled to remuneration for services performed for the partnership.

### Reporters' Notes

*Former subsection (c)* – in conformity with HULLCA, the subject matter of this provision is now covered in Section 408

### SECTION 407. RIGHT TO INFORMATION OF GENERAL PARTNER AND ~~FORMER~~ AND PERSON DISSOCIATED AS GENERAL PARTNER ~~TO~~ INFORMATION.

(a) A general partner may inspect and copy required information during regular business hours in the limited partnership's principal office, without having any particular purpose for seeking the information, ~~may inspect and copy during regular business hours:~~



1406 (1) ~~in the limited partnership's designated office, required information; and~~  
1407 ~~(2) at a reasonable location specified by the limited partnership, any other records~~  
1408 ~~maintained by the limited partnership regarding the activities and financial condition.~~

1409 (b) On reasonable notice, a general partner may inspect and copy during regular business  
1410 hours, at a reasonable location specified by the limited partnership, any record maintained by the  
1411 partnership regarding the partnership's activities, financial condition, and other circumstances, to  
1412 the extent the information is material to the general partner's rights and duties under the  
1413 partnership agreement or this [act].

1414 (c) ~~Each general partner and the~~ The limited partnership shall furnish to ~~a~~ each general  
1415 partner:

1416 (1) without demand, any information concerning the limited partnership's  
1417 activities ~~and activities reasonably required for the proper exercise of the general partner's rights~~  
1418 ~~and duties under the partnership agreement or this [Act]~~ financial condition, and other  
1419 circumstances which the partnership knows and is material to the proper exercise of the general  
1420 partner's rights and duties under the partnership agreement or this [act], except to the extent the  
1421 partnership can establish that it reasonably believes the general partner already knows the  
1422 information; and

1423 (2) on demand, any other information concerning the limited partnership's  
1424 activities, financial condition, and other circumstances, except to the extent the demand or the  
1425 information demanded is unreasonable or otherwise improper under the circumstances.

1426 (c) The duty to furnish information under subsection (b) also applies to each general  
1427 partner to the extent the general partner knows any of the information described in subsection  
1428 (b).

1429            (d) Subject to subsection ~~(e)~~ (h), on 10 days' demand made in a record received by the  
1430 limited partnership, a person dissociated as a general partner may have access to the information  
1431 and records described in ~~subsection~~ subsections (a) ~~and (b)~~ at the ~~location~~ locations specified in  
1432 ~~subsection (a)~~ those subsections if:

1433                    (1) the information or record pertains to the period during which the person was a  
1434 general partner;

1435                    (2) the person seeks the information ~~or record~~ in good faith; and

1436                    (3) the person satisfies the requirements imposed on a limited partner by Section  
1437 304(b).

1438            ~~(d)~~ (e) The limited partnership shall respond to a demand made pursuant to subsection  
1439 (c) in the same manner as provided in Section 304(c).

1440            ~~(e) If a general partner dies, Section 704 applies.~~

1441            (f) A limited partnership may charge a person that makes a demand under this section the  
1442 reasonable costs of copying, limited to the costs of labor and material.

1443            (g) A general partner or person dissociated as a general partner may exercise rights under  
1444 this section through an agent or, in the case of an individual under legal disability, a legal  
1445 representative. Any restriction or condition imposed by the partnership agreement or under  
1446 subsection (i) applies both to the agent or legal representative and the general partner or person  
1447 dissociated as a general partner.

1448            (h) The rights under this section do not extend to a person as transferee, except that if:

1449                    (i) a general partner dies, Section 704 applies; and

1450                    (ii) an individual dissociates as a general partner under Section 603(7)(B) or (C),

1451 the legal representative of the individual may exercise the rights under subsection (d) of a person

1452 dissociated as a general partner.

1453 ~~(i) The limited partnership may impose reasonable restrictions on the use of information~~  
1454 ~~under this section. In addition to any restriction or condition stated in its partnership agreement,~~  
1455 ~~a limited partnership, as a matter within the ordinary course of its activities, may impose~~  
1456 ~~reasonable restrictions and conditions on access to and use of information to be furnished under~~  
1457 ~~this section, including designating information confidential and imposing nondisclosure and~~  
1458 ~~safeguarding obligations on the recipient.~~ In any dispute concerning the reasonableness of a  
1459 restriction under this subsection, the **limited** partnership has the burden of proving  
1460 reasonableness.

1461 ~~(g) A limited partnership may charge a person dissociated as a general partner that~~  
1462 ~~makes a demand under this section reasonable costs of copying, limited to the costs of labor and~~  
1463 ~~material.~~

1464 ~~(h) A general partner or person dissociated as a general partner may exercise the rights~~  
1465 ~~under this section through an attorney or other agent. Any restriction imposed under subsection~~  
1466 ~~(f) or by the partnership agreement applies both to the attorney or other agent and to the general~~  
1467 ~~partner or person dissociated as a general partner.~~

1468 ~~(i) The rights under this section do not extend to a person as transferee, but the rights~~  
1469 ~~under subsection (c) of a person dissociated as a general may be exercised by the legal~~  
1470 ~~representative of an individual who dissociated as a general partner under Section 603(7)(B) or~~  
1471 ~~(C).~~

### 1472 **Reporters' Notes**

1473  
1474 With the exception of subsection (a), this section is conformed to the part of HULLCA,  
1475 § 410 pertaining the member information rights in a member-managed LLC. Subsection (a) has  
1476 no analog in HULLCA, because HULLCA does not provide for required information.

Changes shown in black pertain to changes made in order to re-sequence subsections to parallel the sequence in HULLCA, § 410.

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

(a) A limited partnership shall reimburse a general payment for any payment made by a general partner in the course of the general partner's activities on behalf of the partnership, if the general partner complied with Sections 406, 409, and 505 in making the payment.

(b) A limited partnership shall indemnify and hold harmless a person that is a general partner or has been as dissociated as a general partner 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 general partner, if the claim, demand, debt, obligation, or other liability does not arise from the person's breach of Section 406, 409, or 505.

(c) As an activity in the ordinary course of its activities, a limited partnership may advance reasonable expenses, including attorney's fees and costs, incurred by a person that is a general partner or has been as dissociated as a general partner in connection with a claim or demand against the person by reason of the person's former or present capacity as a general partner, if the person promises to repay the limited partnership if the person ultimately is determined not to be entitled to be indemnified under subsection (b).

(d) A limited partnership may purchase and maintain insurance on behalf of a general partner against liability asserted against or incurred by the general partner in that capacity or arising from that status even if, under Section 110(c)(7), the partnership agreement could not eliminate or limit the person's liability to the company for the conduct giving rise to the liability.

1500           **SECTION 408 409. ~~GENERAL~~ STANDARDS OF ~~GENERAL PARTNER'S~~**  
1501 **CONDUCT FOR GENERAL PARTNERS.**

1502           (a) ~~The only fiduciary duties that a~~ A general partner ~~has~~ owes to the limited partnership  
1503 and, subject to Section 1001(b), the other partners ~~are~~ the duties of loyalty and care ~~under~~ stated  
1504 in subsections (b) and (c).

1505           (b) A general partner's fiduciary duty of loyalty ~~to the limited partnership and the other~~  
1506 ~~partners is limited to the following~~ includes the duties:

1507                       (1) to account to the limited partnership and hold as trustee for it any property,  
1508 profit, or benefit derived by the general partner;

1509                               (A) in the conduct and winding up of the partnership's activities; ~~or~~

1510                               (B) ~~derived~~ from a use by the general partner of partnership property;  
1511 ~~including ;~~ or

1512                               (C) ~~from~~ the appropriation of a limited partnership opportunity;

1513                       (2) to refrain from dealing with the limited partnership in the conduct or winding  
1514 up of the limited partnership's activities as or on behalf of a party having an interest adverse to  
1515 the limited partnership; and

1516                       (3) to refrain from competing with the limited partnership in the conduct or  
1517 winding up of the limited partnership's activities.

1518           (c) A general partner's duty of care ~~to the limited partnership and the other partners~~ in  
1519 the conduct and winding up of the limited partnership's activities is limited to ~~refraining~~ refrain  
1520 from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing  
1521 violation of law.

1522           (d) A general partner shall discharge the duties to the limited partnership and the other

1523 partners under this [Act] or under the partnership agreement and exercise any rights consistently  
1524 with the [contractual](#) obligation of good faith and fair dealing.

1525 (e) A general partner does not violate a duty or obligation under this [Act] or under the  
1526 partnership agreement merely because the general partner's conduct furthers the general  
1527 partner's own interest.

1528 [\(f\) All of the partners of a limited partnership may authorize or ratify, after full](#)  
1529 [disclosure of all material facts, a specific act or transaction by a general partner that otherwise](#)  
1530 [would violate the duty of loyalty.](#)

1531 [\(g\) It is a defense to a claim under subsection \(b\)\(2\) and any comparable claim in equity](#)  
1532 [or at common law that the transaction was fair to the limited partnership.](#)

1533 [\(h\) If, as permitted by subsection \(f\) or the partnership agreement, a general partner](#)  
1534 [enters into a transaction with a limited partnership that otherwise would be prohibited by](#)  
1535 [subsection \(b\)\(2\), the general partner's rights and obligations arising from the transaction are the](#)  
1536 [same as those of a person not a general partner.](#)

1537

1538 [ARTICLE] 5

1539 CONTRIBUTIONS AND DISTRIBUTIONS

1540 SECTION 501. FORM OF CONTRIBUTION. A contribution ~~of a partner~~ may

1541 consist of tangible or intangible property or other benefit to the limited partnership, including  
1542 money, services performed, promissory notes, other agreements to contribute cash or property,  
1543 and contracts for services to be performed.

1544 SECTION 502. LIABILITY FOR CONTRIBUTION.

1545 (a) A ~~partner's~~ person's obligation to contribute money or other property or other benefit  
1546 to, or to perform services for, a limited partnership is not excused by the partner's death,  
1547 disability, or other inability to perform personally.

1548 (b) If a ~~partner~~ person does not make a promised ~~non-monetary~~ contribution, the ~~partner~~  
1549 person is obligated at the option of the limited partnership to contribute money equal to that  
1550 portion of the value, as stated in the required information, of the ~~stated~~ contribution which has  
1551 not been made.

1552 (c) The obligation of a partner to make a contribution ~~or return money or other property~~  
1553 ~~paid or distributed in violation of this [Act]~~ may be compromised only by consent of all partners.  
1554 A creditor of a limited partnership which extends credit or otherwise acts in reliance on an  
1555 obligation described in subsection (a), without notice of any compromise under this subsection,  
1556 may enforce the original obligation.

1557 SECTION 503. SHARING OF AND RIGHT TO DISTRIBUTIONS BEFORE  
1558 DISSOLUTION.

1559 (a) A distribution Except to the extent necessary to comply with any transfer effective  
1560 under Section 702 and any charging order in effect under Section 703, any distributions made by

a limited partnership before its dissolution and winding up must be shared among the partners on the basis of the value, as stated in the required records when the limited partnership decides to make the distribution, of the contributions the limited partnership has received from each partner.

**~~SECTION 504. INTERIM DISTRIBUTIONS.~~** (b) A ~~partner does not have~~ has a right to ~~any~~ a distribution before the dissolution and winding up of the limited partnership ~~unless only~~ if the ~~limited~~ partnership decides to make an interim distribution. A person's dissociation does not entitle the person to a distribution.

**~~SECTION 505. NO DISTRIBUTION ON ACCOUNT OF DISSOCIATION.~~** A ~~person does not have a right to receive a distribution on account of dissociation.~~

**~~SECTION 506. DISTRIBUTION IN KIND.~~** (c) A ~~partner~~ person does not have a right to demand or receive any distribution from a limited partnership in any form other than cash. ~~Subject to~~ Except as otherwise provided in Section 812~~(b)~~ 814(b), a limited partnership may distribute an asset in kind ~~to the extent~~ only if each part of the asset is fungible with each other part and each ~~partner~~ person receives a percentage of the asset equal to the ~~partner's~~ person's share of distributions.

**~~SECTION 507. RIGHT TO DISTRIBUTION.~~** ~~When~~ (d) If a partner or transferee becomes entitled to receive a distribution, the partner or transferee has the status of, and is entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution. However, the ~~limited~~ partnership's obligation to make a distribution is subject to offset for any amount owed to the ~~limited~~ partnership by the partner or dissociated partner on whose account the distribution is made.



1583           **SECTION ~~508~~ 505. LIMITATIONS ON DISTRIBUTION.**

1584           (a) ~~A limited partnership may not make a distribution in violation of the partnership~~  
1585 ~~agreement.~~

1586           ~~(b)~~ A limited partnership may not make a distribution if after the distribution:

1587                   (1) the ~~limited~~ partnership would not be able to pay its debts as they become due  
1588 in the ordinary course of the ~~limited~~ partnership's activities; or

1589                   (2) the ~~limited~~ partnership's total assets would be less than the sum of its total  
1590 liabilities plus, unless the partnership agreement permits otherwise, the amount that would be  
1591 needed, if the ~~limited~~ partnership were to be dissolved, wound up, and terminated at the time of  
1592 the distribution, to satisfy the preferential rights upon dissolution, winding up, and termination of  
1593 partners and transferees whose preferential rights are superior to those of persons receiving the  
1594 distribution.

1595           ~~(e)~~ (b) A limited partnership may base a determination that a distribution is not prohibited  
1596 under subsection ~~(b)~~ (a) either on financial statements prepared on the basis of accounting  
1597 practices and principles that are reasonable in the circumstances or on a fair valuation or other  
1598 method that is reasonable in the circumstances.

1599           ~~(d)~~ (c) Except as otherwise provided in subsection ~~(g)~~ (e), the effect of a distribution  
1600 under subsection ~~(b)~~ (a) is measured:

1601                   (1) in the case of distribution ~~by purchase, redemption, or other acquisition of a~~  
1602 ~~transferable interest in the limited partnership as defined in Section 102(5)(A)~~, as of the earlier of  
1603 the date:

1604                           (A) the ~~date~~ money or other property is transferred or debt incurred by the  
1605 limited partnership; and

1606 (B) the person entitled to the distribution ceases to own the interest or  
1607 rights being acquired by the partnership in return for the distribution;

1608 (2) in the case of any other distribution of indebtedness, as of the date the  
1609 indebtedness is distributed; and

1610 (3) in all other cases, as of the date:

1611 (A) the distribution is authorized, if the payment occurs within 120 days  
1612 after that date; or

1613 (B) the payment is made, if payment occurs more than 120 days after the  
1614 distribution is authorized.

1615 ~~(e)~~ (d) A limited partnership's indebtedness to a partner or transferee incurred by reason  
1616 of a distribution made in accordance with this section is at parity with the ~~limited~~ partnership's  
1617 indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.

1618 ~~(f)~~ (e) A limited partnership's indebtedness, including indebtedness issued in connection  
1619 with or as part of a distribution, is not considered a liability for purposes of subsection ~~(b)~~ (a) if  
1620 the terms of the indebtedness provide that payment of principal and interest is made only if and  
1621 to the extent that payment of a distribution could then be made ~~to partners~~ under this section.

1622 ~~(g)~~ If indebtedness is issued as a distribution, each payment of principal or interest on the  
1623 indebtedness is treated as a distribution, the effect of which is measured on the date the payment  
1624 is actually made.

1625 (f) This section does not apply to distributions under Section 814.

1626 **SECTION ~~509~~ 506. LIABILITY FOR IMPROPER DISTRIBUTIONS.**

1627 (a) ~~A~~ If a general partner ~~that~~ consents to a distribution made in violation of Section ~~508~~  
1628 505 and in consenting to the distribution fails to comply with Section 408, the general partner is

personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation of Section 505 if it is established that in consenting to the distribution the general partner failed to comply with Section 408.

(b) A partner or transferee person that ~~received~~ receives a distribution knowing that the distribution to that partner or transferee person was made in violation of Section ~~508~~ 505 is personally liable to the limited partnership but only to the extent that the distribution received by the partner or transferee person exceeded the amount that could have been properly paid under Section ~~508~~ 505.

(c) A general partner against which an action is commenced under subsection (a) may implead:

(1) ~~implead in the action~~ any other person that is liable under subsection (a) and ~~compel~~ enforce a right of contribution from the person; and

(2) ~~implead in the action~~ any person that received a distribution in violation of subsection (b) and ~~compel~~ enforce a right of contribution from the person in the amount the person received in violation of subsection (b).

(d) An action under this section is barred if it is not commenced within two years after the distribution.

1647 [ARTICLE] 6

1648 DISSOCIATION

1649 SECTION 601. DISSOCIATION AS LIMITED PARTNER.

1650 (a) A person does not have a right to dissociate as a limited partner before the  
1651 termination of the limited partnership.

1652 (b) A person is dissociated from a limited partnership as a limited partner upon the  
1653 occurrence of any of the following events:

1654 (1) the limited partnership's ~~having~~ has notice of the person's express will to  
1655 withdraw as a limited partner or on a later date specified by the person;

1656 (2) an event ~~agreed to~~ stated in the partnership agreement as causing the person's  
1657 dissociation as a limited partner occurs;

1658 (3) the ~~person's expulsion~~ person is expelled as a limited partner pursuant to the  
1659 partnership agreement;

1660 (4) the ~~person's expulsion~~ person is expelled as a limited partner by the  
1661 unanimous consent of the other partners if:

1662 (A) it is unlawful to carry on the limited partnership's activities with the  
1663 person as a limited partner;

1664 (B) there has been a transfer of all of the person's transferable interest in  
1665 the limited partnership, other than:

1666 (i) a transfer for security purposes; or

1667 (ii) a court charging order ~~charging the person's interest in effect~~  
1668 under Section 703, which has not been foreclosed;

1669 (C) the person is a corporation and, within 90 days after the limited

1670 partnership notifies the person that it will be expelled as a limited partner because ~~it~~ the person  
1671 has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to  
1672 conduct business has been suspended by the jurisdiction of its incorporation, ~~there is no~~  
1673 ~~revocation of~~ the certificate of dissolution has not been revoked ~~or no reinstatement of~~ or its  
1674 charter or ~~its~~ right to conduct business has not been reinstated; or

1675 (D) the person is a limited liability company or partnership that has been  
1676 dissolved and whose business is being wound up;

1677 (5) on application by the limited partnership, the ~~person's expulsion~~ person is  
1678 expelled as a limited partner by judicial order because the person:

1679 (A) ~~the person has~~ engaged in, or is engaging in, wrongful conduct that  
1680 has adversely and materially affected, or will adversely and materially affect, the ~~limited~~  
1681 partnership's activities;

1682 (B) ~~the person has~~ willfully or persistently committed, or is willfully and  
1683 persistently committing, a material breach of the partnership agreement or ~~of~~ the obligation of  
1684 good faith and fair dealing under Section ~~305(b)~~ 305(a); or

1685 (C) ~~the person has~~ engaged in, or is engaging in, conduct relating to the  
1686 ~~limited~~ partnership's activities which makes it not reasonably practicable to carry on the  
1687 activities with the person as a limited partner;

1688 (6) in the case of a person who is an individual, the ~~person's death~~ person dies;

1689 (7) in the case of a person that is a trust or is acting as a limited partner by virtue  
1690 of being a trustee of a trust, ~~distribution of~~ the trust's entire transferable interest in the ~~limited~~  
1691 partnership, ~~but not merely by reason of the substitution of a successor trustee~~ is distributed;

1692 (8) in the case of a person that is an estate or is acting as a limited partner by

1693 virtue of being a personal representative of an estate, ~~distribution of~~ the estate's entire  
1694 transferable interest in the ~~limited~~ partnership, ~~but not merely by reason of the substitution of a~~  
1695 ~~successor personal representative is distributed;~~

1696 (9) ~~termination in the case~~ of a limited partner that is not an individual,  
1697 partnership, limited liability company, corporation, trust, or estate, the limited partner terminates;  
1698 ~~or~~

1699 (10) the ~~limited~~ partnership's ~~participation participates~~ in a ~~conversion or~~ merger  
1700 under [Article] 11, if the ~~limited~~ partnership:

1701 (A) is not the ~~converted or~~ surviving entity; or

1702 (B) ~~is the converted or surviving entity but, otherwise~~ as a result of the  
1703 ~~conversion or~~ merger, the person ceases to be a limited partner; or

1704 (11) the partnership participates in an interest exchange under [Article] 11, if, as a  
1705 result of the interest exchange, the person ceases to be a limited partner;

1706 (12) the partnership participates in a conversion under [Article] 11;

1707 (13) the partnership participates in a domestication under [Article] 11, if, as a  
1708 result of the domestication, the person ceases to be a limited partner; or

1709 (14) the partnership terminates.

1710 **SECTION 602. EFFECT OF DISSOCIATION AS LIMITED PARTNER.**

1711 (a) ~~Upon a person's dissociation~~ When a person is dissociated as a limited partner of a  
1712 limited partnership:

1713 (1) subject to Section 704, the person does not have further rights as a limited  
1714 partner;

1715 (2) the person's obligation of good faith and fair dealing as a limited partner under

1716 Section ~~305(b)~~ 305(a) continues only as to matters arising and events occurring before the  
1717 ~~dissociation~~ ends with regard to matters arising and events occurring after the person's  
1718 dissociation; and

1719 (3) subject to Section 704 and [Article] 11, any transferable interest owned by the  
1720 person in the person's capacity as a limited partner immediately before dissociation is owned by  
1721 the person solely as a ~~mere~~ transferee.

1722 (b) A person's dissociation as a limited partner does not of itself discharge the person  
1723 from any debt, obligation, or other liability to the limited partnership or the other partners which  
1724 the person incurred while a limited partner.

1725 **SECTION 603. DISSOCIATION AS GENERAL PARTNER.** A person is  
1726 dissociated from a limited partnership as a general partner ~~upon the occurrence of any of the~~  
1727 following events when:

1728 (1) the limited partnership's having has notice of the person's express will to withdraw as  
1729 a general partner ~~or on a later date specified by the person, but, if the person specified a~~  
1730 withdrawal date later than the date the partnership had notice, on that later date;

1731 (2) an event agreed to in the partnership agreement as causing the person's dissociation as  
1732 a general partner occurs;

1733 (3) the ~~person's expulsion~~ person is expelled as a general partner pursuant to the  
1734 partnership agreement;

1735 (4) the ~~person's expulsion~~ person is expelled as a general partner by the unanimous  
1736 consent of the other partners if:

1737 (A) it is unlawful to carry on the ~~limited~~ partnership's activities with the person as  
1738 a general partner;

1739 (B) there has been a transfer of ~~all or substantially~~ all of the person's transferable  
1740 interest in the ~~limited~~ partnership, other than :

1741 (i) a transfer for security purposes; or

1742 (ii) a ~~court~~ charging order ~~charging the person's interest in effect~~  
1743 under Section 703, which has not been foreclosed;

1744 (C) the person is a corporation and, within 90 days after the ~~limited~~ partnership  
1745 notifies the person that it will be expelled as a limited partner because ~~it~~ the person has filed a  
1746 certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct  
1747 business has been suspended by the jurisdiction of its incorporation, ~~there is no revocation of~~ the  
1748 certificate of dissolution has not been revoked or no reinstatement of or its charter or ~~its~~ right to  
1749 conduct business has not been reinstated; or

1750 (D) the person is a limited liability company or partnership that has been  
1751 dissolved and whose business is being wound up;

1752 (5) on application by the ~~limited~~ partnership, the ~~person's expulsion~~ person is expelled as  
1753 a limited partner by judicial order because the person:

1754 (A) ~~the person has~~ engaged in, or is engaging in, wrongful conduct that has  
1755 adversely and materially affected, or will adversely and materially affect, the ~~limited~~  
1756 partnership's activities;

1757 (B) ~~the person has~~ willfully or persistently committed, or is willfully and  
1758 persistently committing, a material breach of the partnership agreement or ~~a duty~~ the person's  
1759 duties or obligations owed to the partnership or the other partners under Section ~~408~~ 409; or

1760 (C) ~~the person has~~ engaged in, or is engaging in, conduct relating to the ~~limited~~  
1761 partnership's activities which makes it not reasonably practicable to carry on the activities with



1762 the person as ~~limited a general~~ partner;

1763 (6) in the case of a person who is an individual:

1764 (A) ~~the person's death~~ the person dies;

1765 (B) ~~the appointment of~~ a guardian or general conservator for the person is  
1766 appointed; or

1767 (C) ~~a judicial determination~~ there is a judicial order that the person has otherwise  
1768 become incapable of performing the person's duties as a general partner under this [act] or the  
1769 partnership agreement;

1770 (7) ~~the person's~~ person:

1771 (A) ~~becoming~~ becomes a debtor in bankruptcy;

1772 (B) ~~execution of~~ executes an assignment for the benefit of creditors; or

1773 (C) ~~seeking, consenting to, or acquiescing~~ seeks, consents to, or acquiesces in the  
1774 appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the  
1775 person's property; ~~or~~

1776 ~~(D) failure, within 90 days after the appointment, to have vacated or stayed the~~  
1777 ~~appointment of a trustee, receiver, or liquidator of the general partner or of all or substantially all~~  
1778 ~~of the person's property obtained without the person's consent or acquiescence, or failing within~~  
1779 ~~90 days after the expiration of a stay to have the appointment vacated;~~

1780 ~~(7) in the case of a person who is an individual:~~

1781 ~~(A) the person's death;~~

1782 ~~(B) the appointment of a guardian or general conservator for the person; or~~

1783 ~~(C) a judicial determination that the person has otherwise become incapable of~~  
1784 ~~performing the person's duties as a general partner under the partnership agreement;~~

(8) in the case of a person that is a trust or is acting as a general partner by virtue of being a trustee of a trust, ~~distribution of~~ the trust's entire transferable interest in the ~~limited~~ partnership is distributed , ~~but not merely by reason of the substitution of a successor trustee~~;

(9) in the case of a person that is an estate or is acting as a general partner by virtue of being a personal representative of an estate, ~~distribution of~~ the estate's entire transferable interest in the ~~limited~~ partnership is distributed , ~~but not merely by reason of the substitution of a successor personal representative~~;

(10) ~~termination in the case~~ of a general partner that is not an individual, partnership, limited liability company, corporation, trust, or estate, the general partner terminates; ~~or~~

(11) the ~~limited partnership's participation~~ the limited partnership participates in a ~~conversion or~~ merger under [Article] 11, if ~~the limited partnership~~:

(A) the partnership is not the ~~converted or~~ surviving entity; or

(B) ~~is the converted or surviving entity but,~~ otherwise as a result of the ~~conversion or~~ merger, the person ceases to be a general partner.

(12) the limited partnership participates in an interest exchange under [Article] 11, if, as a result of the interest exchange, the person ceases to be a general partner;

(13) the limited partnership participates in a conversion under [Article] 11;

(14) the limited partnership participates in a domestication under [Article] 11, if, as a result of the domestication, the person ceases to be a general partner; or

(15) the limited partnership terminates.

### Reporters' Notes

*Paragraphs (6) and (7)* – The order of these two paragraphs has been reversed to conform to the order in HULLCA. Further changes made to conform substantively to HULLCA are shown in blue.

1810           **SECTION 604. PERSON’S POWER TO DISSOCIATE AS GENERAL**

1811 **PARTNER; WRONGFUL DISSOCIATION.**

1812           (a) A person has the power to dissociate as a general partner at any time, rightfully or  
1813 wrongfully, by withdrawing as a general partner by express will ~~pursuant to~~ under Section  
1814 603(1).

1815           (b) A person’s dissociation as a general partner is wrongful only if the dissociation:

1816                   (1) ~~it~~ is in breach of an express provision of the partnership agreement; or

1817                   (2) ~~it~~ occurs before the termination of the limited partnership, and:

1818                           (A) the person withdraws as a general partner by express will;

1819                           (B) the person is expelled as a general partner by judicial determination  
1820 order under Section 603(5);

1821                           (C) the person is dissociated as a general partner under Section 603(7)(A)  
1822 by becoming a debtor in bankruptcy; or

1823                           (D) in the case of a person that is not ~~an individual~~, a trust other than a  
1824 business trust, ~~or an~~ estate, or an individual, the person is expelled or otherwise dissociated as a  
1825 general partner because it willfully dissolved or terminated.

1826           (c) A person that wrongfully dissociates as a general partner is liable to the limited  
1827 partnership and, subject to Section 1001, to the other partners for damages caused by the  
1828 dissociation. The liability is in addition to any other obligation of the general partner to the  
1829 limited partnership or to the other partners.

1830           **SECTION 605. EFFECT OF DISSOCIATION AS GENERAL PARTNER.**

1831           (a) ~~Upon a person’s dissociation~~ When a person is dissociated as a general partner:

(1) the person's right to participate as a general partner in the management and conduct of the partnership's activities terminates;

(2) ~~the person's duty of loyalty as a general partner under Section 408(b)(3) terminates;~~

~~(3) the person's duty of loyalty as a general partner under Section 408(b)(1) and (2) and duty of care under Section 408(c) continue only with regard to matters arising and events occurring before the person's dissociation as a general partner~~ the person's fiduciary duties, duty of care, and obligation of good faith and fair dealing as a general partner end with regard to matters arising and events occurring after the person's dissociation;

~~(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

(5) subject to Section 704 and [Article] 11, any transferable interest owned by the person immediately before dissociation in the person's capacity as a general partner is owned by the person solely as a ~~mere~~ transferee.

(b) A person's dissociation as a general partner does not of itself discharge the person from any debt, obligation, or other liability to the limited partnership or the other partners which the person incurred while a general partner.

**SECTION 606. POWER TO BIND AND LIABILITY TO LIMITED PARTNERSHIP BEFORE DISSOLUTION OF PARTNERSHIP OF PERSON DISSOCIATED AS GENERAL PARTNER.**

(a) After a person is dissociated as a general partner and before the limited partnership is

dissolved, converted under [Article] 11, or merged out of existence under [Article 11], the limited partnership is bound by an act of the person only if:

(1) the act would have bound the ~~limited~~ partnership under Section 402 before the dissociation; and

(2) at the time the other party enters into the transaction:

(A) less than two years has passed since the dissociation; and

(B) the other party does not have notice of the dissociation and reasonably believes that the person is a general partner.

(b) If a limited partnership is bound under subsection (a), the person dissociated as a general partner which caused the limited partnership to be bound is liable:

(1) to the ~~limited~~ partnership for any damage caused to the limited partnership arising from the obligation incurred under subsection (a); and

(2) if a general partner or another person dissociated as a general partner is liable for the obligation, to the general partner or other person for any damage caused to the general partner or other person arising from the liability.

**SECTION 607. LIABILITY TO OTHER PERSONS OF PERSON DISSOCIATED AS GENERAL PARTNER.**

(a) A person's dissociation as a general partner does not of itself discharge the person's liability as a general partner for an obligation of the limited partnership incurred before dissociation. Except as otherwise provided in subsections (b) and (c), the person is not liable for a limited ~~partnership's partnership~~ obligation incurred after dissociation.

(b) A person whose dissociation as a general partner resulted in a dissolution and winding up of the limited partnership's activities is liable to the same extent as a general partner

1878 under Section 404 on an obligation incurred by the limited partnership under Section 804.

1879 (c) A person that has dissociated as a general partner but whose  
1880 dissociation did not result in a dissolution and winding up of the limited partnership's activities  
1881 is liable on a transaction entered into by the ~~limited~~ partnership after the dissociation only if:

1882 (1) a general partner would be liable on the transaction; and

1883 (2) at the time the other party enters into the transaction:

1884 (A) less than two years has passed since the dissociation; and

1885 (B) the other party does not have notice of the dissociation and reasonably  
1886 believes that the person is a general partner.

1887 (d) By agreement with a creditor of a limited partnership and the ~~limited~~ partnership, a  
1888 person dissociated as a general partner may be released from liability for an obligation of the  
1889 ~~limited~~ partnership.

1890 (e) A person dissociated as a general partner is released from liability for an obligation of  
1891 the limited partnership if the ~~limited~~ partnership's creditor, with notice of the person's  
1892 dissociation as a general partner but without the person's consent, agrees to a material alteration  
1893 in the nature or time of payment of the obligation.

1894

1895 [ARTICLE] 7

1896 TRANSFERABLE INTERESTS AND RIGHTS

1897 OF TRANSFEREES AND CREDITORS

1898 SECTION 701. PARTNER'S TRANSFERABLE INTEREST. ~~The only interest of a~~

1899 ~~partner which is transferable is the partner's transferable interest.~~ A transferable interest is  
1900 personal property.

1901 SECTION 702. TRANSFER OF PARTNER'S TRANSFERABLE INTEREST.

1902 (a) A transfer, in whole or in part, of a ~~partner's~~ transferable interest:

1903 (1) is permissible;

1904 (2) does not by itself cause the partner's dissociation or a dissolution and winding  
1905 up of the limited partnership's activities; and

1906 (3) subject to Section 704, does not, ~~as against the other partners or the limited~~  
1907 ~~partnership~~, entitle the transferee to:

1908 (A) participate in the management or conduct of the limited partnership's  
1909 activities; ~~;~~ or

1910 (B) ~~to require access to information concerning the limited partnership's~~  
1911 ~~transactions~~ except as otherwise provided in subsection (c), ~~or to inspect or copy the required~~  
1912 ~~information or the limited partnership's other records~~ have access required information, records,  
1913 or other information concerning the partnership's activities.

1914 (b) A transferee has a right to receive, in accordance with the transfer:

1915 (1) distributions to which the transferor would otherwise be entitled; ~~and~~

1916 (2) ~~upon the dissolution and winding up of the limited partnership's activities the~~  
1917 ~~net amount otherwise distributable to the transferor.~~

(c) In a dissolution and winding up of a limited partnership, a transferee is entitled to an account of the limited partnership's transactions only from the date of dissolution.

(d) ~~Upon transfer, the transferor retains the rights of a partner other than the interest in distributions transferred and retains all duties and obligations of a partner.~~ A transferable interest may be evidenced by a certificate of the interest issued by the limited partnership in a record, and, subject to this section, the interest represented by the certificate may be transferred by a transfer of the certificate.

(e) A limited partnership need not give effect to a transferee's rights under this section until the limited partnership has notice of the transfer.

(f) A transfer of a partner's transferable interest ~~in the limited partnership~~ in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having notice of the restriction at the time of transfer.

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

(h) When 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 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 a partner.

### Reporters' Notes

*Former subsection (d)* – To harmonize with HULLCA, this language has been transferred



to be part of subsection (g).

**SECTION 703. ~~RIGHTS OF CREDITOR OF PARTNER OR TRANSFeree~~**  
**CHARGING ORDER.**

(a) On application ~~to a court of competent jurisdiction by any~~ a judgment creditor of a partner or transferee, ~~the court may charge the transferable interest of the judgment debtor with payment of the unsatisfied amount of the judgment with interest~~ a court may enter a charging order against the transferable interest of the judgment debtor for the unsatisfied amount of the judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and requires the limited partnership to pay over to the person to which the charging order was issued any distribution that would otherwise be paid to the judgment debtor. ~~To the extent so charged, the judgment creditor has only the rights of a transferee. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.~~

(b) ~~A charging order constitutes a lien on the judgment debtor's transferable interest. The court may order a foreclosure upon the interest subject to the charging order at any time. The purchaser at the foreclosure sale has the rights of a transferee. To the extent necessary to effectuate the collection of distributions pursuant to a charging order in effect under subsection (a), the court may:~~

(1) appoint a receiver of the distributions subject to the charging order, with the power to make all inquiries the judgment debtor might have made; and

(2) make all other orders necessary to give effect to the charging order.

1966           (c) Upon a showing that distributions under a charging order will not pay the judgment  
1967 debt within a reasonable time, the court may foreclose the lien and order the sale of the  
1968 transferable interest. The purchaser at the foreclosure sale only obtains the transferable interest,  
1969 does not thereby become a partner, and is subject to Section 502.

1970           (d) At any time before foreclosure under subsection (c), the partner or transferee whose  
1971 transferable interest is subject to a charging order under subsection (a) may extinguish the  
1972 charging order by satisfying the judgment and filing a certified copy of the satisfaction with the  
1973 court that issued the charging order.

1974           ~~(e)~~ (e) At any time before foreclosure under subsection (c), a limited partnership or one or  
1975 more partners whose transferable interests are not subject to the charging order may pay to the  
1976 judgment creditor the full amount due under the judgment and thereby succeed to the rights of  
1977 the judgment creditor, including the charging order. ~~an interest charged may be redeemed:~~

1978                     ~~(1) by the judgment debtor;~~

1979                     ~~(2) with property other than limited partnership property, by one or more of the~~  
1980 ~~other partners; or~~

1981                     ~~(3) with limited partnership property, by the limited partnership with the consent~~  
1982 ~~of all partners whose interests are not so charged.~~

1983           ~~(d)~~ (f) This [act] does not deprive any partner or transferee of the benefit of any  
1984 exemption laws applicable to the partner's or transferee's transferable interest.

1985           ~~(e)~~ (g) This section provides the exclusive remedy by which ~~a judgment creditor of a~~  
1986 person seeking to enforce a judgment against a partner or transferee may, in the capacity of  
1987 judgment creditor, satisfy a judgment ~~out of from~~ the judgment debtor's transferable interest.

**Reporters' Notes**

1988

1989

1990

*Subsection (a)* – Much of the stricken language reappears in subsection (b).

1991

**SECTION 704. POWER OF ESTATE OF DECEASED PARTNER.** If a partner

1992

dies, the deceased partner's personal representative or other legal representative may exercise:

1993

(1) the rights of a transferee ~~as~~ provided in Section 702(c); and,

1994

(2) for the purposes of settling the estate, ~~may exercise~~ the rights of a current limited

1995

partner under Section 304.

1996

1997 [ARTICLE] 8

1998 DISSOLUTION AND WINDING UP

1999 SECTION 801. NONJUDICIAL EVENTS CAUSING DISSOLUTION. ~~Except as~~

2000 ~~otherwise provided in Section 802, a~~ A limited partnership is dissolved, and its activities must  
2001 be wound up, ~~only~~ upon the occurrence of any of the following:

2002 (1) ~~the happening of~~ an event or circumstances that specified in the partnership  
2003 agreement states causes dissolution;

2004 (2) the consent of all general partners and of limited partners owning a majority of the  
2005 rights to receive distributions as limited partners at the time the consent is to be effective;

2006 (3) after the dissociation of a person as a general partner:

2007 (A) if the ~~limited~~ partnership has at least one remaining general partner, the  
2008 consent to dissolve the ~~limited~~ partnership given within 90 days after the dissociation by partners  
2009 owning a majority of the rights to receive distributions as partners at the time the consent is to be  
2010 effective; or

2011 (B) if the ~~limited~~ partnership does not have a remaining general partner, the  
2012 passage of 90 days after the dissociation, unless before the end of the period:

2013 (i) consent to continue the activities of the ~~limited~~ partnership and admit at  
2014 least one general partner is given by limited partners owning a majority of the rights to receive  
2015 distributions as limited partners at the time the consent is to be effective; and

2016 (ii) at least one person is admitted as a general partner in accordance with  
2017 the consent;

2018 (4) the passage of consecutive 90 days after the dissociation of the ~~limited~~ partnership's  
2019 last limited partner, unless before the end of the period the ~~limited~~ partnership admits at least one

2020 limited partner;

2021 (5) on application by a partner, the entry by [appropriate court] of an order dissolving the  
2022 partnership on the grounds that it is not reasonably practicable to carry on the activities of the  
2023 limited partnership in conformity with the partnership agreement; or

2024 ~~(5)~~ (6) the signing and filing of a declaration of dissolution by the [Secretary of State]  
2025 under Section 809~~(e)~~ **TBD**.

2026 ~~**SECTION 802. JUDICIAL DISSOLUTION.** On application by a partner the~~  
2027 ~~[appropriate court] may order dissolution of a limited partnership if it is not reasonably~~  
2028 ~~practicable to carry on the activities of the limited partnership in conformity with the partnership~~  
2029 ~~agreement.~~

2030 **SECTION 803 802. WINDING UP.**

2031 (a) A dissolved limited partnership shall wind up its activities, and except as provided in  
2032 Section 803 the partnership continues after dissolution only for the purpose of winding up its  
2033 activities.

2034 (b) In winding up its activities, the limited partnership:

2035 (1) shall discharge the partnership's debts, obligations, and other liabilities, settle  
2036 and close the company's activities, and marshal and distribute the assets of the company; and

2037 (2) may:

2038 (A) amend its certificate of limited partnership to state that the limited  
2039 partnership is dissolved; ;

2040 (B) preserve the limited partnership business or activities and property as a  
2041 going concern for a reasonable time; ;

2042 (C) prosecute and defend actions and proceedings, whether civil, criminal,

2043 or administrative; ;

2044 (D) transfer the ~~limited~~ partnership's property; ;

2045 (E) settle disputes by mediation or arbitration; ;

2046 (F) deliver to the [Secretary of State] for filing ~~file~~ a statement of

2047 termination ~~as provided in Section 203, stating the name of the partnership and that the~~

2048 ~~partnership is terminated;~~ and;

2049 (G) perform other ~~necessary~~ acts; ~~and necessary and appropriate to the~~

2050 ~~winding up.~~

2051 ~~(2) shall discharge the limited partnership's liabilities, settle and close the limited~~

2052 ~~partnership's activities, and marshal and distribute the assets of the partnership.~~

2053 (c) If a dissolved limited partnership does not have a general partner, a person to wind up

2054 the dissolved ~~limited~~ partnership's activities may be appointed by the consent of limited partners

2055 owning a majority of the rights to receive distributions as limited partners at the time the consent

2056 is to be effective. A person appointed under this subsection:

2057 (1) has the powers of a general partner under Section 804 ~~but shall not be liable~~

2058 ~~for the debts, obligations, and other liabilities of the partnership solely by reason of having or~~

2059 ~~exercising those powers or otherwise acting to wind up the dissolved partnership's activities;~~ and

2060 (2) shall promptly ~~amend~~ deliver to the [Secretary of State] for filing an

2061 ~~amendment to~~ the certificate of limited partnership to ~~state stating~~:

2062 (A) that the ~~limited~~ partnership does not have a general partner;

2063 (B) the name ~~and street and mailing address~~ of the person; ~~and~~

2064 (C) that ~~the person~~ has been ~~appointed pursuant to this subsection~~ to wind

2065 up the ~~limited~~ partnership; ~~and~~

2066 ~~(C) the street and mailing address of the person.~~

2067 (d) On the application of any partner, the [appropriate court] may order judicial  
2068 supervision of the winding up of a dissolved limited partnership, including the appointment of a  
2069 person to wind up the dissolved ~~limited~~ partnership's activities, if:

2070 (1) ~~a the limited~~ partnership does not have a general partner and within a  
2071 reasonable time following the dissolution no person has been appointed pursuant to subsection  
2072 (c); or

2073 (2) the applicant establishes other good cause.

2074 **Reporters' Notes**

2075  
2076 *Former subsection (a)(2)* – relocated to subsection (a)(1) to conform to HULLCA.

2077  
2078 *Subsection (c)(1)* – added language is to parallel conceptually HULLPA, sec. 702(d)(1)  
2079 (“deemed to be a manager for the purposes of Section 304(a)” – the liability shield).

2080  
2081 **SECTION 803. RESCINDING DISSOLUTION.**

2082 (a) A limited partnership may rescind its dissolution under subsection (b), unless a  
2083 statement of termination pertaining to the company has become effective, the [appropriate court]  
2084 has entered an order under Section 801(5) dissolving the company, or the [secretary of state] has  
2085 dissolved the company under Section TBD. If a partnership rescinds its dissolution, the  
2086 partnership resumes carrying on its business as if dissolution had never occurred, and any  
2087 liability incurred by the company after the dissolution and before the rescission is determined as  
2088 if dissolution had never occurred. However, the rights of a third party arising out of conduct in  
2089 reliance on the dissolution before the third party knew or received a notification of the rescission  
2090 may not be adversely affected.

2091 (b) Rescinding dissolution under this section requires:

2092 (1) the consent of each partner;  
2093 (2) if a statement of dissolution pertaining to the limited partnership has been filed  
2094 by the [Secretary of State] but has not become effective, the filing by the partnership of a  
2095 statement of withdrawal under Section TBD pertaining to the statement of dissolution; and  
2096 (3) if a statement of dissolution pertaining to the partnership is effective, the filing  
2097 by the partnership of a statement of correction under Section TBD stating that dissolution has  
2098 been rescinded under this section.

2099 **SECTION 804. POWER OF GENERAL PARTNER AND PERSON**  
2100 **DISSOCIATED AS GENERAL PARTNER TO BIND PARTNERSHIP AFTER**  
2101 **DISSOLUTION.**

2102 (a) A limited partnership is bound by a general partner's act after dissolution which:

2103 (1) is appropriate for winding up the ~~limited~~ partnership's activities; or

2104 (2) would have bound the ~~limited~~ partnership under Section 402 before

2105 dissolution, if, at the time the other party enters into the transaction, the other party does not have  
2106 notice of the dissolution.

2107 (b) A person dissociated as a general partner binds a limited partnership through an act  
2108 occurring after dissolution if:

2109 (1) at the time the other party enters into the transaction:

2110 (A) less than two years has passed since the dissociation; and

2111 (B) the other party does not have notice of the dissociation and reasonably  
2112 believes that the person is a general partner; and

2113 (2) the act:

2114 (A) is appropriate for winding up the ~~limited~~ partnership's activities; or



2115 (B) would have bound the ~~limited~~ partnership under Section 402 before  
2116 dissolution and at the time the other party enters into the transaction the other party does not  
2117 have notice of the dissolution.

2118 **SECTION 805. LIABILITY AFTER DISSOLUTION OF GENERAL PARTNER**  
2119 **AND PERSON DISSOCIATED AS GENERAL PARTNER TO LIMITED**  
2120 **PARTNERSHIP, OTHER GENERAL PARTNERS, AND PERSONS ~~PERSON~~**  
2121 **DISSOCIATED AS GENERAL PARTNER.**

2122 (a) If a general partner having knowledge of the dissolution causes a limited partnership  
2123 to incur an obligation under Section 804(a) by an act that is not appropriate for winding up the  
2124 partnership's activities, the general partner is liable:

2125 (1) to the ~~limited~~ partnership for any damage caused to the ~~limited~~ partnership  
2126 arising from the obligation; and

2127 (2) if another general partner or a person dissociated as a general partner is liable  
2128 for the obligation, to that other general partner or person for any damage caused to that other  
2129 general partner or person arising from the liability.

2130 (b) If a person dissociated as a general partner causes a limited partnership to incur an  
2131 obligation under Section 804(b), the person is liable:

2132 (1) to the ~~limited~~ partnership for any damage caused to the ~~limited~~ partnership  
2133 arising from the obligation; and

2134 (2) if a general partner or another person dissociated as a general partner is liable  
2135 for the obligation, to the general partner or other person for any damage caused to the general  
2136 partner or other person arising from the liability.

**SECTION 806. KNOWN CLAIMS AGAINST DISSOLVED LIMITED  
PARTNERSHIP.**

(a) ~~A~~ Except as otherwise provided in subsection (d), a dissolved limited partnership may ~~dispose of the known claims against it by following the procedure described in subsection (b)~~ give notice of a known claim under subsection (b), which has the effect as provided in subsection (c).

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

- (1) specify the information required to be included in a claim;
- (2) provide a mailing address to which the claim is to be sent;
- (3) state the deadline for receipt of the claim, which may not be less than 120 days after the date the notice is received by the claimant;
- (4) state that the claim will be barred if not received by the deadline; and
- (5) unless the ~~limited~~ partnership has been throughout its existence a limited liability limited partnership, state that the barring of a claim against the ~~limited~~ partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner which is based on Section 404.

(c) A claim against a dissolved limited partnership is barred if the requirements of subsection (b) are met and:

- (1) the claim is not received by the specified deadline; or
- (2) ~~in the case of a~~ if the claim ~~that~~ is timely received but rejected by the ~~dissolved limited~~ partnership:

(A) the partnership causes the claimant to receive a notice in a record

2160 stating that the claim is rejected and will be barred unless the claimant commences an action  
2161 against the partnership to enforce the claim within 90 days after the claimant receives the notice;  
2162 and

2163 (B) ; the claimant does not commence ~~an~~ the required action ~~to enforce the~~  
2164 claim against the limited partnership within the 90 days ~~after the receipt of the notice of the~~  
2165 rejection.

2166 (d) This section does not apply to a claim based on an event occurring after the effective  
2167 date of dissolution or a liability that on that date is contingent ~~on that date~~.

2168 **SECTION 807. OTHER CLAIMS AGAINST DISSOLVED LIMITED**  
2169 **PARTNERSHIP.**

2170 (a) A dissolved limited partnership may publish notice of its dissolution and request  
2171 persons having claims against the limited partnership to present them in accordance with the  
2172 notice.

2173 (b) The notice must:

2174 (1) be published at least once in a newspaper of general circulation in the [county]  
2175 in this state in which the dissolved limited partnership's principal office is located or, if it has  
2176 none in this ~~State~~ state, in the [county] in which the ~~limited partnership's designated~~ office of the  
2177 partnership's registered agent is or was last located;

2178 (2) describe the information required to be contained in a claim and provide a  
2179 mailing address to which the claim is to be sent;

2180 (3) state that a claim against the limited partnership is barred unless an action to  
2181 enforce the claim is commenced within ~~five~~ three years after publication of the notice; and

2182 (4) unless the limited partnership has been throughout its existence a limited

2183 liability limited partnership, state that the barring of a claim against the ~~limited~~ partnership will  
2184 also bar any corresponding claim against any general partner or person dissociated as a general  
2185 partner which is based on Section 404.

2186 (c) If a dissolved limited partnership publishes a notice in accordance with subsection  
2187 (b), the claim of each of the following claimants is barred unless the claimant commences an  
2188 action to enforce the claim against the dissolved limited partnership within five years after the  
2189 publication date of the notice:

2190 (1) a claimant that did not receive notice in a record under Section 806;

2191 (2) a claimant whose claim was timely sent to the dissolved limited partnership  
2192 but not acted on; and

2193 (3) a claimant whose claim is contingent at, or based on an event occurring after,  
2194 the effective date of dissolution.

2195 (d) A claim not barred under this section or Section 806 may be enforced:

2196 (1) against the dissolved limited partnership, to the extent of its undistributed  
2197 assets;

2198 (2) except as provided in Section 808, if the assets of the partnership have been  
2199 distributed in liquidation after dissolution, against a partner or transferee to the extent of that  
2200 person's proportionate share of the claim or of the limited partnership's assets distributed to the  
2201 partner or transferee in liquidation after dissolution, whichever is less, but a person's total  
2202 liability for all claims under this paragraph does not exceed the total amount of assets distributed  
2203 to the person as part of the winding up of the dissolved limited partnership after dissolution; or  
2204 and

2205 (3) against any person liable on the claim under ~~Section~~ Sections 404 and 607.

2206           **SECTION 808. COURT PROCEEDINGS.**

2207           (a) A dissolved limited partnership that has published a notice under section 806 may file  
2208 an application with the [appropriate court] in the county where the dissolved partnership's  
2209 principal office, or, if none in this state, the office of its registered agent, is located for a  
2210 determination of the amount and form of security to be provided for payment of claims that are  
2211 contingent or have not been made known to the dissolved partnership or that are based on an  
2212 event occurring after the effective date of dissolution but which, based on the facts known to the  
2213 dissolved partnership, are reasonably estimated to arise after the effective date of dissolution.  
2214 Provision need not be made for any claim that is or is reasonably anticipated to be barred under  
2215 section 806(c).

2216           (b) Within 10 days after the filing of the application, notice of the proceeding must be  
2217 given by the dissolved limited partnership to each claimant holding a contingent claim whose  
2218 contingent claim is shown on the records of the dissolved partnership.

2219           (c) The court may appoint a guardian ad litem to represent all claimants whose identities  
2220 are unknown in any proceeding brought under this section. The reasonable fees and expenses of  
2221 such guardian, including all reasonable expert witness fees, must be paid by the dissolved limited  
2222 partnership.

2223           (d) Provision by the dissolved limited partnership for security in the amount and the form  
2224 ordered by the court under subsection (a) satisfies the dissolved partnership's obligations with  
2225 respect to claims that are contingent, have not been made known to the dissolved partnership, or  
2226 are based on an event occurring after the effective date of dissolution, and such claims may not  
2227 be enforced against a partner or transferee that received assets after dissolution.

2228           **SECTION ~~808~~ 809. LIABILITY OF GENERAL PARTNER AND PERSON**  
2229 **DISSOCIATED AS GENERAL PARTNER WHEN CLAIM AGAINST LIMITED**  
2230 **PARTNERSHIP BARRED.** If a claim against a dissolved limited partnership is barred under  
2231 Section 806, ~~or~~ 807, or 808, any corresponding claim under Section 404 ~~or 607~~ is also barred.

2232           **SECTION ~~809~~ 810. ADMINISTRATIVE DISSOLUTION.**

2233           (a) The [Secretary of State] may commence a proceeding under subsections (b) and (c)  
2234 to dissolve a limited partnership administratively if the limited partnership does not, ~~within 60~~  
2235 days after the due date:

2236                   (1) pay any fee, tax, or penalty due required to be paid to the [Secretary of State]  
2237 under this [Act] or other law not later than [six months] after it is due; or

2238                   (2) deliver ~~its annual~~ [an annual] [a biennial] report to the [Secretary of State] not  
2239 later than [six months] after it is due; or

2240                   (3) have a registered agent in this state for [60] consecutive days.

2241           (b) If the [Secretary of State] determines that ~~a ground exists~~ one or more grounds exist  
2242 for administratively dissolving a limited partnership, the [Secretary of State] shall ~~file a record of~~  
2243 the determination and serve the limited partnership with a copy of the filed record pursuant to  
2244 Section 116 with notice in a record of the [Secretary of State's] determination.

2245           (c) If ~~within 60~~ a limited partnership not later than [60] days after service of the ~~copy the~~  
2246 limited partnership notice is effected pursuant to subsection (b) does not correct each ground for  
2247 dissolution or demonstrate to the ~~reasonable~~ satisfaction of the [Secretary of State] that each  
2248 ground determined by the [Secretary of State] does not exist, the [Secretary of State] shall  
2249 administratively dissolve the limited partnership by ~~preparing, signing and filing~~ a declaration of  
2250 dissolution that ~~states~~ recites the grounds for dissolution and its effective date. The [Secretary of

2251 State] shall file the original of the declaration and serve a copy on the limited partnership ~~with a~~  
2252 ~~copy of the filed declaration~~ pursuant to Section 116.

2253 (d) A limited partnership that is dissolved administratively ~~dissolved~~ continues its in  
2254 existence as an entity but may not carry on ~~only~~ any activities except as necessary to wind up its  
2255 activities and liquidate its assets under Sections 803 and ~~812~~ 814, ~~and~~ to notify claimants under  
2256 Sections 806 and 807, or to apply for reinstatement under Section 812.

2257 (e) The administrative dissolution of a limited partnership does not terminate the  
2258 authority of its agent for service of process.

2259 **SECTION ~~810~~ 811. REINSTATEMENT FOLLOWING ADMINISTRATIVE**  
2260 **~~DISSOLUTION.~~**

2261 (a) A limited partnership that ~~has been~~ is dissolved administratively ~~dissolved~~ under  
2262 Section 810 may apply to the [Secretary of State] for reinstatement ~~within two years~~ [not later  
2263 than [two] years after the effective date of dissolution. The application must ~~be delivered to the~~  
2264 ~~[Secretary of State] for filing and~~ state:

2265 (1) the name of the limited partnership at the time of its administrative dissolution  
2266 and, if needed, a different name that satisfies Section ;

2267 (2) the address of the principal office of the limited partnership and the name and  
2268 address of its registered agent; and

2269 (3) the effective date of its administrative the limited partnership's dissolution;

2270 ~~(2)~~ (4) that the grounds for dissolution ~~either~~ did not exist or have been  
2271 eliminated; ~~and~~

2272 ~~(3) that the limited partnership's name satisfies the requirements of Section 108.~~

2273 (b) To be reinstated, a limited partnership must pay all fees, taxes, and penalties that were

2274 due to the [Secretary of State] at the time of its administrative dissolution and all fees, taxes, and  
2275 penalties that would have been due to the [Secretary of State] while the limited partnership was  
2276 dissolved administratively.

2277 ~~(b)~~ (c) If the [Secretary of State] determines that an application contains the information  
2278 required by subsection (a) ~~and~~ is satisfied that the information is correct, and determines that all  
2279 payments to be made to the [Secretary of State] by subsection (b) have been made, the [Secretary  
2280 of State] shall cancel the declaration of dissolution and prepare a statement ~~declaration~~ of  
2281 reinstatement that states ~~this~~ the [Secretary of State's] determination and the effective date of  
2282 reinstatement, sign, and file the original of the ~~declaration of reinstatement~~ statement, and serve a  
2283 copy on the limited partnership ~~with a copy.~~

2284 (c) When reinstatement ~~becomes~~ under this section is effective, it relates back to and  
2285 takes effect as of the effective date of the administrative dissolution, and the limited partnership  
2286 ~~may resume its activities~~ resumes carrying on its business as if the administrative dissolution had  
2287 never occurred, except for the rights of a person arising out of an act or omission in reliance on  
2288 the dissolution before the person knew or had reason to know of the reinstatement.

2289 **SECTION 811 812. APPEAL FROM JUDICIAL REVIEW OF DENIAL OF**  
2290 **REINSTATEMENT.**

2291 (a) If the [Secretary of State] denies a limited partnership's application for reinstatement  
2292 following administrative dissolution, the [Secretary of State] shall serve the limited partnership  
2293 with ~~prepare, sign and file a notice in a record~~ that explains the reason or reasons for the denial  
2294 ~~and serve the limited partnership with a copy of the notice.~~

2295 ~~(b) Within 30 days after service of the notice of denial, the limited partnership may~~  
2296 ~~appeal from the denial of reinstatement by petitioning the [appropriate court] to set aside the~~



dissolution. The petition must be served on the [Secretary of State] and contain a copy of the [Secretary of State's] declaration of dissolution, the limited partnership's application for reinstatement, and the [Secretary of State's] notice of denial.

(c) The court may summarily order the [Secretary of State] to reinstate the dissolved limited partnership or may take other action the court considers appropriate.

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

**SECTION 812 813. DISPOSITION OF ASSETS IN WINDING UP LIMITED PARTNERSHIP'S ACTIVITIES; WHEN CONTRIBUTIONS REQUIRED.**

(a) In winding up ~~a limited partnership's~~ its activities, a limited partnership must apply its the assets ~~of the limited partnership~~, including the contributions required by this section, ~~must be applied to satisfy the limited partnership's to discharge its~~ obligations to creditors, including, ~~to the extent permitted by law,~~ partners that are creditors.

(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:

(1) to each person owning a transferable interest that reflects contributions made and not previously returned, an amount equal to the value of the unreturned contributions; and

(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.

(c) If a limited partnership's assets are insufficient to satisfy all of its obligations under subsection (a), with respect to each unsatisfied obligation incurred when the limited partnership

2320 was not a limited liability limited partnership, the following rules apply:

2321                   (1) Each person that was a general partner when the obligation was incurred and  
2322 that has not been released from the obligation under Section 607 shall contribute to the limited  
2323 partnership for the purpose of enabling the limited partnership to satisfy the obligation. The  
2324 contribution due from each of those persons is in proportion to the right to receive distributions  
2325 in the capacity of general partner in effect for each of those persons when the obligation was  
2326 incurred.

2327                   (2) If a person does not contribute the full amount required under paragraph (1)  
2328 with respect to an unsatisfied obligation of the limited partnership, the other persons required to  
2329 contribute by paragraph (1) on account of the obligation shall contribute the additional amount  
2330 necessary to discharge the obligation. The additional contribution due from each of those other  
2331 persons is in proportion to the right to receive distributions in the capacity of general partner in  
2332 effect for each of those other persons when the obligation was incurred.

2333                   (3) If a person does not make the additional contribution required by paragraph  
2334 (2), further additional contributions are determined and due in the same manner as provided in  
2335 that paragraph.

2336                   (d) A person that makes an additional contribution under subsection (c)(2) or (3) may  
2337 recover from any person whose failure to contribute under subsection (c)(1) or (2) necessitated  
2338 the additional contribution. A person may not recover under this subsection more than the  
2339 amount additionally contributed. A person's liability under this subsection may not exceed the  
2340 amount the person failed to contribute.

2341                   (e) If a limited partnership does not have sufficient surplus to comply with subsection  
2342 (b)(1), any surplus must be distributed among the owners of transferable interests in proportion

2343 to the value of the respective unreturned contributions.

2344 (f) All distributions made under subsections (b) and (c) must be paid in money.

2345 The estate of a deceased individual is liable for the person's obligations under this  
2346 section.

2347 (f) An assignee for the benefit of creditors of a limited partnership or a partner, or a  
2348 person appointed by a court to represent creditors of a limited partnership or a partner, may  
2349 enforce a person's obligation to contribute under subsection (e).

2350

2351 [ARTICLE] 9

2352 FOREIGN LIMITED PARTNERSHIPS

2353 SECTION 901. GOVERNING LAW.

2354 (a) The ~~laws~~ law of the ~~State~~ state or other jurisdiction under which a foreign limited  
2355 partnership is ~~organized govern~~ formed governs:

2356 (1) the internal affairs of the partnership; and  
2357 ~~relations among the partners of the foreign limited partnership and between the partners~~  
2358 ~~and the foreign limited partnership and~~

2359 (2) the liability of ~~partners as partners~~ a partner as partner ~~for an~~ a debt,  
2360 obligation, or other liability of the ~~foreign limited~~ partnership.

2361 (b) A foreign limited partnership ~~may~~ is not be denied a certificate of authority by reason  
2362 precluded from registering to do business in this state because of any difference between the  
2363 ~~laws~~ law of the limited partnership's jurisdiction ~~under which the foreign limited partnership is~~  
2364 ~~organized~~ of formation and the ~~laws~~ law of this State.

2365 (c) ~~A certificate of authority~~ Registration of a foreign limited partnership to do business  
2366 in this state does not authorize a ~~foreign limited partnership~~ it to engage in any business or  
2367 exercise any power that a limited partnership may not engage in or exercise in this State.

2368 ~~SECTION 902. APPLICATION FOR CERTIFICATE OF AUTHORITY.~~

2369 ~~(a) A foreign limited partnership may apply for a certificate of authority to transact~~  
2370 ~~business in this State by delivering an application to the [Secretary of State] for filing. The~~  
2371 ~~application must state:~~

2372 ~~(1) the name of the foreign limited partnership and, if the name does not comply~~  
2373 ~~with Section 108, an alternate name adopted pursuant to Section 905(a);~~

2374 ~~(2) the name of the State or other jurisdiction under whose law the foreign limited~~  
2375 ~~partnership is organized;~~

2376 ~~(3) the street and mailing address of the foreign limited partnership's principal~~  
2377 ~~office and, if the laws of the jurisdiction under which the foreign limited partnership is organized~~  
2378 ~~require the foreign limited partnership to maintain an office in that jurisdiction, the street and~~  
2379 ~~mailing address of the required office;~~

2380 ~~(4) the name and street and mailing address of the foreign limited partnership's~~  
2381 ~~initial agent for service of process in this State;~~

2382 ~~(5) the name and street and mailing address of each of the foreign limited~~  
2383 ~~partnership's general partners; and~~

2384 ~~(6) whether the foreign limited partnership is a foreign limited liability limited~~  
2385 ~~partnership.~~

2386 ~~(b) A foreign limited partnership shall deliver with the completed application a~~  
2387 ~~certificate of existence or a record of similar import signed by the [Secretary of State] or other~~  
2388 ~~official having custody of the foreign limited partnership's publicly filed records in the State or~~  
2389 ~~other jurisdiction under whose law the foreign limited partnership is organized.~~

2390 **SECTION 902. REGISTRATION TO DO BUSINESS IN THIS STATE.**

2391 (a) A foreign limited partnership may not do business in this state until it registers with  
2392 the [Secretary of State] under this [article].

2393 (b) A foreign limited partnership doing business in this state may not maintain an action  
2394 or proceeding in this state unless it is registered to do business in this state.

2395 (c) The failure of a foreign limited partnership to register to do business in this state does  
2396 not impair the validity of a contract or act of the foreign limited partnership or preclude it from

2397 defending an action or proceeding in this state.

2398 (d) A partner of a foreign limited partnership is not liable for a debt, obligation, or other  
2399 liability of the limited partnership solely because the limited partnership did business in this state  
2400 without registering to do business in this state.

2401 (e) Section 901(a) and (b) applies even if a foreign limited partnership fails to register  
2402 under this [article].

2403 **Reporters' Notes**

2404 Derived essentially verbatim from HUB § 1-502.

2405 **SECTION 903. FOREIGN REGISTRATION STATEMENT.** To register to do  
2406 business in this state, a foreign limited partnership must deliver a foreign registration statement  
2407 to the [Secretary of State] for filing. The statement must state:

2408 (1) the name of the limited partnership and, if the name does not comply with Section \_\_,  
2409 an alternate name adopted pursuant to Section 906(a);

2410 (2) the name of the jurisdiction under whose law the limited partnership is formed;

2411 (3) the street and mailing addresses of the limited partnership's principal office and, if the  
2412 law of the jurisdiction under which the limited partnership is formed requires the limited  
2413 partnership to maintain an office in that jurisdiction, the street and mailing addresses of the  
2414 required office; and

2415 (4) the name and street and mailing addresses of the limited partnership's registered agent  
2416 in this state.

2417 **Reporters' Notes**

2418 Conformed to HUB § 1-503 (with HUB conformed by using "statement" instead  
2419 "application" in the second sentence).

2420 **SECTION 904. AMENDMENT OF FOREIGN REGISTRATION STATEMENT.**

2421 (a) A registered foreign limited partnership shall deliver to the [Secretary of State] for  
2422 filing an amendment to its foreign registration statement if there is a change in:

2423 (1) the name of the limited partnership;

2424 (2) the name of the jurisdiction under whose law the limited partnership is  
2425 formed;

2426 (3) the address or addresses required by Section 902(3); or

2427 (4) the name or street or mailing addresses of the limited partnership's registered  
2428 agent in this state.

2429 (b) The requirements of Section 903 for an original foreign registration statement apply  
2430 to an amendment of a foreign registration statement under this section.

2431 **Reporters' Notes**

2432 Source: HUB § 1-504.

2433 **SECTION 903 905. ACTIVITIES NOT CONSTITUTING TRANSACTING**  
2434 **DOING BUSINESS.**

2435 (a) Activities of a foreign limited partnership which do not constitute ~~transacting~~ doing  
2436 business in this State ~~within~~ under the meaning of this [article] include:

2437 (1) maintaining, defending, mediating, arbitrating, and settling an action or  
2438 proceeding;

2439 (2) ~~holding meetings of its partners or~~ carrying on any other activity concerning  
2440 its internal affairs, including meetings of its partners;

2441 (3) maintaining accounts in financial institutions;

2442 (4) maintaining offices or agencies for the transfer, exchange, and registration of

2443 the foreign limited partnership's own securities or maintaining trustees or depositories with  
2444 respect to those securities;

2445 (5) selling through independent contractors;

2446 (6) soliciting or obtaining orders, ~~whether by mail or electronic means or through~~  
2447 ~~employees or agents or otherwise~~ by any means, if the orders require acceptance outside this  
2448 State before they become contracts;

2449 (7) creating or acquiring indebtedness, mortgages, or security interests in ~~real or~~  
2450 ~~personal~~ property;

2451 (8) securing or collecting debts or enforcing mortgages or other security interests  
2452 in property securing the debts, and holding, protecting, and maintaining property ~~so acquired~~;

2453 (9) conducting an isolated transaction that is ~~completed within 30 days and is not~~  
2454 ~~one~~ in the course of similar transactions of a like manner; ~~and~~

2455 (10) owning, without more, property; and

2456 (11) transacting doing business in interstate commerce.

2457 (b) ~~For purposes of this [article], the ownership in this State of income producing real~~  
2458 ~~property or tangible personal property, other than property excluded under subsection (a),~~  
2459 ~~constitutes transacting business in this State.~~

2460 (c) This section does not apply in determining the contacts or activities that may subject  
2461 a foreign limited partnership to service of process, taxation, or regulation under ~~any other~~ law of  
2462 this State other than this [act].

2463 **~~SECTION 904. FILING OF CERTIFICATE OF AUTHORITY.~~** Unless the  
2464 ~~[Secretary of State] determines that an application for a certificate of authority does not comply~~  
2465 ~~with the filing requirements of this [Act], the [Secretary of State], upon payment of all filing~~



~~fees, shall file the application, prepare, sign and file a certificate of authority to transact business in this State, and send a copy of the filed certificate, together with a receipt for the fees, to the foreign limited partnership or its representative.~~

**SECTION ~~905~~ 906. NONCOMPLYING NAME OF FOREIGN LIMITED PARTNERSHIP.**

(a) A foreign limited partnership whose name does not comply with Section 108 may not ~~obtain a certificate of authority~~ register to do business in this state until it adopts, for the purpose of ~~transacting~~ doing business in this State, an alternate name that complies with Section 108. A foreign limited partnership that ~~adopts~~ registers under an alternate name under this subsection ~~and then obtains a certificate of authority with the name~~ need not comply with [the state's fictitious name statute]. After ~~obtaining a certificate of authority~~ registering to do business in this state with an alternate name, a foreign limited partnership ~~shall transact~~ may do business in this State under:

(1) the alternate name;  
(2) the name in the jurisdiction under whose law the limited partnership is formed,  
with that jurisdiction clearly identified; or

(3) ~~unless an assumed or fictitious name~~ the foreign limited partnership is authorized to use under [the state's fictitious name statute] ~~to transact business in this State under another name.~~

(b) If a foreign limited partnership authorized registered to transact do business in this State changes its name to one that does not comply with Section 108, it may not ~~thereafter transact~~ do business in this State until it complies with subsection (a) ~~and obtains an amended certificate of authority~~ by amending its registration to adopt an alternate name that complies with

2489 Section 108.

2490 **SECTION 907. WITHDRAWAL DEEMED ON CONVERSION TO DOMESTIC**  
2491 **FILING ENTITY OR DOMESTIC LIMITED LIABILITY PARTNERSHIP.** A registered  
2492 foreign limited partnership that converts to a domestic limited liability partnership or to a  
2493 domestic entity that is organized, incorporated, or otherwise formed through the delivery of a  
2494 record to the [Secretary of State] for filing is deemed to have withdrawn its registration on the  
2495 effective date of the conversion.

2496 **Reporters' Notes**

2497 From HUB § 1-508.

2498 **SECTION 908. WITHDRAWAL ON CONVERSION TO NONFILING ENTITY**  
2499 **OTHER THAN LIMITED LIABILITY PARTNERSHIP.**

2500 (a) When a foreign registered limited partnership converts to a domestic or foreign entity  
2501 that is not organized, incorporated, or otherwise formed through the public filing of a record,  
2502 other than a limited liability partnership, the domestic or foreign entity shall deliver a statement  
2503 of withdrawal to the [Secretary of State] for filing. The statement must state:

2504 (1) the name of the foreign limited partnership and the name of the jurisdiction  
2505 under whose law it was formed before the conversion;

2506 (2) the type of entity to which it has converted and the jurisdiction whose laws  
2507 govern the entity's internal affairs;

2508 (3) that the foreign or domestic entity surrenders the foreign limited partnership's  
2509 registration to do business in this state;

2510 (4) that the domestic or foreign entity revokes the authority of the registered agent  
2511 of the foreign limited partnership to accept service on the limited partnership's behalf; and

2512                   (5) a mailing address to which service of process may be made under subsection

2513   (b).

2514                   (b) After a withdrawal is effective under this section, service of process in any action or  
2515   proceeding based on a cause of action arising during the time the foreign limited partnership was  
2516   registered to do business in this state may be made pursuant to Section 911(b).

2517                   **Reporters' Notes**

2518                   From HUB § 1-509.

2519

2520                   **SECTION 909. TRANSFER OF REGISTRATION.**

2521                   (a) When a registered foreign limited partnership has merged into a foreign entity that is  
2522   not registered to do business in this state or has converted to a foreign entity required to register  
2523   with the [Secretary of State] to do business in this state, the foreign entity shall deliver to the  
2524   [Secretary of State] for filing an application for transfer of registration. The application must  
2525   state:

2526                   (1) the name of the registered foreign limited partnership before the merger or  
2527   conversion;

2528                   (2) that before the merger or conversion the registration pertained to a foreign  
2529   limited partnership;

2530                   (3) the name of the applicant foreign entity into which the foreign limited  
2531   partnership has merged or to which it has been converted, and, if the name does not comply with  
2532   Section 108, an alternate name adopted pursuant to Section 906(a);

2533                   (4) the type of entity of the applicant foreign entity and the jurisdiction whose law  
2534   governs its internal affairs;

2535                   (5) the street and mailing address of the principal office of the applicant foreign

2536 entity and, if the law of the entity's jurisdiction of formation requires the entity to maintain an  
2537 office in that jurisdiction, the street and mailing address of that office; and

2538 (6) the name and street and mailing address of the applicant foreign entity's  
2539 registered agent in this state.

2540 (b) When an application for transfer of registration takes effect, the registration of the  
2541 foreign limited partnership to do business in this state is transferred without interruption to the  
2542 foreign entity into which the foreign limited partnership has merged or to which it has been  
2543 converted.

#### 2544 **Reporters' Notes**

2545 Patterned after HUB § 1-510(a) and (b).

#### 2546 **SECTION ~~906~~ 910. REVOCATION OF CERTIFICATE OF AUTHORITY**

#### 2547 **TERMINATION OF REGISTRATION.**

2548 (a) ~~A certificate of authority~~ The [Secretary of State] may terminate the registration of a  
2549 foreign limited partnership to ~~transact~~ do business in this State ~~may be revoked by the [Secretary~~  
2550 ~~of State]~~ in the manner provided in subsections (b) and (c) if the foreign limited partnership does  
2551 not:

2552 (1) pay, ~~within~~ not later than 60 days after the due date, any fee, tax or penalty  
2553 ~~due~~ required to be paid to the [Secretary of State] under this [Act] or ~~other~~ law other than this  
2554 [act];

2555 (2) deliver to the [Secretary of State] for filing, within not later than 60 days after  
2556 the due date, its annual report required under Section 210;

2557 (3) ~~appoint~~ designate and maintain ~~an~~ a registered agent ~~for service of process~~ as  
2558 required by Section 114(b); or

2559 (4) deliver to the [Secretary of State] for filing a statement of a change under  
2560 Section 115 within 30 days after a change has occurred in the name or address of the registered  
2561 agent.

2562 (b) ~~In order to revoke a certificate of authority, the~~ The [Secretary of State] may  
2563 terminate the registration of a foreign limited partnership by filing a notice of termination or  
2564 noting the termination in the records of the [Secretary of State] and by sending ~~must prepare,~~  
2565 ~~sign, and file a notice of revocation and send~~ a copy of the notice or the information in the  
2566 notation to the foreign limited partnership's registered agent ~~for service of process~~ in this State,  
2567 or if the foreign limited partnership does not ~~appoint and~~ maintain a proper registered agent in  
2568 this State, to the foreign limited partnership's ~~designated~~ principal office. The notice or notated  
2569 information must state:

2570 (1) the ~~revocation's~~ effective date of the revocation, which must be at least ~~60~~  
2571 days [60 days] after the date the [Secretary of State] sends the copy; and

2572 (2) ~~the foreign limited partnership's failures to comply with subsection (a) which~~  
2573 ~~are the reason for the revocation~~ the grounds for termination under subsection (a).

2574 (c) The authority of the foreign limited partnership to transact do business in this State  
2575 ceases on the effective date of the notice of ~~revocation~~ termination or notated information unless  
2576 before that date the foreign limited partnership cures each ~~failure to comply with subsection (a)~~  
2577 ~~stated in the notice~~ ground for termination stated in the notice of termination or the notated  
2578 information. If the foreign limited partnership cures ~~the failures~~ each ground, the [Secretary of  
2579 State] shall ~~so indicate on the filed notice~~ file a record so stating.

**~~SECTION 907. CANCELLATION OF CERTIFICATE OF AUTHORITY;  
EFFECT OF FAILURE TO HAVE CERTIFICATE.~~**

~~(a) In order to cancel its certificate of authority to transact business in this State, a foreign limited partnership must deliver to the [Secretary of State] for filing a notice of cancellation. The certificate is canceled when the notice becomes effective under Section 206.~~

~~(b) A foreign limited partnership transacting business in this State may not maintain an action or proceeding in this State unless it has a certificate of authority to transact business in this State.~~

~~(c) The failure of a foreign limited partnership to have a certificate of authority to transact business in this State does not impair the validity of a contract or act of the foreign limited partnership or prevent the foreign limited partnership from defending an action or proceeding in this State.~~

~~(d) A partner of a foreign limited partnership is not liable for the obligations of the foreign limited partnership solely by reason of the foreign limited partnership's having transacted business in this State without a certificate of authority.~~

~~(e) If a foreign limited partnership transacts business in this State without a certificate of authority or cancels its certificate of authority, it appoints the [Secretary of State] as its agent for service of process for rights of action arising out of the transaction of business in this State.~~

**SECTION 911. WITHDRAWAL OF REGISTRATION OF REGISTERED  
FOREIGN LIMITED PARTNERSHIP.**

(a) A registered foreign limited partnership may withdraw its registration by delivering a statement of withdrawal to the [Secretary of State] for filing. The statement of withdrawal must state:

2603                   (1) the name of the foreign limited partnership and the name of the jurisdiction  
2604 under whose law it is formed;  
2605                   (2) that the foreign limited partnership is not doing business in this state and that  
2606 it withdraws its registration to do business in this state;  
2607                   (3) that the foreign limited partnership revokes the authority of its registered agent  
2608 to accept service on its behalf; and  
2609                   (4) an address to which service of process may be made under subsection (b).  
2610                   (b) After the withdrawal of the registration of a foreign limited partnership, service of  
2611 process in any action or proceeding based on a cause of action arising during the time the limited  
2612 partnership was registered to do business in this state may be made pursuant to Section 116.

2613                   **Reporters' Notes**

2614                   Conformed to HUB § 1-507.

2615                   **SECTION 908 912. ACTION BY [ATTORNEY GENERAL].** The [Attorney General]  
2616 may maintain an action to ~~restrain~~ enjoin a foreign limited partnership from ~~transacting~~ doing  
2617 business in this ~~State~~ state in violation of this [~~article~~ act].

2618

2619 [ARTICLE] 10

2620 ACTIONS BY PARTNERS

2621 SECTION 1001. DIRECT ACTION BY PARTNER.

2622 (a) Subject to subsection (b), a partner may maintain a direct action against another  
2623 partner or the limited partnership ~~or another partner for legal or equitable relief~~, with or without  
2624 an accounting as to the partnership's activities, to enforce the partner's rights and otherwise  
2625 protect the partner's interests ~~of the partner~~, including rights and interests under the partnership  
2626 agreement or this [act] or arising independently of the partnership relationship.

2627 (b) A partner ~~commencing~~ maintaining a direct action under this section ~~is required to~~  
2628 must plead and prove an actual or threatened injury that is not solely the result of an injury  
2629 suffered or threatened to be suffered by the limited partnership.

2630 (c) ~~The accrual of, and any time limitation on, a right of action for a remedy under this~~  
2631 ~~section is governed by other law.~~ A right to an accounting upon a dissolution and winding up  
2632 does not revive a claim barred by law.

2633 SECTION 1002. DERIVATIVE ACTION. A partner may maintain a derivative  
2634 action to enforce a right of a limited partnership if:

2635 (1) the partner first makes a demand on the general partners, requesting that they cause  
2636 the limited partnership to bring an action to enforce the right, and the general partners do not  
2637 bring the action within a reasonable time; or

2638 (2) a demand under paragraph (1) would be futile.

2639 SECTION 1003. PROPER PLAINTIFF. A derivative action may be maintained only  
2640 by a person that is a partner at the time the action is commenced and:

2641 (1) that was a partner when the conduct giving rise to the action occurred; or



(2) whose status as a partner devolved upon the person by operation of law or pursuant to the terms of the partnership agreement from a person that was a partner at the time of the conduct.

**SECTION 1004. PLEADING.** In a derivative action, the complaint must state with particularity:

(1) the date and content of plaintiff's demand and the general partners' response to the demand; or

(2) why demand should be excused as futile.

**SECTION 1005. SPECIAL LITIGATION COMMITTEE.**

(a) If a limited partnership is named as or made a party in a derivative proceeding, the partnership may appoint a special litigation committee to investigate the claims asserted in the proceeding and determine whether pursuing the action is in the best interests of the partnership. If the partnership appoints a special litigation committee, on motion by the committee made in the name of the partnership, except for good cause shown, the court shall stay discovery for the time reasonably necessary to permit the committee to make its investigation. This subsection does not prevent the court from enforcing a person's right to information under Section 304 or 407 or, for good cause shown, granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.

(b) A special litigation committee may be composed of one or more disinterested and independent individuals, who may be partners.

(c) A special litigation committee may be appointed:

(1) by a majority of the general partners not named as defendants or plaintiffs in the proceeding; and

(2) if all general partners are named as defendants or plaintiffs in the proceeding,  
by a majority of the general partners named as defendants.

(d) After appropriate investigation, a special litigation committee may determine that it is  
in the best interests of the limited partnership that the proceeding:

(1) continue under the control of the plaintiff;

(2) continue under the control of the committee;

(3) be settled on terms approved by the committee; or

(4) be dismissed.

(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 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.

**SECTION ~~1005~~ 1006. PROCEEDS AND EXPENSES.**

(a) Except as otherwise provided in subsection (b):

(1) any proceeds or other benefits of a derivative action, whether by judgment,  
compromise, or settlement, belong to the limited partnership and not to the ~~derivative~~ plaintiff;  
and

2688 (2) if the ~~derivative~~ plaintiff receives any proceeds, the ~~derivative~~ plaintiff shall  
2689 ~~immediately~~ remit them immediately to the ~~limited~~ partnership.

2690 (b) If a derivative action is successful in whole or in part, the court may award the  
2691 plaintiff reasonable expenses, including reasonable attorney's fees, from the recovery of the  
2692 limited partnership.

2693

2694 [ARTICLE] 11

2695 ~~CONVERSION AND MERGER, INTEREST EXCHANGE, CONVERSION, AND~~  
2696 DOMESTICATION

2697 ~~SECTION 1101. DEFINITIONS.~~ In this [article]:

2698 (1) ~~“Constituent limited partnership” means a constituent organization that is a limited~~  
2699 ~~partnership.~~

2700 (2) ~~“Constituent organization” means an organization that is party to a merger.~~

2701 (3) ~~“Converted organization” means the organization into which a converting~~  
2702 ~~organization converts pursuant to Sections 1102 through 1105.~~

2703 (4) ~~“Converting limited partnership” means a converting organization that is a limited~~  
2704 ~~partnership.~~

2705 (5) ~~“Converting organization” means an organization that converts into another~~  
2706 ~~organization pursuant to Section 1102.~~

2707 (6) ~~“General partner” means a general partner of a limited partnership.~~

2708 (7) ~~“Governing statute” of an organization means the statute that governs the~~  
2709 ~~organization’s internal affairs.~~

2710 (8) ~~“Organization” means a general partnership, including a limited liability partnership;~~  
2711 ~~limited partnership, including a limited liability limited partnership; limited liability company;~~  
2712 ~~business trust; corporation; or any other person having a governing statute. The term includes~~  
2713 ~~domestic and foreign organizations whether or not organized for profit.~~

2714 (9) ~~“Organizational documents” means:~~

2715 (A) ~~for a domestic or foreign general partnership, its partnership agreement;~~

2716 (B) ~~for a limited partnership or foreign limited partnership, its certificate of~~

2717 ~~limited partnership and partnership agreement;~~

2718 ~~(C) for a domestic or foreign limited liability company, its articles of organization~~  
2719 ~~and operating agreement, or comparable records as provided in its governing statute;~~

2720 ~~(D) for a business trust, its agreement of trust and declaration of trust;~~

2721 ~~(E) for a domestic or foreign corporation for profit, its articles of incorporation,~~  
2722 ~~bylaws, and other agreements among its shareholders which are authorized by its governing~~  
2723 ~~statute, or comparable records as provided in its governing statute; and~~

2724 ~~(F) for any other organization, the basic records that create the organization and~~  
2725 ~~determine its internal governance and the relations among the persons that own it, have an~~  
2726 ~~interest in it, or are members of it.~~

2727 ~~(10) “Personal liability” means personal liability for a debt, liability, or other obligation~~  
2728 ~~of an organization which is imposed on a person that co-owns, has an interest in, or is a member~~  
2729 ~~of the organization:~~

2730 ~~(A) by the organization’s governing statute solely by reason of the person co-~~  
2731 ~~owning, having an interest in, or being a member of the organization; or~~

2732 ~~(B) by the organization’s organizational documents under a provision of the~~  
2733 ~~organization’s governing statute authorizing those documents to make one or more specified~~  
2734 ~~persons liable for all or specified debts, liabilities, and other obligations of the organization~~  
2735 ~~solely by reason of the person or persons co-owning, having an interest in, or being a member of~~  
2736 ~~the organization.~~

2737 ~~(11) “Surviving organization” means an organization into which one or more other~~  
2738 ~~organizations are merged. A surviving organization may preexist the merger or be created by the~~  
2739 ~~merger.~~

2740           **~~SECTION 1102. CONVERSION.~~**

2741           ~~(a) An organization other than a limited partnership may convert to a limited partnership,~~  
2742           ~~and a limited partnership may convert to another organization pursuant to this section and~~  
2743           ~~Sections 1103 through 1105 and a plan of conversion, if:~~

- 2744                     ~~(1) the other organization's governing statute authorizes the conversion;~~  
2745                     ~~(2) the conversion is not prohibited by the law of the jurisdiction that enacted the~~  
2746           ~~governing statute; and~~  
2747                     ~~(3) the other organization complies with its governing statute in effecting the~~  
2748           ~~conversion.~~

2749           ~~(b) A plan of conversion must be in a record and must include:~~

- 2750                     ~~(1) the name and form of the organization before conversion;~~  
2751                     ~~(2) the name and form of the organization after conversion;~~  
2752                     ~~(3) the terms and conditions of the conversion, including the manner and basis for~~  
2753           ~~converting interests in the converting organization into any combination of money, interests in~~  
2754           ~~the converted organization, and other consideration; and~~  
2755                     ~~(4) the organizational documents of the converted organization.~~

2756           **~~SECTION 1103. ACTION ON PLAN OF CONVERSION BY CONVERTING~~**  
2757           **~~LIMITED PARTNERSHIP.~~**

2758           ~~(a) Subject to Section 1110, a plan of conversion must be consented to by all the partners~~  
2759           ~~of a converting limited partnership.~~

2760           ~~(b) Subject to Section 1110 and any contractual rights, after a conversion is approved,~~  
2761           ~~and at any time before a filing is made under Section 1104, a converting limited partnership may~~  
2762           ~~amend the plan or abandon the planned conversion.~~

2763 (1) as provided in the plan; and  
2764 (2) except as prohibited by the plan, by the same consent as was required to  
2765 approve the plan.

2766 **~~SECTION 1104. FILINGS REQUIRED FOR CONVERSION; EFFECTIVE~~**  
2767 **~~DATE.~~**

2768 (a) ~~After a plan of conversion is approved:~~

2769 (1) ~~a converting limited partnership shall deliver to the [Secretary of State] for~~  
2770 ~~filing articles of conversion, which must include:~~

2771 (A) ~~a statement that the limited partnership has been converted into~~  
2772 ~~another organization;~~

2773 (B) ~~the name and form of the organization and the jurisdiction of its~~  
2774 ~~governing statute;~~

2775 (C) ~~the date the conversion is effective under the governing statute of the~~  
2776 ~~converted organization;~~

2777 (D) ~~a statement that the conversion was approved as required by this~~  
2778 ~~[Act];~~

2779 (E) ~~a statement that the conversion was approved as required by the~~  
2780 ~~governing statute of the converted organization; and~~

2781 (F) ~~if the converted organization is a foreign organization not authorized~~  
2782 ~~to transact business in this State, the street and mailing address of an office which the [Secretary~~  
2783 ~~of State] may use for the purposes of Section 1105(c); and~~

2784 (2) ~~if the converting organization is not a converting limited partnership, the~~  
2785 ~~converting organization shall deliver to the [Secretary of State] for filing a certificate of limited~~

2786 ~~partnership, which must include, in addition to the information required by Section 201:~~

2787 ~~(A) a statement that the limited partnership was converted from another~~  
2788 ~~organization;~~

2789 ~~(B) the name and form of the organization and the jurisdiction of its~~  
2790 ~~governing statute; and~~

2791 ~~(C) a statement that the conversion was approved in a manner that~~  
2792 ~~complied with the organization's governing statute.~~

2793 ~~(b) A conversion becomes effective:~~

2794 ~~(1) if the converted organization is a limited partnership, when the certificate of~~  
2795 ~~limited partnership takes effect; and~~

2796 ~~(2) if the converted organization is not a limited partnership, as provided by the~~  
2797 ~~governing statute of the converted organization.~~

2798 **~~SECTION 1105. EFFECT OF CONVERSION.~~**

2799 ~~(a) An organization that has been converted pursuant to this [article] is for all purposes~~  
2800 ~~the same entity that existed before the conversion.~~

2801 ~~(b) When a conversion takes effect:~~

2802 ~~(1) all property owned by the converting organization remains vested in the~~  
2803 ~~converted organization;~~

2804 ~~(2) all debts, liabilities, and other obligations of the converting organization~~  
2805 ~~continue as obligations of the converted organization;~~

2806 ~~(3) an action or proceeding pending by or against the converting organization may~~  
2807 ~~be continued as if the conversion had not occurred;~~

2808 ~~(4) except as prohibited by other law, all of the rights, privileges, immunities,~~



2809 powers, and purposes of the converting organization remain vested in the converted  
2810 organization;

2811 (5) except as otherwise provided in the plan of conversion, the terms and  
2812 conditions of the plan of conversion take effect; and

2813 (6) except as otherwise agreed, the conversion does not dissolve a converting  
2814 limited partnership for the purposes of [Article] 8.

2815 (c) ~~A converted organization that is a foreign organization consents to the jurisdiction of~~  
2816 ~~the courts of this State to enforce any obligation owed by the converting limited partnership, if~~  
2817 ~~before the conversion the converting limited partnership was subject to suit in this State on the~~  
2818 ~~obligation. A converted organization that is a foreign organization and not authorized to transact~~  
2819 ~~business in this State appoints the [Secretary of State] as its agent for service of process for~~  
2820 ~~purposes of enforcing an obligation under this subsection. Service on the [Secretary of State]~~  
2821 ~~under this subsection is made in the same manner and with the same consequences as in Section~~  
2822 ~~117(c) and (d).~~

2823 **~~SECTION 1106. MERGER.~~**

2824 (a) ~~A limited partnership may merge with one or more other constituent organizations~~  
2825 ~~pursuant to this section and Sections 1107 through 1109 and a plan of merger, if:~~

2826 (1) ~~the governing statute of each of the other organizations authorizes the merger;~~

2827 (2) ~~the merger is not prohibited by the law of a jurisdiction that enacted any of~~  
2828 ~~those governing statutes; and~~

2829 (3) ~~each of the other organizations complies with its governing statute in effecting~~  
2830 ~~the merger.~~

2831 (b) ~~A plan of merger must be in a record and must include:~~

(1) ~~the name and form of each constituent organization;~~

(2) ~~the name and form of the surviving organization and, if the surviving organization is to be created by the merger, a statement to that effect;~~

(3) ~~the terms and conditions of the merger, including the manner and basis for converting the interests in each constituent organization into any combination of money, interests in the surviving organization, and other consideration;~~

(4) ~~if the surviving organization is to be created by the merger, the surviving organization's organizational documents; and~~

(5) ~~if the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents.~~

**~~SECTION 1107. ACTION ON PLAN OF MERGER BY CONSTITUENT LIMITED PARTNERSHIP.~~**

(a) ~~Subject to Section 1110, a plan of merger must be consented to by all the partners of a constituent limited partnership.~~

(b) ~~Subject to Section 1110 and any contractual rights, after a merger is approved, and at any time before a filing is made under Section 1108, a constituent limited partnership may amend the plan or abandon the planned merger:~~

(1) ~~as provided in the plan; and~~

(2) ~~except as prohibited by the plan, with the same consent as was required to approve the plan.~~

**~~SECTION 1108. FILINGS REQUIRED FOR MERGER; EFFECTIVE DATE.~~**

(a) ~~After each constituent organization has approved a merger, articles of merger must be signed on behalf of:~~

2855                   (1) ~~each preexisting constituent limited partnership, by each general partner listed~~  
2856 ~~in the certificate of limited partnership; and~~

2857                   (2) ~~each other preexisting constituent organization, by an authorized~~  
2858 ~~representative.~~

2859               (b) ~~The articles of merger must include:~~

2860                   (1) ~~the name and form of each constituent organization and the jurisdiction of its~~  
2861 ~~governing statute;~~

2862                   (2) ~~the name and form of the surviving organization, the jurisdiction of its~~  
2863 ~~governing statute, and, if the surviving organization is created by the merger, a statement to that~~  
2864 ~~effect;~~

2865                   (3) ~~the date the merger is effective under the governing statute of the surviving~~  
2866 ~~organization;~~

2867                   (4) ~~if the surviving organization is to be created by the merger:~~

2868                               (A) ~~if it will be a limited partnership, the limited partnership's certificate~~  
2869 ~~of limited partnership; or~~

2870                               (B) ~~if it will be an organization other than a limited partnership, the~~  
2871 ~~organizational document that creates the organization;~~

2872                   (5) ~~if the surviving organization preexists the merger, any amendments provided~~  
2873 ~~for in the plan of merger for the organizational document that created the organization;~~

2874                   (6) ~~a statement as to each constituent organization that the merger was approved~~  
2875 ~~as required by the organization's governing statute;~~

2876                   (7) ~~if the surviving organization is a foreign organization not authorized to~~  
2877 ~~transact business in this State, the street and mailing address of an office which the [Secretary of~~

2878 State] may use for the purposes of Section 1109(b); and

2879 (8) any additional information required by the governing statute of any constituent  
2880 organization.

2881 (c) Each constituent limited partnership shall deliver the articles of merger for filing in  
2882 the [office of the Secretary of State].

2883 (d) A merger becomes effective under this [article]:

2884 (1) if the surviving organization is a limited partnership, upon the later of:

2885 (A) compliance with subsection (c); or

2886 (B) subject to Section 206(c), as specified in the articles of merger; or

2887 (2) if the surviving organization is not a limited partnership, as provided by the  
2888 governing statute of the surviving organization.

2889 **SECTION 1109. EFFECT OF MERGER.**

2890 (a) When a merger becomes effective:

2891 (1) the surviving organization continues or comes into existence;

2892 (2) each constituent organization that merges into the surviving organization  
2893 ceases to exist as a separate entity;

2894 (3) all property owned by each constituent organization that ceases to exist vests  
2895 in the surviving organization;

2896 (4) all debts, liabilities, and other obligations of each constituent organization that  
2897 ceases to exist continue as obligations of the surviving organization;

2898 (5) an action or proceeding pending by or against any constituent organization  
2899 that ceases to exist may be continued as if the merger had not occurred;

2900 (6) except as prohibited by other law, all of the rights, privileges, immunities,

2901 ~~powers, and purposes of each constituent organization that ceases to exist vest in the surviving~~  
2902 ~~organization;~~

2903 ~~(7) except as otherwise provided in the plan of merger, the terms and conditions~~  
2904 ~~of the plan of merger take effect;~~

2905 ~~(8) except as otherwise agreed, if a constituent limited partnership ceases to exist,~~  
2906 ~~the merger does not dissolve the limited partnership for the purposes of [Article] 8;~~

2907 ~~(9) if the surviving organization is created by the merger:~~

2908 ~~(A) if it is a limited partnership, the certificate of limited partnership~~  
2909 ~~becomes effective; or~~

2910 ~~(B) if it is an organization other than a limited partnership, the~~  
2911 ~~organizational document that creates the organization becomes effective; and~~

2912 ~~(10) if the surviving organization preexists the merger, any amendments provided~~  
2913 ~~for in the articles of merger for the organizational document that created the organization become~~  
2914 ~~effective.~~

2915 ~~(b) A surviving organization that is a foreign organization consents to the jurisdiction of~~  
2916 ~~the courts of this State to enforce any obligation owed by a constituent organization, if before the~~  
2917 ~~merger the constituent organization was subject to suit in this State on the obligation. A~~  
2918 ~~surviving organization that is a foreign organization and not authorized to transact business in~~  
2919 ~~this State appoints the [Secretary of State] as its agent for service of process for the purposes of~~  
2920 ~~enforcing an obligation under this subsection. Service on the [Secretary of State] under this~~  
2921 ~~subsection is made in the same manner and with the same consequences as in Section 117(c) and~~  
2922 ~~(d).~~

**~~SECTION 1110. RESTRICTIONS ON APPROVAL OF CONVERSIONS AND  
MERGERS AND ON RELINQUISHING LLLP STATUS.~~**

~~(a) If a partner of a converting or constituent limited partnership will have personal liability with respect to a converted or surviving organization, approval and amendment of a plan of conversion or merger are ineffective without the consent of the partner, unless:~~

~~(1) the limited partnership's partnership agreement provides for the approval of the conversion or merger with the consent of fewer than all the partners; and~~

~~(2) the partner has consented to the provision of the partnership agreement.~~

~~(b) An amendment to a certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership is ineffective without the consent of each general partner unless:~~

~~(1) the limited partnership's partnership agreement provides for the amendment with the consent of less than all the general partners; and~~

~~(2) each general partner that does not consent to the amendment has consented to the provision of the partnership agreement.~~

~~(c) A partner does not give the consent required by subsection (a) or (b) merely by consenting to a provision of the partnership agreement which permits the partnership agreement to be amended with the consent of fewer than all the partners.~~

**~~SECTION 1111. LIABILITY OF GENERAL PARTNER AFTER CONVERSION  
OR MERGER.~~**

~~(a) A conversion or merger under this [article] does not discharge any liability under Sections 404 and 607 of a person that was a general partner in or dissociated as a general partner~~

2945 ~~from a converting or constituent limited partnership, but:~~

2946 ~~(1) the provisions of this [Act] pertaining to the collection or discharge of the~~  
2947 ~~liability continue to apply to the liability;~~

2948 ~~(2) for the purposes of applying those provisions, the converted or surviving~~  
2949 ~~organization is deemed to be the converting or constituent limited partnership; and~~

2950 ~~(3) if a person is required to pay any amount under this subsection:~~

2951 ~~(A) the person has a right of contribution from each other person that was~~  
2952 ~~liable as a general partner under Section 404 when the obligation was incurred and has not been~~  
2953 ~~released from the obligation under Section 607; and~~

2954 ~~(B) the contribution due from each of those persons is in proportion to the~~  
2955 ~~right to receive distributions in the capacity of general partner in effect for each of those persons~~  
2956 ~~when the obligation was incurred.~~

2957 ~~(b) In addition to any other liability provided by law:~~

2958 ~~(1) a person that immediately before a conversion or merger became effective was~~  
2959 ~~a general partner in a converting or constituent limited partnership that was not a limited liability~~  
2960 ~~limited partnership is personally liable for each obligation of the converted or surviving~~  
2961 ~~organization arising from a transaction with a third party after the conversion or merger becomes~~  
2962 ~~effective, if, at the time the third party enters into the transaction, the third party:~~

2963 ~~(A) does not have notice of the conversion or merger; and~~

2964 ~~(B) reasonably believes that:~~

2965 ~~(i) the converted or surviving business is the converting or~~  
2966 ~~constituent limited partnership;~~

2967                               (ii) ~~the converting or constituent limited partnership is not a limited~~  
2968 ~~liability limited partnership; and~~

2969                               (iii) ~~the person is a general partner in the converting or constituent~~  
2970 ~~limited partnership; and~~

2971                               (2) ~~a person that was dissociated as a general partner from a converting or~~  
2972 ~~constituent limited partnership before the conversion or merger became effective is personally~~  
2973 ~~liable for each obligation of the converted or surviving organization arising from a transaction~~  
2974 ~~with a third party after the conversion or merger becomes effective, if:~~

2975                               (A) ~~immediately before the conversion or merger became effective the~~  
2976 ~~converting or surviving limited partnership was a not a limited liability limited partnership; and~~

2977                               (B) ~~at the time the third party enters into the transaction less than two~~  
2978 ~~years have passed since the person dissociated as a general partner and the third party:~~

2979                               (i) ~~does not have notice of the dissociation;~~

2980                               (ii) ~~does not have notice of the conversion or merger; and~~

2981                               (iii) ~~reasonably believes that the converted or surviving~~  
2982 ~~organization is the converting or constituent limited partnership, the converting or constituent~~  
2983 ~~limited partnership is not a limited liability limited partnership, and the person is a general~~  
2984 ~~partner in the converting or constituent limited partnership.~~

2985                    ~~**SECTION 1112. POWER OF GENERAL PARTNERS AND PERSONS**~~  
2986 ~~**DISSOCIATED AS GENERAL PARTNERS TO BIND ORGANIZATION AFTER**~~  
2987 ~~**CONVERSION OR MERGER.**~~

2988                    (a) ~~An act of a person that immediately before a conversion or merger became effective~~



2989 ~~was a general partner in a converting or constituent limited partnership binds the converted or~~  
2990 ~~surviving organization after the conversion or merger becomes effective, if:~~

2991 ~~(1) before the conversion or merger became effective, the act would have bound~~  
2992 ~~the converting or constituent limited partnership under Section 402; and~~

2993 ~~(2) at the time the third party enters into the transaction, the third party:~~

2994 ~~(A) does not have notice of the conversion or merger; and~~

2995 ~~(B) reasonably believes that the converted or surviving business is the~~  
2996 ~~converting or constituent limited partnership and that the person is a general partner in the~~  
2997 ~~converting or constituent limited partnership.~~

2998 ~~(b) An act of a person that before a conversion or merger became effective was~~  
2999 ~~dissociated as a general partner from a converting or constituent limited partnership binds the~~  
3000 ~~converted or surviving organization after the conversion or merger becomes effective, if:~~

3001 ~~(1) before the conversion or merger became effective, the act would have bound~~  
3002 ~~the converting or constituent limited partnership under Section 402 if the person had been a~~  
3003 ~~general partner; and~~

3004 ~~(2) at the time the third party enters into the transaction, less than two years have~~  
3005 ~~passed since the person dissociated as a general partner and the third party:~~

3006 ~~(A) does not have notice of the dissociation;~~

3007 ~~(B) does not have notice of the conversion or merger; and~~

3008 ~~(C) reasonably believes that the converted or surviving organization is the~~  
3009 ~~converting or constituent limited partnership and that the person is a general partner in the~~  
3010 ~~converting or constituent limited partnership.~~

~~(c) If a person having knowledge of the conversion or merger causes a converted or surviving organization to incur an obligation under subsection (a) or (b), the person is liable:~~

~~(1) to the converted or surviving organization for any damage caused to the organization arising from the obligation; and~~

~~(2) if another person is liable for the obligation, to that other person for any damage caused to that other person arising from the liability.~~

**SECTION 1113. [ARTICLE] NOT EXCLUSIVE.** This [article] does not preclude an entity from being converted or merged under other law.

## **[PART] 1**

### **GENERAL PROVISIONS**

#### **SECTION 1101. DEFINITIONS.** In this [article]:

(1) “Acquired entity” means the entity, all of one or more classes or series of interests in which are acquired in an interest exchange.

(2) “Acquiring entity” means the entity that acquires all of one or more classes or series of interests of the acquired entity in an interest exchange.

(3) “Conversion” means a transaction authorized by [part] 4.

(4) “Converted entity” means the converting entity as it continues in existence after a conversion.

(5) “Converting entity” means the domestic entity that approves a plan of conversion pursuant to Section 1143 or the foreign entity that approves a conversion pursuant to the law of its jurisdiction of formation.

(6) “Distributional interest” means the right under an unincorporated entity’s organic law

3033 to receive distributions from the entity.

3034 (7) “Domestic”, with respect to a limited partnership, means governed as to its internal  
3035 affairs by the law of this state.

3036 (8) “Domesticated limited partnership” means the domesticating limited partnership as it  
3037 continues in existence after a domestication.

3038 (9) “Domesticating limited partnership” means the domestic limited partnership that  
3039 approves a plan of domestication pursuant to [Section 1153] or the foreign limited partnership  
3040 that approves a domestication pursuant to the law of its jurisdiction of formation.

3041 (10) “Domestication” means a transaction authorized by [part] 5.

3042 (11) “Entity”:

3043 (A) means:

3044 (i) a business corporation;

3045 (ii) a nonprofit corporation;

3046 (iii) a general partnership;

3047 (iv) a limited partnership;

3048 (v) a limited liability company;

3049 [(vi) a general cooperative association;]

3050 (vii) a limited cooperative association;

3051 (viii) an unincorporated nonprofit association;

3052 (ix) a statutory trust, business trust, or common-law business trust; or

3053 (x) any other person that has a legal existence separate from any interest

3054 holder of that person or that has the power to acquire an interest in real property in its own name;

3055 and

3056 (B) does not include:

3057 (i) an individual;

3058 (ii) a testamentary, inter vivos, or charitable trust, except a statutory trust,

3059 business trust, or common-law business trust;

3060 (iii) an association or relationship that is not a partnership solely by reason

3061 of [Section 202(c) of the Revised Uniform Partnership Act] [Section 7 of the Uniform

3062 Partnership Act] or a similar provision of the law of another jurisdiction;

3063 (iv) a decedent's estate; [or]

3064 (v) a government or a governmental subdivision, agency, or

3065 instrumentality [; or] [.]

3066 [(vi) a person excluded under Section 1109.]

3067 (12) "Filing entity" means an entity that is formed by the filing of a public organic

3068 record.

3069 (13) "Foreign" with respect to an entity, means an entity governed as to its internal

3070 affairs by the laws of a jurisdiction other than this state.

3071 (14) "Governance interest" means the right under the organic law or organic rules of an

3072 unincorporated entity, other than as a governor, agent, assignee, or proxy, to:

3073 (A) receive or demand access to information concerning, or the books and

3074 records of, the entity;

3075 (B) vote for the election of the governors of the entity; or

3076 (C) receive notice of or vote on any issue involving the internal affairs of the

3077 entity.

3078 (15) “Governor” means:

3079 (A) a director of a business corporation;

3080 (B) a director or trustee of a nonprofit corporation;

3081 (C) a general partner of a general partnership;

3082 (D) a general partner of a limited partnership;

3083 (E) a manager of a manager-managed limited liability company;

3084 (F) a member of a member-managed limited liability company;

3085 [(G) a director of a general cooperative association;]

3086 (H) a director of a limited cooperative association;

3087 (I) a manager of an unincorporated nonprofit association;

3088 (J) a trustee of a statutory trust, business trust, or common-law business trust; or

3089 (K) any other person under whose authority the powers of an entity are exercised

3090 and under whose direction the activities and affairs of the entity are managed pursuant to the

3091 organic law and organic rules of the entity.

3092 (16) “Interest” means:

3093 (A) a share in a business corporation;

3094 (B) a membership in a nonprofit corporation;

3095 (C) a partnership interest in a general partnership;

3096 (D) a partnership interest in a limited partnership;

3097 (E) a membership interest in a limited liability company;

3098 [(F) a share in a general cooperative association;]

3099           (G) a member’s interest in a limited cooperative association;  
3100           (H) a membership in an unincorporated nonprofit association;  
3101           (I) a beneficial interest in a statutory trust, business trust, or common-law business  
3102 trust;  
3103           (J) a governance interest in any other type of unincorporated entity; or  
3104           (K) a distributional interest in an unincorporated entity.  
3105       (17) “Interest holder” means:  
3106           (A) a shareholder of a business corporation;  
3107           (B) a member of a nonprofit corporation;  
3108           (C) a general partner of a general partnership;  
3109           (D) a general partner of a limited partnership;  
3110           (E) a limited partner of a limited partnership;  
3111           (F) a member of a limited liability company;  
3112           [(G) a shareholder of a general cooperative association;]  
3113           (H) a member of a limited cooperative association;  
3114           (I) a member of an unincorporated nonprofit association;  
3115           (J) a beneficiary of a statutory trust, business trust, or common-law business trust;  
3116 or  
3117           (K) any other direct holder of an interest.  
3118       (18) “Interest holder liability” means:  
3119           (A) personal liability for a liability of an entity that is imposed on a person:  
3120                   (i) solely by reason of the status of the person as an interest holder; or

3121 (ii) by the organic rules of the entity that make one or more specified  
3122 interest holders or categories of interest holders liable in their capacity as interest holders for all  
3123 or specified liabilities of the entity; or

3124 (B) an obligation of an interest holder under the organic rules of an entity to  
3125 contribute to the entity.

3126 (19) “Jurisdiction of formation” means the jurisdiction whose law includes the organic  
3127 law of an entity.

3128 (20) “Merger” means a transaction in which two or more merging entities are combined  
3129 into a surviving entity pursuant to a record filed by the [Secretary of State].

3130 (21) “Merging entity” means an entity that is a party to a merger and exists immediately  
3131 before the merger becomes effective.

3132 (22) “Organic law” means the law of an entity’s jurisdiction of formation governing the  
3133 internal affairs of the entity.

3134 (23) “Organic rules” means the public organic record and private organic rules of an  
3135 entity.

3136 (24) “Person” means an individual, business corporation, nonprofit corporation,  
3137 partnership, limited partnership, limited liability company, [general cooperative association,]  
3138 limited cooperative association, unincorporated nonprofit association, statutory trust, business  
3139 trust or common-law business trust, estate, trust, association, joint venture, public corporation,  
3140 government or governmental subdivision, agency, or instrumentality, or any other legal or  
3141 commercial entity.

3142 (25) “Plan” means a plan of merger, interest exchange, conversion, or domestication.

3143           (26) “Private organic rules” mean the rules, whether or not in a record, that govern the  
3144 internal affairs of an entity, are binding on all of its interest holders, and are not part of its public  
3145 organic record, if any. The term includes:

3146                   (A) the bylaws of a business corporation;

3147                   (B) the bylaws of a nonprofit corporation;

3148                   (C) the partnership agreement of a general partnership;

3149                   (D) the partnership agreement of a limited partnership;

3150                   (E) the partnership agreement of a limited liability company;

3151                   [(F) the bylaws of a general cooperative association;]

3152                   (G) the bylaws of a limited cooperative association;

3153                   (H) the governing principles of an unincorporated nonprofit association; and

3154                   (I) the trust instrument of a statutory trust, business trust, or common-law business  
3155 trust.

3156           (27) “Protected agreement” means:

3157                   (A) a record evidencing indebtedness and any related agreement in effect on the  
3158 effective date of this [act];

3159                   (B) an agreement that is binding on an entity on the effective date of this [act];

3160                   (C) the organic rules of an entity in effect on the effective date of this [act]; or

3161                   (D) an agreement that is binding on any of the governors or interest holders of an  
3162 entity on the effective date of this [act].

3163           (28) “Public organic record” means the record the filing of which by the [Secretary of  
3164 State] forms an entity and any amendment to or restatement of that record. The term includes:



3165 (A) the articles of incorporation of a business corporation;  
3166 (B) the articles of incorporation of a nonprofit corporation;  
3167 (C) the certificate of limited partnership of a limited partnership;  
3168 (D) the certificate of organization of a limited liability company;  
3169 [(E) the articles of incorporation of a general cooperative association;]  
3170 (F) the articles of organization of a limited cooperative association; and  
3171 (G) the certificate of trust of a statutory trust, business trust, or common-law  
3172 business trust.

3173 (29) “Registered foreign entity” means a foreign entity that is registered to do business  
3174 or otherwise qualified in this state pursuant to a record filed by the [Secretary of State].

3175           (30) “Surviving entity” means the entity that continues in existence after or is created by  
3176   a merger.

3177 (31) “Type of entity” means a generic form of entity:

3178 (A) recognized at common law; or

3179 (B) formed under an organic law, whether or not some entities formed under that  
3180 organic law are subject to provisions of that law that create different categories of the form of  
3181 entity.

3182 **Reporters' Note**

3183                      Patterned after harmonized META § 102.

3184                    **SECTION 1102. RELATIONSHIP OF [ARTICLE] TO OTHER LAWS.**

3185           This [article] does not authorize an act prohibited by, and does not affect the application  
3186    or requirements of, law other than this [article].

3187 **Reporters' Note**

3188 Patterned after harmonized META § 103(b).

3189 **SECTION 1103. REQUIRED NOTICE OR APPROVAL.**

3190 (a) A domestic or foreign entity that is required to give notice to, or obtain the approval  
3191 of, a governmental agency or officer in order to be a party to a merger must give the notice or  
3192 obtain the approval in order to be a party to an interest exchange, conversion, or domestication.

3193 (b) Property held for a charitable purpose under the law of this state by a domestic or  
3194 foreign entity immediately before a transaction under this [article] becomes effective may not, as  
3195 a result of the transaction, be diverted from the objects for which it was donated, granted, or  
3196 devised unless, to the extent required by or pursuant to the law of this state concerning cy pres or  
3197 other law dealing with nondiversion of charitable assets, the entity obtains an appropriate order  
3198 of [name of court] [the attorney general] specifying the disposition of the property.

3199 **Reporters' Note**

3200 Patterned after harmonized META § 104.

3201 **SECTION 1104. STATUS OF FILINGS.** A filing under this [article] signed by a  
3202 domestic entity becomes part of the public organic record of the entity if the entity's organic law  
3203 provides that similar filings under that law become part of the public organic record of the entity.

3204 **Reporters' Note**

3205 Patterned after harmonized META § 105.

3206 **SECTION 1105. NONEXCLUSIVITY.** The fact that a transaction under this [article]  
3207 produces a certain result does not preclude the same result from being accomplished in any other  
3208 manner permitted by law other than this [article].

3209 **Reporters' Note**

3210 Patterned after harmonized META § 106.

3211 **SECTION 1106. REFERENCE TO EXTERNAL FACTS.** A plan may refer to facts

3212 ascertainable outside of the plan if the manner in which the facts will operate upon the plan is

3213 specified in the plan. The facts may include the occurrence of an event or a determination or

3214 action by a person, whether or not the event, determination, or action is within the control of a

3215 party to the transaction.

3216 **Reporters' Note**

3217 Patterned after harmonized META § 107.

3218 **SECTION 1107. ALTERNATIVE MEANS OF APPROVAL OF**

3219 **TRANSACTIONS.** Except as otherwise provided in the organic law or organic rules of a

3220 domestic entity, approval of a transaction under this [article] by the unanimous vote or consent of

3221 its interest holders satisfies the requirements of this [article] for approval of the transaction.

3222 **Reporters' Note**

3223 Patterned after harmonized META § 108.

3224 **SECTION 1108. APPRAISAL RIGHTS.**

3225 (a) An interest holder of a domestic merging, acquired, or converting entity is entitled to

3226 appraisal rights in connection with the transaction if the interest holder would have been entitled

3227 to appraisal rights under the entity's organic law in connection with a merger in which the

3228 interest of the interest holder was changed, converted, or exchanged unless:

3229 (1) the organic law permits the organic rules to limit the availability of appraisal

3230 rights; and

3231                   (2) the organic rules provide such a limit.

3232                   (b) An interest holder of a domestic merging, acquired, converting, or domesticating

3233 entity is entitled to contractual appraisal rights in connection with a transaction under this

3234 [article] to the extent provided:

3235                   (1) in the entity’s organic rules; or

3236                   (2) in the plan.

3237                   **Reporters’ Note**

3238                   Patterned after harmonized META § 109(a) and (b).

3239                   **[SECTION 1109. EXCLUDED ENTITIES AND TRANSACTIONS.**

3240                   (a) The following entities may not participate in a transaction under this [article]:

3241                   (1)

3242                   (2).

3243                   (b) This [article] may not be used to effect a transaction that:

3244                   (1)

3245                   (2)

3246                   (3).]

3247                   **Reporters’ Note**

3248                   Patterned after harmonized META § 110.

3249                   **[PART] 2**

3250                   **MERGER**

3251                   **SECTION 1121. MERGER AUTHORIZED.**

3252                   (a) By complying with this [part]:

(1) one or more domestic limited partnerships may merge with one or more domestic or foreign entities into a domestic or foreign surviving entity; and

(2) two or more foreign entities may merge into a domestic limited partnership.

(b) By complying with the provisions of this [part] applicable to foreign entities a foreign entity may be a party to a merger under this [part] or may be the surviving entity in such a merger if the merger is authorized by the law of the foreign entity's jurisdiction of formation.

### **Reporters' Note**

Patterned after harmonized META § 201(a), (b), and (d).

### **SECTION 1122. PLAN OF MERGER.**

(a) A domestic limited partnership may become a party to a merger under this [part] 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 formation, and type;

(2) if the surviving entity is to be created in the merger, a statement to that effect and its name, jurisdiction of formation, and type;

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

(4) if the surviving entity exists before the merger, any proposed amendments to its public organic record or to its private organic rules that are, or are proposed to be, in a record;

(5) if the surviving entity is to be created in the merger, its proposed public organic record, if any, and the full text of its private organic rules that are proposed to be in a record;

3275                   (6) the other terms and conditions of the merger; and  
3276                   (7) any other provision required by the law of a merging entity's jurisdiction of  
3277 formation or the organic rules of a merging entity.

3278                   (b) A plan of merger may contain any other provision not prohibited by law.

3279                   **Reporters' Note**

3280                   Patterned after harmonized META § 202.

3281                   **SECTION 1123. APPROVAL OF MERGER.**

3282                   (a) A plan of merger is not effective unless it has been approved:

3283                   (1) by a domestic merging limited partnership, by all of the interest holders of the  
3284 limited partnership entitled to vote on or consent to any matter; and

3285                   (2) in a record, by each partner of a domestic merging limited partnership that  
3286 will have interest holder liability for debts, obligations and other liabilities that arise after the  
3287 merger becomes effective, unless:

3288                   (A) the partnership agreement of the limited partnership provides in a  
3289 record for the approval of a merger in which some or all of its partners become subject to interest  
3290 holder liability by the vote or consent of fewer than all of the interest holders; and

3291                   (B) the partner voted for or consented in a record to that provision of the  
3292 partnership agreement or became a partner after the adoption of that provision.

3293                   (b) A merger involving a domestic merging entity that is not a limited partnership is not  
3294 effective unless the merger is approved by that entity in accordance with its organic law.

3295                   (c) A merger involving a foreign merging entity is not effective unless the merger is  
3296 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of

3297 formation.

3298 **Reporters' Note**

3299 Subsections (a) is a simplified version of harmonized META § 203(a). Subsection (b) is  
3300 new and supplies some of the provisions of harmonized META § 203(a). Subsection (c) is  
3301 patterned after harmonized META § 203(b).

3302 **SECTION 1124. AMENDMENT OR ABANDONMENT OF PLAN OF MERGER.**

3303 (a) A plan of merger of a domestic merging limited partnership may be amended:

3304 (1) in the same manner as the plan was approved, if the plan does not provide for  
3305 the manner in which it may be amended; or

3306 (2) by the partners in the manner provided in the plan, but a partner that was  
3307 entitled to vote on or consent to approval of the merger is entitled to vote on or consent to any  
3308 amendment of the plan that will change:

3309 (A) the amount or kind of interests, securities, obligations, rights to  
3310 acquire interests or securities, cash, or other property, or any combination of the foregoing, to be  
3311 received by the interest holders of any party to the plan;

3312 (B) the public organic record or private organic rules of the surviving  
3313 entity that will be in effect immediately after the merger becomes effective, except for changes  
3314 that do not require approval of the interest holders of the surviving entity under its organic law or  
3315 organic rules; or

3316 (C) any other terms or conditions of the plan, if the change would  
3317 adversely affect the partner in any material respect.

3318 (b) After a plan of merger has been approved by a domestic merging limited partnership  
3319 and before a statement of merger becomes effective, the plan may be abandoned:

3320                   (1) as provided in the plan; or  
3321                   (2) unless prohibited by the plan, in the same manner as the plan was approved.  
3322                   (c) If a plan of merger is abandoned after a statement of merger has been delivered to the  
3323 [Secretary of State] for filing and before the statement becomes effective, a statement of  
3324 abandonment, signed by a merging entity, must be delivered to the [Secretary of State] for filing  
3325 before the statement of merger becomes effective. The statement of abandonment takes effect  
3326 upon filing, and the merger is abandoned and does not become effective. The statement of  
3327 abandonment must contain:  
3328                   (1) the name of each merging or surviving entity that is a domestic entity or a  
3329 qualified foreign entity;  
3330                   (2) the date on which the statement of merger was delivered to the [Secretary of  
3331 State] for filing; and  
3332                   (3) a statement that the merger has been abandoned in accordance with this  
3333 section.

3334                   **Reporters' Note**

3335                   Patterned after harmonized META § 204.

3336                   **SECTION 1125. STATEMENT OF MERGER.**

3337                   (a) A statement of merger must be signed by each merging entity and delivered to the  
3338 [Secretary of State] for filing.  
3339                   (b) A statement of merger must contain:  
3340                   (1) the name, jurisdiction of formation, and type of each merging entity that is  
3341 not the surviving entity;



3342                   (2) the name, jurisdiction of formation, and type of the surviving entity;  
3343                   (3) if the statement of merger is not to be effective upon filing, the later date and  
3344 time on which it will become effective pursuant to Section 1126;  
3345                   (4) a statement that the merger was approved by each domestic merging entity, if  
3346 any, in accordance with this [part] and by each foreign merging entity, if any, in accordance with  
3347 the law of its jurisdiction of formation;  
3348                   (5) if the surviving entity exists before the merger and is a domestic filing entity,  
3349 any amendment to its public organic record approved as part of the plan of merger;  
3350                   (6) if the surviving entity is created by the merger and is a domestic filing entity,  
3351 its public organic record, as an attachment;  
3352                   (7) if the surviving entity is created by the merger and is a domestic limited  
3353 liability partnership, its [statement of qualification], as an attachment; and  
3354                   (8) if the surviving entity is a foreign entity that is not a qualified foreign entity, a  
3355 mailing address to which the [Secretary of State] may send any process served on the [Secretary  
3356 of State] pursuant to Section 1126(e).  
3357                   (c) In addition to the requirements of subsection (b), a statement of merger may contain  
3358 any other provision not prohibited by law.  
3359                   (d) If the surviving entity is a domestic entity, its public organic record, if any, must  
3360 satisfy the requirements of the law of this state, except that it does not need to be signed and may  
3361 omit any provision that is not required to be included in a restatement of the public organic  
3362 record.  
3363                   (e) A plan of merger that is signed on behalf of all of the merging entities and meets all

of the requirements of subsection (b) may be delivered to the [Secretary of State] for filing instead of a statement of merger and upon filing has the same effect. If a plan of merger is filed as provided in this subsection, references in this [article] to a statement of merger refer to the plan of merger filed under this subsection.

#### **Reporters' Note**

Patterned after harmonized META § 205.

#### **SECTION 1126. EFFECT OF MERGER.**

(a) When a merger 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, 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 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

3386 to be vested in it;

3387 (7) the name of the surviving entity may be substituted for the name of any  
3388 merging entity that is a party to any pending action or proceeding;

3389 (8) if the surviving entity exists before the merger:

3390 (A) its public organic record, if any, is amended as provided in the  
3391 statement of merger; and

3392 (B) its private organic rules that are to be in a record, if any, are amended  
3393 to the extent provided in the plan of merger;

3394 (9) if the surviving entity is created by the merger:

3395 (A) its public organic record, if any, is effective; and

3396 (B) its private organic rules are effective; and

3397 (10) the interests in each merging entity that are to be converted in the merger are  
3398 converted, and the interest holders of those interests are entitled only to the rights provided to  
3399 them under the plan of merger and to any appraisal rights they have under Section 1108 and the  
3400 merging entity's organic law.

3401 (b) Except as otherwise provided in the organic law or organic rules of a merging entity,  
3402 the merger does not give rise to any rights that an interest holder, governor, or third party would  
3403 otherwise have upon a dissolution, liquidation, or winding-up of the merging entity.

3404 (c) When a merger becomes effective, a person that did not have interest holder liability  
3405 with respect to any of the merging entities and that becomes subject to interest holder liability  
3406 with respect to a domestic entity as a result of a merger has interest holder liability only to the  
3407 extent provided by the organic law of that entity and only for those debts, obligations and other

3408 liabilities that arise after the merger becomes effective.

3409 (d) When a merger becomes effective, the interest holder liability of a person that ceases  
3410 to hold an interest in a domestic merging entity with respect to which the person had interest  
3411 holder liability is as follows:

3412 (1) the merger does not discharge any interest holder liability under the organic  
3413 law of the domestic merging entity to the extent the interest holder liability arose before the  
3414 merger became effective;

3415 (2) the person does not have interest holder liability under the organic law of the  
3416 domestic merging entity for any liability that arises after the merger becomes effective;

3417 (3) the organic law of the domestic merging entity continues to apply to the  
3418 release, collection, or discharge of any interest holder liability preserved under paragraph (1) as  
3419 if the merger had not occurred and the surviving entity were the domestic merging entity; and

3420 (4) the person has whatever rights of contribution from any other person as are  
3421 provided by other law or the organic rules of the domestic merging entity with respect to any  
3422 interest holder liability preserved under paragraph (1) as if the merger had not occurred.

3423 (e) When a merger becomes effective, a foreign entity that is the surviving entity:

3424 (1) may be served with process in this state for the collection and enforcement of  
3425 any debts, obligations or other liabilities of a domestic merging entity; and

3426 (2) appoints the [Secretary of State] as its agent for service of process for  
3427 collecting or enforcing those debts, obligations and other liabilities.

3428 (f) When a merger becomes effective, the registration to do business or other foreign  
3429 qualification in this state of any foreign merging entity that is not the surviving entity is

3430 canceled.

3431 **Reporters' Note**

3432 Patterned after harmonized META § 206.

3433

3434 **[PART] 3**

3435 **INTEREST EXCHANGE**

3436 **SECTION 1131. INTEREST EXCHANGE AUTHORIZED.**

3437 (a) By complying with this [part]:

3438 (1) a domestic limited partnership may acquire all of one or more classes or  
3439 series of interests of another domestic or foreign entity in exchange for interests, securities,  
3440 obligations, rights to acquire interests or securities, cash, or other property, or any combination  
3441 of the foregoing; or

3442 (2) all of one or more classes or series of interests of a domestic limited  
3443 partnership may be acquired by another domestic or foreign entity in exchange for interests,  
3444 securities, obligations, rights to acquire interests or securities, cash, or other property, or any  
3445 combination of the foregoing.

3446 (b) By complying with the provisions of this [part] applicable to foreign entities a  
3447 foreign entity may be the acquiring or acquired entity in an interest exchange under this [part] if  
3448 the interest exchange is authorized by the law of the foreign entity's jurisdiction of formation.

3449 (c) If a protected agreement contains a provision that applies to a merger of a domestic  
3450 limited partnership but does not refer to an interest exchange, the provision applies to an interest  
3451 exchange in which the domestic limited partnership is the acquired entity as if the interest  
3452 exchange were a merger until the provision is amended after the effective date of this [act].

3453 **Reporters' Note**

3454 Patterned after harmonized META § 301(a) – (c) and (e).

3455 **SECTION 1132. PLAN OF INTEREST EXCHANGE.**

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

(1) the name of the acquired entity;

(2) the name, jurisdiction of formation, and type 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, or other property, or any combination of the foregoing;

(4) any proposed amendments to the certificate of limited partnership or partnership agreement 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 partnership agreement of the acquired entity.

(b) A plan of interest exchange may contain any other provision not prohibited by law.

### **Reporters' Note**

Patterned after harmonized META § 302.

### **SECTION 1133. APPROVAL OF INTEREST EXCHANGE.**

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

(1) by all of the interest holders of a domestic acquired limited partnership entitled to vote on or consent to any matter; and

(2) in a record, by each partner of the domestic acquired limited partnership that will have interest holder liability for debts, obligations and other liabilities that arise after the

3478 interest exchange becomes effective, unless:

3479 (A) the partnership agreement of the limited partnership provides in a  
3480 record for the approval of an interest exchange or a merger in which some or all of its partners  
3481 become subject to interest holder liability by the vote or consent of fewer than all of the partners;  
3482 and

3483 (B) the partner voted for or consented in a record to that provision of the  
3484 partnership agreement or became a partner after the adoption of that provision.

3485 (b) An interest exchange involving a domestic acquired entity that is not a limited  
3486 partnership is not effective unless it is approved by the domestic entity in accordance with its  
3487 organic law.

3488 (c) An interest exchange involving a foreign acquired entity is not effective unless it is  
3489 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
3490 formation.

3491 (d) Except as otherwise provided in its organic law or organic rules, the interest holders  
3492 of the acquiring entity are not required to approve the interest exchange.

3493 **Reporters' Note**

3494 Subsection (a) is a simplified version of harmonized META § 303(a). Subsection (b) is  
3495 new and supplies some of the provisions of harmonized META § 303(a). Subsections (c) and (d)  
3496 are patterned after harmonized META § 303(b) and (c).

3497 **SECTION 1134. AMENDMENT OR ABANDONMENT OF PLAN OF INTEREST**  
3498 **EXCHANGE.**

3499 (a) A plan of interest exchange of a domestic acquired limited partnership may be  
3500 amended:



3501                   (1) in the same manner as the plan was approved, if the plan does not provide for  
3502 the manner in which it may be amended; or

3503                   (2) by the partners of the limited partnership in the manner provided in the plan,  
3504 but a partner that was entitled to vote on or consent to approval of the interest exchange is  
3505 entitled to vote on or consent to any amendment of the plan that will change:

3506                   (A) the amount or kind of interests, securities, obligations, rights to  
3507 acquire interests or securities, cash, or other property, or any combination of the foregoing, to be  
3508 received by any of the partners of the acquired limited partnership under the plan;

3509                   (B) the certificate of limited partnership or partnership agreement of the  
3510 acquired limited partnership that will be in effect immediately after the interest exchange  
3511 becomes effective, except for changes that do not require approval of the partners of the acquired  
3512 limited partnership under this Act or the partnership agreement; or

3513                   (C) any other terms or conditions of the plan, if the change would  
3514 adversely affect the partner in any material respect.

3515                   (b) After a plan of interest exchange has been approved by a domestic acquired limited  
3516 partnership and before a statement of interest exchange becomes effective, the plan may be  
3517 abandoned:

3518                   (1) as provided in the plan; or

3519                   (2) unless prohibited by the plan, in the same manner as the plan was approved.

3520                   (c) If a plan of interest exchange is abandoned after a statement of interest exchange has  
3521 been delivered to the [Secretary of State] for filing and before the statement becomes effective, a  
3522 statement of abandonment, signed by the acquired limited partnership, must be delivered to the

3523 [Secretary of State] for filing before the statement of interest exchange becomes effective. The  
3524 statement of abandonment takes effect upon filing, and the interest exchange is abandoned and  
3525 does not become effective. The statement of abandonment must contain:  
3526                   (1) the name of the acquired limited partnership;  
3527                   (2) the date on which the statement of interest exchange was delivered to the  
3528 [Secretary of State] for filing; and  
3529                   (3) a statement that the interest exchange has been abandoned in accordance with  
3530 this section.

3531                   **Reporters' Note**

3532                   Patterned after harmonized META § 304.

3533                   **SECTION 1135. STATEMENT OF INTEREST EXCHANGE.**

3534                   (a) A statement of interest exchange must be signed by a domestic acquired limited  
3535 partnership and delivered to the [Secretary of State] for filing.  
3536                   (b) A statement of interest exchange must contain:  
3537                   (1) the name of the acquired limited partnership;  
3538                   (2) the name, jurisdiction of formation, and type of the acquiring entity;  
3539                   (3) if the statement of interest exchange is not to be effective upon filing, the later  
3540 date and time on which it will become effective pursuant to Section 1136;  
3541                   (4) a statement that the plan of interest exchange was approved by the acquired  
3542 entity in accordance with this [part]; and  
3543                   (5) any amendments to the acquired limited partnership's certificate of limited  
3544 partnership approved as part of the plan of interest exchange.

(c) In addition to the requirements of subsection (b), a statement of interest exchange may contain any other provision not prohibited by law.

(d) A plan of interest exchange that is signed by a domestic acquired limited partnership and meets all of the requirements of subsection (b) may be delivered to the [Secretary of State] for filing instead of a statement of interest exchange and upon filing has the same effect. If a plan of interest exchange is filed as provided in this subsection, references in this [article] to a statement of interest exchange refer to the plan of interest exchange filed under this subsection.

### **Reporters' Note**

Patterned after harmonized META § 305(a) – (d).

### **SECTION 1136. EFFECT OF INTEREST EXCHANGE.**

(a) When an interest exchange in which the acquired entity is a domestic limited partnership becomes effective:

(1) the interests in the domestic acquired limited partnership that are the subject of the interest exchange cease to exist or are converted or exchanged, and the partners holding those interests are entitled only to the rights provided to them under the plan of interest exchange and to any appraisal rights they have under Section 1108;

(2) the acquiring entity becomes the holder of the interests in the acquired entity stated in the plan of interest exchange to be acquired by the acquiring entity;

(3) the certificate of limited partnership of the acquired entity is amended as provided in the statement of interest exchange; and

(4) the provisions of the partnership agreement of the acquired entity that are to be in a record, if any, are amended to the extent provided in the plan of interest exchange.

3567 (b) Except as otherwise provided in the partnership agreement of a domestic acquired  
3568 limited partnership, the interest exchange does not give rise to any rights that a partner or third  
3569 party would otherwise have upon a dissolution, liquidation, or winding-up of the acquired entity.

3570 (c) When an interest exchange becomes effective, a person that did not have interest  
3571 holder liability with respect to a domestic acquired limited partnership and that becomes subject  
3572 to interest holder liability with respect to a domestic entity as a result of the interest exchange has  
3573 interest holder liability only to the extent provided by the organic law of the entity and only for  
3574 those debts, obligations and liabilities that arise after the interest exchange becomes effective.

3575 (d) When an interest exchange becomes effective, the interest holder liability of a person  
3576 that ceases to hold an interest in a domestic acquired limited partnership with respect to which  
3577 the person had interest holder liability is as follows:

3578 (1) the interest exchange does not discharge any interest holder liability to the  
3579 extent the interest holder liability arose before the interest exchange became effective;

3580 (2) the person does not have interest holder liability for any liability that arises  
3581 after the interest exchange becomes effective; and

3582 (3) the person has whatever rights of contribution from any other person as are  
3583 provided by other law or the partnership agreement of the acquired entity with respect to any  
3584 interest holder liability preserved under paragraph (1) as if the interest exchange had not  
3585 occurred.

#### 3586 **Reporters' Note**

3587 Patterned after harmonized META § 306.

3588 **[PART] 4**

3589 **CONVERSION**

3590 **SECTION 1141. CONVERSION AUTHORIZED.**

3591 (a) By complying with this [part], a domestic limited partnership may become:

3592 (1) a domestic entity of a different type; or

3593 (2) a foreign entity of a different type, if the conversion is authorized by the law  
3594 of the foreign jurisdiction.

3595 (b) By complying with the provisions of this [part] applicable to foreign entities a  
3596 foreign entity that is not a foreign limited partnership may become a domestic limited partnership  
3597 if the conversion is authorized by the law of the foreign entity's jurisdiction of formation.

3598 (c) If a protected agreement contains a provision that applies to a merger of a domestic  
3599 limited partnership but does not refer to a conversion, the provision applies to a conversion of the  
3600 entity as if the conversion were a merger until the provision is amended after the effective date of  
3601 this [act].

3602 **Reporters' Note**

3603 Patterned after harmonized META § 401.

3604 **SECTION 1142. PLAN OF CONVERSION.**

3605 (a) A domestic limited partnership may convert to a different type of entity under this  
3606 [part] by approving a plan of conversion. The plan must be in a record and contain:

3607 (1) the name of the converting limited partnership;

3608 (2) the name, jurisdiction of formation, and type of the converted entity;

3609 (3) the manner of converting the interests in the converting limited partnership

3610 into interests, securities, obligations, rights to acquire interests or securities, cash, or other  
3611 property, or any combination of the foregoing;

3612 (4) the proposed public organic record of the converted entity if it will be a filing  
3613 entity;

3614 (5) the full text of the private organic rules of the converted entity that are  
3615 proposed to be in a record;

3616 (6) the other terms and conditions of the conversion; and

3617 (7) any other provision required by the law of this state or the partnership  
3618 agreement of the converting limited partnership.

3619 (b) A plan of conversion may contain any other provision not prohibited by law.

3620 **Reporters' Note**

3621 Patterned after harmonized META § 402.

3622 **SECTION 1143. APPROVAL OF CONVERSION.**

3623 (a) A plan of conversion is not effective unless it has been approved:

3624 (1) by a domestic converting limited partnership by all of the partners of the  
3625 limited partnership entitled to vote on or consent to any matter; and

3626 (2) in a record, by each interest holder of a domestic converting limited  
3627 partnership that will have interest holder liability for debts, obligations and other liabilities that  
3628 arise after the conversion becomes effective;

3629 (A) the partnership agreement of the limited partnership provides in a  
3630 record for the approval of a conversion or a merger in which some or all of its interest holders  
3631 become subject to interest holder liability by the vote or consent of fewer than all of the interest

3632 holders; and

3633 (B) the interest holder voted for or consented in a record to that provision  
3634 of the partnership agreement or became an interest holder after the adoption of that provision.

3635 (b) A conversion involving a domestic converting entity that is not a limited partnership  
3636 is not effective unless it is approved by the domestic converting entity in accordance with its  
3637 organic law.

3638 (c) A conversion of a foreign converting entity is not effective unless it is approved by  
3639 the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

3640 **Reporters' Notes**

3641 Subsection (a) is a simplified version of harmonized META § 403(a). Subsection (b) is  
3642 new and supplies some of the provisions of harmonized META § 403(a). Subsection (c) is  
3643 patterned after harmonized META § 403(b).

3644 **SECTION 1144. AMENDMENT OR ABANDONMENT OF PLAN OF**  
3645 **CONVERSION.**

3646 (a) A plan of conversion of a domestic converting limited partnership may be amended:

3647 (1) in the same manner as the plan was approved, if the plan does not provide for  
3648 the manner in which it may be amended; or

3649 (2) by the partners of the entity in the manner provided in the plan, but an interest  
3650 holder that was entitled to vote on or consent to approval of the conversion is entitled to vote on  
3651 or consent to any amendment of the plan that will change:

3652 (A) the amount or kind of interests, securities, obligations, rights to  
3653 acquire interests or securities, cash, or other property, or any combination of the foregoing, to be  
3654 received by any of the interest holders of the converting entity under the plan;

3655 (B) the public organic record or private organic rules of the converted  
3656 entity that will be in effect immediately after the conversion becomes effective, except for  
3657 changes that do not require approval of the interest holders of the converted entity under its  
3658 organic law or organic rules; or

3659 (C) any other terms or conditions of the plan, if the change would  
3660 adversely affect the interest holder in any material respect.

3661 (b) After a plan of conversion has been approved by a domestic converting limited  
3662 partnership and before a statement of conversion becomes effective, the plan may be abandoned:

3663 (1) as provided in the plan; or

3664 (2) unless prohibited by the plan, in the same manner as the plan was approved.

3665 (c) If a plan of conversion is abandoned after a statement of conversion has been  
3666 delivered to the [Secretary of State] for filing and before the filing becomes effective, a statement  
3667 of abandonment, signed by the converting entity, must be delivered to the [Secretary of State] for  
3668 filing before the time the statement of conversion becomes effective. The statement of  
3669 abandonment takes effect upon filing, and the conversion is abandoned and does not become  
3670 effective. The statement of abandonment must contain:

3671 (1) the name of the converting limited partnership;

3672 (2) the date on which the statement of conversion was delivered to the [Secretary  
3673 of State] for filing; and

3674 (3) a statement that the conversion has been abandoned in accordance with this  
3675 section.



3676 **Reporters' Note**

3677 Patterned after harmonized META § 404.

3678 **SECTION 1145. STATEMENT OF CONVERSION.**

3679 (a) A statement of conversion must be signed by the converting entity and delivered to  
3680 the [Secretary of State] for filing.

3681 (b) A statement of conversion must contain:

3682 (1) the name, jurisdiction of formation, and type of the converting entity;

3683 (2) the name, jurisdiction of formation, and type of the converted entity;

3684 (3) if the converting entity is a domestic entity, a statement that the plan of  
3685 conversion was approved in accordance with this [part] or, if the converting entity is a foreign  
3686 entity, a statement that the conversion was approved by the foreign converting entity in  
3687 accordance with the law of its jurisdiction of formation;

3688 (4) if the converted entity is a domestic filing entity, the text of its public organic  
3689 record, as an attachment;

3690 (5) if the converted entity is a domestic limited liability partnership, the text of its  
3691 [statement of qualification], as an attachment; and

3692 (6) if the converted entity is a foreign entity that is not a qualified foreign entity,  
3693 a mailing address to which the [Secretary of State] may send any process served on the  
3694 [Secretary of State] pursuant to Section 1146(e).

3695 (c) In addition to the requirements of subsection (b), a statement of conversion may  
3696 contain any other provision not prohibited by law.

3697 (d) If the converted entity is a domestic entity, its public organic record, if any, must

satisfy the requirements of the law of this state, except that it 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 record.

(e) A plan of conversion that is signed by a domestic converting entity and meets all of the requirements of subsection (b) may be delivered to the [Secretary of State] for filing instead of a statement of conversion and upon filing has the same effect. If a plan of conversion is filed as provided in this subsection, references in this [article] to a statement of conversion refer to the plan of conversion filed under this subsection.

#### **Reporters' Note**

Patterned after harmonized META § 405(a) – (e).

#### **SECTION 1146. EFFECT OF CONVERSION.**

(a) When a conversion in which the converted entity is a domestic limited partnership becomes effective:

(1) the converted entity is:

(A) organized under and subject to this [act]; and

(B) the same entity without interruption as the converting entity;

(2) all property of the converting entity continues to be vested in the converted entity without transfer, reversion, or impairment;

(3) all debts, obligations and liabilities of the converting entity continue as debts, obligations and liabilities of the converted entity;

(4) except as otherwise provided by law or the plan of conversion, all of the rights, privileges, immunities, powers, and purposes of the converting entity remain in the

3720 converted entity;

3721 (5) the name of the converted entity may be substituted for the name of the  
3722 converting entity in any pending action or proceeding;

3723 (6) if a converted entity is a filing entity, its public organic record is effective;

3724 (7) if the converted entity is a limited liability partnership, its [statement of  
3725 qualification] is effective simultaneously;

3726 (8) the private organic rules of the converted entity that are to be in a record, if  
3727 any, approved as part of the plan of conversion are effective; and

3728 (9) the interests in the converting entity are converted, and the interest holders of  
3729 the converting entity are entitled only to the rights provided to them under the plan of conversion  
3730 and to any appraisal rights they have under Section 1108 and the converting entity's organic law.

3731 (b) Except as otherwise provided in the partnership agreement of a domestic converting  
3732 limited partnership, the conversion does not give rise to any rights that a partner, or third party  
3733 would otherwise have upon a dissolution, liquidation, or winding-up of the converting entity.

3734 (c) When a conversion becomes effective, a person that did not have interest holder  
3735 liability with respect to the converting entity and that becomes subject to interest holder liability  
3736 with respect to a domestic entity as a result of a conversion has interest holder liability only to  
3737 the extent provided by the organic law of the entity and only for those debts, obligations and  
3738 liabilities that arise after the conversion becomes effective.

3739 (d) When a conversion becomes effective, the interest holder liability of a person that  
3740 ceases to hold an interest in a domestic limited partnership with respect to which the person had  
3741 interest holder liability is as follows:

3742 (1) the conversion does not discharge any interest holder liability to the extent the  
3743 interest holder liability arose before the conversion became effective;

3744 (2) the person does not have interest holder liability for any liability that arises  
3745 after the conversion becomes effective; and

3746 (3) the person has whatever rights of contribution from any other person as are  
3747 provided by other law or the partnership agreement of the converting entity with respect to any  
3748 interest holder liability preserved under paragraph (1) as if the conversion had not occurred.

3749 (e) When a conversion becomes effective, a foreign entity that is the converted entity:

3750 (1) may be served with process in this state for the collection and enforcement of  
3751 any of its debts, obligations and liabilities; and

3752 (2) appoints the [Secretary of State] as its agent for service of process for  
3753 collecting or enforcing those debts, obligations and liabilities.

3754 (f) If the converting entity is a qualified foreign entity, the registration to do business or  
3755 other foreign qualification in this state of the converting entity is canceled when the conversion  
3756 becomes effective.

3757 (g) A conversion does not require the entity to wind up its affairs and does not constitute  
3758 or cause the dissolution of the entity.

3759 **Reporters' Note**

3760 **Patterned after harmonized META § 406.**

3761 **[PART] 5**

3762 **DOMESTICATION**

3763 **SECTION 1151. DOMESTICATION AUTHORIZED.**

3764 (a) By complying with this [part], a domestic limited partnership may become a foreign  
3765 limited partnership if the domestication is authorized by the law of the foreign jurisdiction.

3766 (b) By complying with the provisions of this [part] applicable to foreign limited  
3767 partnerships a foreign limited partnership may become a domestic limited partnership if the  
3768 domestication is authorized by the law of the foreign limited partnership's jurisdiction of  
3769 formation.

3770 (c) If a protected agreement contains a provision that applies to a merger of a domestic  
3771 limited partnership but does not refer to a domestication, the provision applies to a domestication  
3772 of the limited partnership as if the domestication were a merger until the provision is amended  
3773 after the effective date of this [act].

3774 **Reporters' Note**

3775 Patterned after harmonized META § 501(a) – (c).

3776 **SECTION 1152. PLAN OF DOMESTICATION.**

3777 (a) A domestic limited partnership may become a foreign limited partnership in a  
3778 domestication by approving a plan of domestication. The plan must be in a record and contain:

3779 (1) the name of the domesticating limited partnership;

3780 (2) the name and jurisdiction of formation of the domesticated limited  
3781 partnership;

3782 (3) the manner of converting the interests in the domesticating limited partnership

3783 into interests, securities, obligations, rights to acquire interests or securities, cash, or other  
3784 property, or any combination of the foregoing;

3785 (4) the proposed certificate of limited partnership of the domesticated limited  
3786 partnership;

3787 (5) the full text of the partnership agreement of the domesticated limited  
3788 partnership that are proposed to be in a record;

3789 (6) the other terms and conditions of the domestication; and

3790 (7) any other provision required by the law of this state or the partnership  
3791 agreement of the domesticating limited partnership.

3792 (b) A plan of domestication may contain any other provision not prohibited by law.

3793 **Reporters' Note**

3794 Patterned after harmonized META § 502.

3795 **SECTION 1153. APPROVAL OF DOMESTICATION.**

3796 (a) A plan of domestication of a domestic domesticating limited partnership is not  
3797 effective unless it has been approved:

3798 (1) by all of the partners entitled to vote on or consent to any matter; and

3799 (2) in a record, by each interest holder that will have interest holder liability for  
3800 debts, obligations and liabilities that arise after the domestication becomes effective, unless:

3801 (A) the partnership agreement of the entity in a record provide for the  
3802 approval of a domestication or merger in which some or all of its interest holders become subject  
3803 to interest holder liability by the vote or consent of fewer than all of the interest holders; and

3804 (B) the interest holder voted for or consented in a record to that provision

3805 of the partnership agreement or became an interest holder after the adoption of that provision.

3806 (b) A domestication of a foreign domesticating limited partnership is not effective unless  
3807 it is approved in accordance with the law of the foreign limited partnership's jurisdiction of  
3808 formation.

3809 **Reporters' Note**

3810 Subsection (a) is a simplified version of harmonized META § 503(a). Subsection (b) is  
3811 patterned after harmonized META § 503(b).

3812 **SECTION 1154. AMENDMENT OR ABANDONMENT OF PLAN OF**  
3813 **DOMESTICATION.**

3814 (a) A plan of domestication of a domestic domesticating limited partnership may be  
3815 amended:

3816 (1) in the same manner as the plan was approved, if the plan does not provide for  
3817 the manner in which it may be amended; or

3818 (2) by the partners of the limited partnership in the manner provided in the plan,  
3819 but an interest holder that was entitled to vote on or consent to approval of the domestication is  
3820 entitled to vote on or consent to any amendment of the plan that will change:

3821 (A) the amount or kind of interests, securities, obligations, rights to  
3822 acquire interests or securities, cash, or other property, or any combination of the foregoing, to be  
3823 received by any of the interest holders of the domesticating limited partnership under the plan;

3824 (B) the certificate of limited partnership or partnership agreement of the  
3825 domesticated limited partnership that will be in effect immediately after the domestication  
3826 becomes effective, except for changes that do not require approval of the interest holders of the  
3827 domesticated limited partnership under its organic law or partnership agreement; or

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

(b) After a plan of domestication has been approved by a domestic domesticating limited partnership and before a statement of domestication becomes effective, the plan may be abandoned:

(1) as provided in the plan; or

(2) unless prohibited by the plan, in the same manner as the plan was approved.

(c) If a plan of domestication is abandoned after a statement of domestication has been delivered to the [Secretary of State] for filing and before the filing becomes effective, a statement of abandonment, signed by the limited partnership, must be delivered to the [Secretary of State] for filing before the time the statement of domestication becomes effective. The statement of abandonment takes effect upon filing, and the domestication is abandoned and does not become effective. The statement of abandonment must contain:

(1) the name of the domesticating limited partnership;

(2) the date on which the statement of domestication was delivered to the [Secretary of State] for filing; and

(3) a statement that the domestication has been abandoned in accordance with this section.

#### **Reporters' Note**

Patterned after harmonized META § 504.

#### **SECTION 1155. STATEMENT OF DOMESTICATION.**

(a) A statement of domestication must be signed by the domesticating limited



3850 partnership and delivered to the [Secretary of State] for filing.

3851 (b) A statement of domestication must contain:

3852 (1) the name and jurisdiction of formation of the domesticating limited  
3853 partnership;

3854 (2) the name and jurisdiction of formation of the domesticated limited  
3855 partnership;

3856 (3) if the domesticating limited partnership is a domestic limited partnership, a  
3857 statement that the plan of domestication was approved in accordance with this [part] or, if the  
3858 domesticating limited partnership is a foreign limited partnership, a statement that the  
3859 domestication was approved in accordance with the law of its jurisdiction of formation;

3860 (4) the certificate of limited partnership of the domesticated limited partnership,  
3861 as an attachment; and

3862 (5) if the domesticated foreign limited partnership is not a registered foreign  
3863 limited partnership, a mailing address to which the [Secretary of State] may send any process  
3864 served on the [Secretary of State] pursuant to Section 1156(e).

3865 (c) In addition to the requirements of subsection (b), a statement of domestication may  
3866 contain any other provision not prohibited by law.

3867 (d) The certificate of limited partnership of a domesticated domestic limited partnership  
3868 must satisfy the requirements of the law of this state, except that it does not need to be signed.

3869 (e) A plan of domestication that is signed by a domesticating domestic limited  
3870 partnership and meets all of the requirements of subsection (b) may be delivered to the  
3871 [Secretary of State] for filing instead of a statement of domestication and upon filing has the

same effect. If a plan of domestication is filed as provided in this subsection, references in this [article] to a statement of domestication refer to the plan of domestication filed under this subsection.

#### **Reporters' Note**

Patterned after harmonized META § 505(a) – (e).

#### **SECTION 1156. EFFECT OF DOMESTICATION.**

(a) When a domestication becomes effective:

(1) the domesticated limited partnership is:

(A) organized under and subject to the organic law of the domesticated limited partnership; and

(B) the same entity without interruption as the domesticating limited partnership;

(2) all property of the domesticating limited partnership continues to be vested in the domesticated entity without transfer, reversion, or impairment;

(3) all debts, obligations, and liabilities of the domesticating limited partnership continue as debts, obligations, and liabilities of the domesticated limited partnership;

(4) except as otherwise provided by law or the plan of domestication, all of the rights, privileges, immunities, powers, and purposes of the domesticating limited partnership remain in the domesticated limited partnership;

(5) the name of the domesticated limited partnership may be substituted for the name of the domesticating limited partnership in any pending action or proceeding;

(6) the certificate of limited partnership of the domesticated limited partnership is

3894 effective;

3895 (7) the provisions of the partnership agreement of the domesticated limited  
3896 partnership that are to be in a record, if any, approved as part of the plan of domestication are  
3897 effective; and

3898 (8) the interests in the domesticating limited partnership are converted to the  
3899 extent and as approved in connection with the domestication, and the interest holders of the  
3900 domesticating limited partnership are entitled only to the rights provided to them under the plan  
3901 of domestication and to any appraisal rights they have under Section 1108.

3902 (b) Except as otherwise provided in the organic law or partnership agreement of the  
3903 domesticating limited partnership, the domestication does not give rise to any rights that an  
3904 interest holder or third party would otherwise have upon a dissolution, liquidation, or winding-up  
3905 of the domesticating limited partnership.

3906 (c) When a domestication becomes effective, a person that did not have interest holder  
3907 liability with respect to the domesticating limited partnership and that becomes subject to interest  
3908 holder liability with respect to a domestic entity as a result of the domestication has interest  
3909 holder liability only to the extent provided by the organic law of the entity and only for those  
3910 debts, obligations and other liabilities that arise after the domestication becomes effective.

3911 (d) When a domestication becomes effective:

3912 (1) the domestication does not discharge any interest holder liability under this  
3913 [article] to the extent the interest holder liability arose before the domestication became  
3914 effective;

3915 (2) a person does not have interest holder liability under this [article] for any

debts, obligations, and liabilities that arise after the domestication becomes effective;

(3) a person has whatever rights of contribution from any other person as are provided by other law or the partnership agreement of a domestic domesticating limited partnership with respect to any interest holder liability preserved under paragraph (1) as if the domestication had not occurred.

(e) When a domestication becomes effective, a foreign limited partnership that is the domesticated limited partnership:

(1) may be served with process in this state for the collection and enforcement of any of its debts, obligations, and liabilities; and

(2) appoints the [Secretary of State] as its agent for service of process for collecting or enforcing those debts, obligations and liabilities.

(f) If the domesticating limited partnership is a registered foreign limited partnership, the registration of the limited partnership is canceled when the domestication becomes effective.

(g) A domestication does not require the limited partnership to wind up its affairs and does not constitute or cause the dissolution of the limited partnership.

#### **Reporters' Note**

Patterned after harmonized META § 506.

3934 [ARTICLE] 12

3935 MISCELLANEOUS PROVISIONS

3936 SECTION 1201. RESERVATION OF POWER TO AMEND OR REPEAL. The

3937 [legislature of this state] has power to amend or repeal all or part of this [act] at any time, and all  
3938 domestic and foreign limited partnerships subject to this [act] are governed by the amendment or  
3939 repeal.

3940 ~~SECTION 1201~~ 1202. UNIFORMITY OF APPLICATION AND

3941 CONSTRUCTION. In applying and construing this ~~Uniform Act~~ uniform act, consideration  
3942 must be given to the need to promote uniformity of the law with respect to its subject matter  
3943 among ~~States~~ states that enact it.

3944 ~~SECTION 1202. SEVERABILITY CLAUSE. If any provision of this [Act] or its~~  
3945 ~~application to any person or circumstance is held invalid, the invalidity does not affect other~~  
3946 ~~provisions or applications of this [Act] which can be given effect without the invalid provision or~~  
3947 ~~application, and to this end the provisions of this [Act] are severable.~~

3948 SECTION 1203. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL  
3949 AND NATIONAL COMMERCE ACT. This [Act] modifies, limits, ~~or~~ and supersedes the  
3950 federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et  
3951 seq., but this [Act] does not modify, limit, or supersede Section 101(c) of that ~~Act~~ act, 15 U.S.C.  
3952 Section 7001(c), or authorize electronic delivery of any of the notices described in Section  
3953 103(b) of that ~~Act~~ act, 15 U.S.C. Section 7003(b).

3954 ~~SECTION 1204. EFFECTIVE DATE.~~ This [Act] ~~takes effect [effective date].~~ •

3955 SAVINGS CLAUSE. This [act] does not affect an action commenced, proceeding brought, or

[right accrued before this \[act\] takes effect.](#)

**SECTION 1205. REPEALS.** Effective [all-inclusive date], the following acts and parts of acts are repealed: [the State Limited Partnership Act as amended and in effect immediately before the effective date of this [Act]].

**SECTION ~~1206~~ 1205. APPLICATION TO EXISTING RELATIONSHIPS.**

(a) Before [all-inclusive date], this [act] governs only:

(1) a limited partnership formed on or after [the effective date of this [act]]; and

(2) except as otherwise provided in subsections (c) and (d), a limited partnership formed before [the effective date of this [act]] which elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to this [act].

(b) Except as otherwise provided in subsection (c), on and after [all-inclusive date] this [act] governs all limited partnerships.

(c) With respect to a limited partnership formed before [the effective date of this [act]], the following rules apply except as the partners otherwise elect in the manner provided in the partnership agreement or by law for amending the partnership agreement:

(1) Section 104(c) does not apply and the limited partnership has whatever duration it had under the law applicable immediately before [the effective date of this [Act]].

(2) the limited partnership is not required to amend its certificate of limited partnership to comply with Section 201(a)(4).

(3) Sections 601 and 602 do not apply and a limited partner has the same right and power to dissociate from the limited partnership, with the same consequences, as existed

3978 immediately before [the effective date of this [Act]].

3979 (4) Section 603(4) does not apply.

3980 (5) Section 603(5) does not apply and a court has the same power to expel a  
3981 general partner as the court had immediately before [the effective date of this [Act]].

3982 (6) Section 801(3) does not apply and the connection between a person's  
3983 dissociation as a general partner and the dissolution of the limited partnership is the same as  
3984 existed immediately before [the effective date of this [act]].

3985 (d) With respect to a limited partnership that elects pursuant to subsection (a)(2) to be  
3986 subject to this [Act], after the election takes effect the provisions of this [Act] relating to the  
3987 liability of the limited partnership's general partners to third parties apply:

3988 (1) before [all-inclusive date], to:

3989 (A) a third party that had not done business with the limited partnership in  
3990 the year before the election took effect; and

3991 (B) a third party that had done business with the limited partnership in the  
3992 year before the election took effect only if the third party knows or has received a notification of  
3993 the election; and

3994 (2) on and after [all-inclusive date], to all third parties, but those provisions  
3995 remain inapplicable to any obligation incurred while those provisions were inapplicable under  
3996 paragraph (1)(B).

3997 ***Legislative Note:*** *In a State that has previously amended its existing limited partnership statute*  
3998 *to provide for limited liability limited partnerships (LLLPs), this Act should include transition*  
3999 *provisions specifically applicable to preexisting limited liability limited partnerships. The*  
4000 *precise wording of those provisions must depend on the wording of the State's previously*  
4001 *enacted LLLP provisions. However, the following principles apply generally:*

4002       1. In Sections 806(b)(5) and 807(b)(4) (notice by dissolved limited partnership to  
4003 claimants), the phrase “the limited partnership has been throughout its existence a limited  
4004 liability limited partnership” should be revised to encompass a limited partnership that was  
4005 a limited liability limited partnership under the State’s previously enacted LLLP provisions.

4006       2. Section 1206(d) should provide that, if a preexisting limited liability limited  
4007 partnership elects to be subject to this Act, this Act’s provisions relating to the liability of  
4008 general partners to third parties apply immediately to all third parties, regardless of whether  
4009 a third party has previously done business with the limited liability limited partnership.

4010       3. A preexisting limited liability limited partnership that elects to be subject to this Act  
4011 should have to comply with Sections 201(a)(4) (requiring the certificate of limited  
4012 partnership to state whether the limited partnership is a limited liability limited partnership)  
4013 and 108(c) (establishing name requirements for a limited liability limited partnership).

4014       4. As for Section 1206(b) (providing that, after a transition period, this Act applies to all  
4015 preexisting limited partnerships):

4016       a. if a State’s previously enacted LLLP provisions have requirements essentially the same  
4017 as Sections 201(a)(4) and 108(c), preexisting limited liability limited partnerships should  
4018 automatically retain LLLP status under this Act.

4019       b. if a State’s previously enacted LLLP provisions have name requirements essentially  
4020 the same as Section 108(c) and provide that a public filing other than the certificate of  
4021 limited partnership establishes a limited partnership’s status as a limited liability limited  
4022 partnership:

4023       i. that filing can be deemed to an amendment to the certificate of limited partnership to  
4024 comply with Section 201(a)(4), and

4025       ii. preexisting limited liability limited partnerships should automatically retain LLLP  
4026 status under this Act.

4027       c. if a State’s previously enacted LLLP provisions do not have name requirements  
4028 essentially the same as Section 108(c), it will be impossible both to enforce Section 108(c)  
4029 and provide for automatic transition to LLLP status under this Act.

4030  
4031       **SECTION 1206. REPEALS.** The following acts and parts of acts are repealed:

4032       (1) [the State Limited Partnership Act as [amended, and as] in effect immediately before  
4033 [the effective date of this [Act]].

4034       (2) . . . .



4035 [\(3\) . . . .](#)

4036 **SECTION 1207. EFFECTIVE DATE.** This [Act] takes effect ...